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: 93493134027944

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

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

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

C Name of organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Doing Business As
METHODIST REHABILITATION CENTER

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1350 EAST WOODROW WILSON

City or town, state or country, and ZIP + 4
JACKSON, MS 39216

D Employer identification number
23-7067206

E Telephone number
(601) 364-3367

G Gross receipts $ 56,847,687

F Name and address of principal officer
MARK ADAMS
1350 EAST WOODROW WILSON
JACKSON, MS 39216

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 MMRCREHAB ORG

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

L Year of formation 1969

M State of legal domicile MS

Part I Summary

1 Briefly describe the organization's mission or most significant activities
MISSISSIPPI METHODIST REHABILITATION CENTER PROVIDES COMPREHENSIVE MEDICAL REHABILITATION SERVICES TO HELP PEOPLE RECOVER ABILITIES AND QUALITY OF LIFE AFTER A STROKE, SPINAL CORD INJURY, TRAUMATIC BRAIN INJURY, NEUROLOGICAL DISEASE OR ORTHOPEDIC DISORDER SINCE 1975, METHODIST REHAB HAS TREATED MORE THAN 1,000 PERSONS PER YEAR IN ITS STATE-OF-THE-ART INPATIENT REHABILITATION HOSPITAL, AND TENS OF THOUSANDS PER YEAR IN OUTPATIENT CARE FACILITIES THE CENTER ALSO PROVIDES HOUSING FOR SEVERELY DISABLED PERSONS, AND A HOST OF SUPPORT SERVICES TO ADDRESS THE LIFELONG NEEDS OF DISABLED CITIZENS IT IS THE ONLY REHABILITATION CENTER IN THE STATE AND REGION THAT PROVIDES THIS COMPREHENSIVE LEVEL OF REHABILITATION CARE

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	17
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	768
6	Total number of volunteers (estimate if necessary)	**6**	169
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	5,803
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	4,803

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	696,495	667,131
	9 Program service revenue (Part VIII, line 2g)	44,897,691	48,627,412
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-70,819	61,825
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,869,353	3,446,914
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	50,392,720	52,803,282
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	52,050	30,300
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	33,984,963	33,854,312
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	16,846,361	17,290,382
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	50,883,374	51,174,994
	19 Revenue less expenses Subtract line 18 from line 12	-490,654	1,628,288

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	75,976,895	78,210,674
	21 Total liabilities (Part X, line 26)	10,970,276	10,621,253
	22 Net assets or fund balances Subtract line 21 from line 20	65,006,619	67,589,421

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

****** | 2014-05-13
Signature of officer | Date

MARK ADAMS PRESIDENT/CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MARSHA H DIECKMAN CPA		2014-05-13		P00246741

Firm's name ▶ HORNE LLP | Firm's EIN ▶ 20-1941244

Firm's address ▶ 1020 HIGHLAND COLONY PKWY STE 400
RIDGELAND, MS 39157 | Phone no (601) 326-1000

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

IN RESPONSE TO THE LOVE OF GOD, THE METHODIST REHABILITATION CENTER, IS DEDICATED TO THE RESTORATION & ENHANCEMENT OF THE LIVES OF THOSE WE SERVE WE ARE COMMITTED TO EXCELLENCE & LEADERSHIP IN THE DELIVERY OF COMPREHENSIVE REHABILITATION SERVICES WITH THE PATIENT ALWAYS AS THE FOCAL POINT & IN AN ATMOSPHERE OF COMPASSIONATE CARE, WE WILL -PROVIDE OPPORTUNITIES FOR GROWTH IN KNOWLEDGE, SKILLS & CAPABILITIES TO BETTER SERVE OUR PATIENTS & THEIR FAMILIES AND TO ENHANCE THE REHABILITATIVE HEALTH CARE OF OUR STAFF, -DEVELOP CREATIVE & INNOVATIVE METHODS OF PATIENT CARE, SKILLS & TECHNIQUES, -FOSTER A CLIMATE OF SCIENTIFIC INQUIRY THAT PROMOTES RESEARCH IN ALL ASPECTS OF REHABILITATION, -OFFER EDUCATIONAL & PROFESSIONAL PROGRAMS & SHARE REHABILITATION INFORMATION WITH THE COMMUNITY, -RENDER SERVICES THAT ARE EFFECTIVE & COST EFFICIENT, IN A MANNER THAT RESPECTS THE PERSONAL WORTH & DIGNITY OF EACH PERSON WE SERVE, &-PROVIDE COMPREHENSIVE REHABILITATION CARE

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 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 $ 16,818,359 including grants of $ 30,300) (Revenue $ 17,013,220)

ROUTINE SERVICES - HEALTH CARE - REVENUE RELATED TO INPATIENT BED COST INCLUDING NURSING AND CARE RELATED COST TO PROPERLY ADHERE TO OUR PATIENT HOUSING NEEDS

4b (Code) (Expenses $ 15,689,661 including grants of $) (Revenue $ 28,148,054)

ANCILLARY SERVICES - REVENUE RELATED TO SUPPORT THE MEDICAL STAFF TO DIAGNOSE AND PROVIDE PROCEDURES ORDERED BY MEDICAL STAFF, SUCH AS RADIOLOGY SERVICES, PHARMACY SERVICES AND OUTPATIENT SERVICES JUST TO NAME A FEW

4c (Code) (Expenses $ 5,653,035 including grants of $) (Revenue $ 6,633,908)

ADMINISTRATIVE EXPENSES RELATING TO (A) AND (B)

(Code) (Expenses $ 3,657,353 including grants of $) (Revenue $)

INTEREST, DEPRECIATION, AMORTIZATION, AND BAD DEBTS RELATING (A) AND (B)

4d Other program services (Describe in Schedule O)

(Expenses $ 3,657,353 including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 41,818,408

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 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *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	Yes	
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		No
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 and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII 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, Parts I and IV*	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 United States? *If "Yes," complete Schedule F, Parts 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 United States? *If "Yes," complete Schedule F, Parts 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 (see instructions)*	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 hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 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 lines 24b through 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**	Yes	
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, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *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**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, 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 11b 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	53		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	768		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 18		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 17		
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**		No
b	Describe in Schedule O the process, if any, used by the organization to review this 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**		No
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**		

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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 during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶GARY ARMSTRONG EVPCFO 1350 EAST WOODROW WILSON DRIVE JACKSON, MS (601) 364-3360

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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								3,315,199	0	439,806

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 ▶ 26

			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
MID-STATE CONSTRUCTION CO 300 BRIARWOOD WEST DRIVE JACKSON MS 39206	CONSTRUCTION	1,485,600
FOX-EVERETT PO BOX 188 JACKSON MS 39205	INSURANCE AGENT	1,013,608
MIDSOUTH ELEVATOR PO BOX 16521 JACKSON MS 39236	ELEVATOR SERVICES	504,169
CANIZARO CAWTHON DAVIS 129 S PRESIDENT STREET JACKSON MS 39201	ARCHITECTS	366,731
BANKPLUS WEALTH MGMT 1018 HIGHLAND COLONY PKWY RIDGELAND MS 39157	RETIREMENT SERVICES	275,000
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 ▶ 16		

Part VIII Statement of Revenue

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

				(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	650,000			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	17,131			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		667,131			
Program Service Revenue			Business Code				
	2a	ANCILLARY SERVICES	621990	28,148,054	28,148,054		
	b	ROUTINE SERVICES	621990	17,013,220	17,013,220		
	c	PROFESSIONAL FEES	621990	3,466,138	3,466,138		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		48,627,412			
	3	Investment income (including dividends, interest, and other similar amounts)		230,144			230,144
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	273,341				
	b	Less rental expenses	0				
	c	Rental income or (loss)	273,341				
	d	Net rental income or (loss)		273,341			273,341
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	3,868,586 / 7,500				
	b	Less cost or other basis and sales expenses	4,044,405 / 0				
	c	Gain or (loss)	-175,819 / 7,500				
	d	Net gain or (loss)		-168,319			-168,319
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
Other Revenue		Miscellaneous Revenue	Business Code				
	11a	OTHER INCOME	621990	3,167,770	3,167,770		
	b	PARTNERSHIP INCOME	900099	5,803		5,803	
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		3,173,573			
	12	**Total revenue.** See Instructions		52,803,282	51,795,182	5,803	335,166

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)

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	30,300	30,300		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,931,277		1,931,277	
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	25,727,675	20,327,208	5,400,467	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,063,668	781,714	281,954	
9 Other employee benefits	3,177,429	2,335,166	842,263	
10 Payroll taxes	1,954,263	1,436,233	518,030	
11 Fees for services (non-employees)				
a Management				
b Legal	259,595		259,595	
c Accounting	123,000		123,000	
d Lobbying	88,381	88,381		
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	60,000	60,000		
12 Advertising and promotion	114,324	114,324		
13 Office expenses	1,196,419	1,196,419		
14 Information technology				
15 Royalties . .				
16 Occupancy	962,431	962,431		
17 Travel	133,311	133,311		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	163,345	163,345		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,821,878	2,821,878		
23 Insurance	1,141,066	1,141,066		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a COST OF GOODS SOLD	3,410,556	3,410,556		
b CONTRACT SERVICES	1,948,778	1,948,778		
c EQUIPMENT RENTAL & MAIN	1,613,718	1,613,718		
d NUTRITION SERVICES FOOD	780,468	780,468		
e All other expenses	2,473,112	2,473,112		
25 **Total functional expenses.** Add lines 1 through 24e	51,174,994	41,818,408	9,356,586	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1	
	2	Savings and temporary cash investments	1,273,101	2	1,424,822
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	8,563,128	4	8,675,294
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	227,380	5	240,000
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	882,052	8	878,904
	9	Prepaid expenses and deferred charges	882,801	9	849,739
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 101,623,357			
	b	Less accumulated depreciation . . . . . — 10b: 72,973,368	26,794,358	10c	28,649,989
	11	Investments—publicly traded securities		11	
	12	Investments—other securities See Part IV, line 11	29,974,825	12	31,165,622
	13	Investments—program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	7,379,250	15	6,326,304
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	75,976,895	16	78,210,674
Liabilities	17	Accounts payable and accrued expenses	4,297,774	17	4,656,253
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	5,340,000	20	4,965,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D . .		21	
	22	Loans and other 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 . .	1,000,000	23	1,000,000
	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	332,502	25	0
	26	**Total liabilities.** Add lines 17 through 25	10,970,276	26	10,621,253
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	65,006,619	27	67,589,421
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), 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	65,006,619	33	67,589,421
	34	Total liabilities and net assets/fund balances	75,976,895	34	78,210,674

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	52,803,282
2	Total expenses (must equal Part IX, column (A), line 25)	2	51,174,994
3	Revenue less expenses Subtract line 2 from line 1	3	1,628,288
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	65,006,619
5	Net unrealized gains (losses) on investments	5	954,514
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	67,589,421

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
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID:
Software Version:
EIN: 23-7067206
Name: MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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			
OTIS JOHNSON EX-OFFICIO - NONVOTING	30	X						0	0	0
DAVID L MCMILLIN TRUSTEE	30	X						0	0	0
ANN HOLIFIELD TRUSTEE	30	X						0	0	0
C GERALD GARNETT TRUSTEE	30	X						0	0	0
E B ROBINSON TRUSTEE	30	X						0	0	0
MICHAEL MAPLES MD TRUSTEE	30	X						0	0	0
MICHAEL REDDIX MD TRUSTEE	30	X						0	0	0
REV BERT FELDER TRUSTEE	30	X						0	0	0
S EDWARD KOSSMAN TRUSTEE	30 20	X						0	0	0
THOMAS A TURNER III TRUSTEE	30	X						0	0	0
WILLIAM R JAMES TRUSTEE	30	X						0	0	0
WIRT A YERGER III TRUSTEE	30	X						0	0	0
DEAN M MILLER TRUSTEE - LIFE MEMBER - NO	30 20	X						0	0	0
SALLY CARMICHAEL TRUSTEE - LIFE MEMBER - NO	30 20	X						0	0	0
WALTER S WEEMS TREASURER/TRUSTEE	60	X						0	0	0
DIRK B VANDERLEEST TRUSTEE	60	X						0	0	0
TISH HUGHES TRUSTEE	60	X						0	0	0
WILLIAM A RAY TRUSTEE	60	X						0	0	0
MIKE P STURDIVANT JR VICE CHAIRMAN/TRUSTEE	60	X						0	0	0
MATTHEW L HOLLEMAN III CHAIRMAN/TRUSTEE	1 00 20	X						0	0	0
DOBRVIJOE STOKIC MD DIR RESEARCH -NONVOTING	40 00	X						207,263	0	30,634
ALYSON JONES MD PHYSICIAN/PART YEAR DIRECTOR	40 00	X						158,835	0	33,569
SAMUEL P GRISSOM MD PHYSICIAN/PART YEAR DIRECTOR	40 00	X						439,232	0	39,979
GARY ARMSTRONG EVP & CFO	40 00			X				270,469	0	34,396
JOSEPH MORETTE EVP & COO	40 00			X				294,081	0	57,035

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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			
MARK A ADAMS PRESIDENT & CEO, EX-OFFICI	40 00			X				466,665	0	58,824
BRUCE HIRSHMAN MD PHYSICIAN	40 00					X		531,584	0	50,155
CARMELA OSBORNE MD PHYSICIAN	40 00					X		247,664	0	25,600
LEON GRIGORYEV MD PHYSICIAN	40 00					X		237,448	0	46,331
ZORAYA PARILLA MD PHYSICIAN	40 00					X		266,925	0	33,745
STEVE HOPE VICE PRESIDENT HUMAN RESOU	40 00					X		195,033	0	29,538

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

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

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** 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—2011.** If the organization did not check a 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—2012.** 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—2011.** 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 Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

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

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER	23-7067206

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ 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 function 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)	88,381	
c Total lobbying expenditures (add lines 1a and 1b)	88,381	
d Other exempt purpose expenditures	41,730,027	
e Total exempt purpose expenditures (add lines 1c and 1d)	41,818,408	
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
h Subtract line 1g from line 1a If zero or less, enter -0-	0	
i Subtract line 1f from line 1c If zero or less, enter -0-	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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	85,035	80,000	85,000	88,381	338,416
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(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?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total Add lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
PART IV, SUPPLEMENTAL INFORMATION		METHODIST REHABILITIATION IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION (AHA), THE MISSISSIPPI HOSPITAL ASSOCIATION (MHA) AND THE AMERICAN MEDICAL REHABILITATION PROVIDERS ASSOCIATION (AMRPA) A PORTION OF THE DUES PAID TO EACH OF THESE ASSOCIATIONS IS ATTRIBUTABLE TO LOBBYING FOR AHA, DUES OF $6,233 WERE PAID, OF WHICH 24 6% ($1,533) ARE ATTRIBUTABLE TO LOBBYING FOR MHA, DUES OF $30,030 WERE PAID, OF WHICH 11 62% ($3,489) ARE ATTRIBUTABLE TO LOBBYING FOR AMRPA, DUES OF $11,581 WERE PAID, OF WHICH 29% ($3,359) ARE ATTRIBUTABLE TO LOBBYING ADDITIONALLY, $80,000 WAS PAID TO A LOBBYIST, DIRECTLY

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

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 can 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 education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 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, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) 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 acquisition, 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 XIII

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 XIII 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 XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

4 Describe in Part XIII 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		5,646,881		5,646,881
b Buildings		58,903,396	41,587,510	17,315,886
c Leasehold improvements				
d Equipment		35,994,873	31,385,858	4,609,015
e Other		1,078,207		1,078,207
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				28,649,989

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		
(3) Other		
(A) SECURITIES	31,165,622	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	31,165,622	

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) must 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) ASSETS RESTRICTED FOR FUTURE CAPITAL IMPROVEMENTS BY BOARD - NONCURRENT	4,785,586
(2) DEFERRED FINANCING CHARGES	185,360
(3) OTHER RECEIVABLES	271,411
(4) ASSETS RESTRICTED FOR FUTURE CAPITAL IMPROVEMENTS BY BOARD - CURRENT	387,385
(5) OTHER ASSETS	317,650
(6) THIRD PARTY SETTLEMENTS	378,912
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	6,326,304

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
See Additional Data Table	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	

2. Fin 48 (ASC 740) Footnote In Part XIII, 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 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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

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

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

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

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	THE HOSPITAL AND FOUNDATION ARE NOT-FOR-PROFIT CORPORATIONS AND HAVE BEEN RECOGNIZED AS A TAX-EXEMPT ORGANIZATION PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE THE FOUNDATION QUALIFIES FOR THE CHARITABLE CONTRIBUTION DEDUCTION UNDER SECTION 170(B)(1)(A) AND HAS BEEN CLASSIFIED AS AN ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION UNDER SECTION 509(A)(2) SELECT IS SUBJECT TO INCOME TAXES, BUT HAS HISTORICALLY HAD CUMULATIVE NET OPERATING LOSSES AS A RESULT, NO PROVISION FOR INCOME TAXES HAS BEEN RECOGNIZED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS THE ENTITY HAD NO SIGNIFICANT UNCERTAIN TAX POSITIONS AT JUNE 30, 2013 IF INTEREST AND PENALTIES ARE INCURRED RELATED TO UNCERTAIN TAX POSITIONS, SUCH AMOUNTS WOULD BE RECOGNIZED IN INCOME TAX EXPENSE TAX PERIODS FOR ALL FISCAL YEARS AFTER 2009 REMAIN OPEN TO EXAMINATION BY THE FEDERAL AND STATE TAXING JURISDICTIONS TO WHICH THE ENTITY IS SUBJECT

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

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

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☐ 200% ☑ Other 40000 0000000000 %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 55000 0000000000 %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	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 financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	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 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			420,348		420,348	0 830 %
b Medicaid (from Worksheet 3, column a)			12,071,640	14,720,521	-2,648,881	0 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			12,491,988	14,720,521	-2,228,533	0 830 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,500,826	2,245,442	1,255,384	2 480 %
f Health professions education (from Worksheet 5)			580,209	4,980	575,229	1 140 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			1,060,885	765,124	295,761	0 590 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			565,514		565,514	1 120 %
j **Total.** Other Benefits			5,707,434	3,015,546	2,691,888	5 330 %
k **Total.** Add lines 7d and 7j			18,199,422	17,736,067	463,355	6 160 %

Part II **Community Building Activities** Complete this if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing			34,160		34,160	0 070 %
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			34,160		34,160	0 070 %

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 Explain in Part VI the methodology used by the organization to estimate this amount	2 654,355			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3 0			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5 10,130,509			
6	Enter Medicare allowable costs of care relating to payments on line 5	6 11,308,803			
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7 -1,178,294			
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** (owned 10% or more by officers, directors, trustees, key employees, and physicians—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—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	MISSISSIPPI METHODIST REHAB CENTER INC 1350 EAST WOODROW WILSON JACKSON, MS 39216	X								ACUTE REHAB	

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group MISSISSIPPI METHODIST HOSPITAL AND REHAB

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report 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 the community health 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 CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report 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 CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide 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 its 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 CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 550 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	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)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to 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 on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 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?	**15**		No
16 Check all of the following 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			
e ☐ Other similar actions (describe in Part VI)			
17 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?	**17**		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)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☐ Notified individuals 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)

Policy Relating to Emergency Medical Care

		Yes	No
19 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?	**19**		No
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)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 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 its 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)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals 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?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year?
12

	Name and address	Type of Facility (describe)
1	See Additional Data Table	
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE COSTING METHODOLOGY UTILIZED WAS THE COST-TO-CHARGE RATIO AS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 654355

Identifier	ReturnReference	Explanation
		PART II MRC SPONSORED THREE HUD PROJECTS TO BUILD ACCESSIBLE HOUSING APARTMENT COMPLEXES IN THE JACKSON, HATTIESBURG AND MERIDIAN, MISSISSIPPI SPECIALLY DESIGNED FOR LOW-INCOME PEOPLE WITH MOBILITY IMPAIRMENTS
		PART III, LINE 4 THE AMOUNT REPORTED AS BAD DEBT EXPENSE IS THE BAD DEBT EXPENSE REPORTED ON THE AUDITED FINANCIAL STATEMENTS PER AUDIT FOOTNOTE 1, PATIENT ACCOUNTS RECEIVABLE ARE REPORTED AT NET REALIZABLE VALUE, AFTER DEDUCTION OF ALLOWANCES FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS THE ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED ON HISTORICAL LOSSES AND AN ANALYSIS OF CURRENTLY OUTSTANDING AMOUNTS THIS ACCOUNT IS GENERALLY INCREASED BY CHARGES TO A PROVISION FOR UNCOLLECTIBLE ACCOUNTS AND DECREASED BY WRITE-OFFS OF ACCOUNTS DETERMINED BY MANAGEMENT TO BE UNCOLLECTIBLE

Identifier	ReturnReference	Explanation
		PART III, LINE 8 COSTING METHODOLOGY WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGE, WAS USED TO DETERMINE THE AMOUNT OF MEDICARE ALLOWABLE COSTS REPORTED ON LINE 6 OF PART III WE CONSIDER OUR SHORTFALL A COMMUNITY BENEFIT BECAUSE WE ARE THE ONLY FREE STANDING PHYSICAL MEDICINE AND REHABILITATION PROVIDER IN THE STATE AND WE SERVE THE MOST SEVERE BRAIN, SPINAL AND STROKE PATIENTS THROUGHOUT OUR SERVICE DATE
		PART III, LINE 9B WHEN A PATIENT QUALIFIES FOR CHARITY CARE (FINANCIAL ASSISTANCE), NO COLLECTIONS ARE ATTEMPTED ON THESE PATIENTS CHARGES ARE WRITTEN OFF

Identifier	ReturnReference	Explanation
MISSISSIPPI METHODIST HOSPITAL AND REHAB		PART V, SECTION B, LINE 3 THE PRIMARY PARTICIPANTS WERE CURRENT/PREVIOUS PATIENTS OF THE HOSPITAL OR THEIR FAMILY MEMBERS, EMPLOYEES, AS WELL AS COMMUNITY REPRESENTATIVES SECONDARY SOURCES INCLUDED PUBLICLY ACCESSIBLE DATABASES, REPORTS AND PUBLICATIONS BY VARIOUS AGENCIES
MISSISSIPPI METHODIST HOSPITAL AND REHAB		PART V, SECTION B, LINE 7 THE CHALLENGES/BARRIERS THE COMMUNITY SERVED BY MISSISSIPPI METHODIST REHABILITATION CENTER FACES, GLEANED FROM FOCUS GROUPS AND INTERVIEWS AND SUPPORTED BY THE PRIMARY AND SECONDARY DATA SOURCES, INCLUDED THESE THEMES 1 INSUFFICIENT FAMILY SUPPORT 2 INADEQUATE OR DELAYED FINANCIAL ASSISTANCE TO OBTAIN NEEDED RESOURCES3 LACK OF PHYSICAL ACTIVITY & RECREATION OPPORTUNITIES FOR PERSONS WITH DISABILITIES 4 LACK OF TRANSPORTATION TO ACCESS NEEDED SERVICES5 LACK OF INCENTIVE/FUNDING/ACCESS TO ESTABLISH AND MAINTAIN A RELATIONSHIP WITH A PRIMARY HEALTH CARE PROVIDER TO HELP PERSONS WITH GENERAL HEALTH AND WELLNESS6 LACK OF KNOWLEDGE/MOTIVATION TO MAINTAIN A HEALTHY LIFESTYLE (NUTRITION, SELF-CARE, ETC)7 COORDINATION DISCONNECT BY VARIOUS AGENCIES AND ORGANIZATIONS THAT SERVE THESE PERSONS ALONG THE CONTINUUM OF CAREFOR ITS IMPLEMENTATION PLAN, METHODIST CHOSE TO FOCUS ON THREE AREAS WHICH RELATE TO SEVERAL OF THE ABOVE CONCERNS 1 UTILIZATION OF COMMUNITY-BASED PRIMARY HEALTH CARE, 2) PROVISION OF FAMILY/CAREGIVER EDUCATION AND SUPPORT, AND 3) HEALTHY LIFESTYLE, FITNESS AND RECREATION OPPORTUNITIES IN MISSISSIPPI MANY OF THE REMAINING NEEDS, SUCH AS LACK OF TRANSPORTATION, INADEQUATE FINANCIAL RESOURCES IN A RURAL STATE, OR LACK OF COORDINATION BY AGENCIES/ORGANIZATIONS ALONG THE CONTINUUM OF CARE ARE CONSIDERED SYSTEMIC, BROAD BARRIERS THAT REQUIRE ACTIONS ACROSS MULTIPLE SOCIETAL LEVELS THEREFORE, METHODIST ESTABLISHED ITS PRIORITIES FOR FY 14-17 BASED ON THE EXPECTED IMPACT AND WHAT CAN REASONABLY BE ACCOMPLISHED CONSIDERING THE INSTITUTION'S RESOURCES, REACH AND SCOPE

Identifier	ReturnReference	Explanation
MISSISSIPPI METHODIST HOSPITAL AND REHAB		PART V, SECTION B, LINE 10 METHODIST REHABILITATION CENTER'S FINANCIAL ASSISTANCE POLICY PROVIDES PATIENTS WITH HOUSEHOLD INCOME LESS THAN 400% OF FPG PER FAMILY SIZE CARE AT NO CHARGE
MISSISSIPPI METHODIST HOSPITAL AND REHAB		PART V, SECTION B, LINE 11 METHODIST REHABILITATION CENTER'S FINANCIAL ASSISTANCE POLICY PROVIDES FOR DISCOUNTS BASED ON A FPG SLIDING SCALE PATIENTS BETWEEN 400-450% FPG RECEIVE A 60% DISCOUNT PATIENTS BETWEEN 450-500% FPG RECEIVE A 50% DISCOUNT PATIENTS BETWEEN 500-550% RECEIVE A 60% DISCOUNT PATIENTS WITH GREATER THAN 550% FPG RECEIVE A 30% DISCOUNT

Identifier	ReturnReference	Explanation
PART V, SECTION B, LINE 5A	PART VI, LINE 1	CHNA CAN BE ACCESSED AT HTTPS //WWW METHODISTONLINE ORG/SITES/DEFAULT/FILES/MRC_CHNA_2012 -FINAL PDF IMPLEMENTATION PLAN CAN BE ACCESSED AT HTTPS //WWW METHODISTONLINE ORG/SITES/DEFAULT/FILES/MRC_IMPLEMENTATION_PLAN_2012 -FINAL PDF
		PART VI, LINE 2 THE HEALTH CARE NEEDS OF THE COMMUNITIES SERVED ARE ASSESSED BY RESEARCHING VITAL STATISTICS FOUND THROUGH THE CDC AND MISSISSIPPI DEPARTMENT OF HEALTH ALSO, METHODIST HOSPITAL CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT DURING 2012 THE CHNA CAN BE ACCESSED AT HTTPS //WWW METHODISTONLINE ORG/SITES/DEFAULT/FILES/MRC_CHNA_2012 -FINAL PDF

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 CHARITY CARE IS IDENTIFIED AND OBTAINED BEFORE INITIAL ADMISSION WE PROVIDE SOCIAL WORKERS THAT INTERVIEW PATIENTS REGARDING THEIR FINANCIAL RESOURCES AND NEEDS WE ASSIST PATIENTS IN COMPLETING MEDICAID, VR APPLICATIONS WHEN APPLICABLE WE ARE WELL AWARE THAT MOST OF OUR PATIENTS WILL REQUIRE A LIFETIME OF MEDICAL AND FINANCIAL SUPPORT DUE TO THE SEVERITY OF THEIR INJURIES THEREFORE WE ALSO ASSIST IN DISABILITY APPLICATIONS WITH THE SOCIAL SECURITY ADMINISTRATION
		PART VI, LINE 4 OUR ORGANIZATION PRIMARY SERVICE AREA IS THE STATE OF MISSISSIPPI, WITH A POPULATION OF 2 9 MILLION PERSONS THE PERCENTAGE OF ADULTS WITH DISABILITIES LIVING IN MS IS 16 7% MS ALSO HAS THE HIGHEST PERCENTAGE OF PERSONS LIVING IN POVERTY AND OBESITY, POPULATIONS THAT ARE DISPROPORTIONATELY AFFECTED BY DISABLING ILLNESSES AND INJURIES THE COMMUNITY SERVED BY THE HOSPITAL, INCLUDING GEOGRAPHIC AND DEMOGRAPHIC AREAS, IS ADDRESSED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED DURING 2012 THE CHNA CAN BE ACCESSED AT HTTPS //WWW METHODISTONLINE ORG/SITES/DEFAULT/FILES/MRC_CHNA_2012 -FINAL PDF

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 METHODIST REHABILITATION CENTER'S COMMUNITY BENEFITS GO WELL BEYOND CLINICAL INPATIENT AND OUTPATIENT REHABILITATION CARE THE CENTER SUPPORTS LIFELONG HEALTH AND LIFESTYLE NEEDS OF DISABLED PERSONS THROUGH RESEARCH, EDUCATION, OUTREACH PROGRAMS, PARTNERSHIPS, ADVOCACY, VOLUNTEERISM AND FINANCIAL SUPPORT OUR FULL COMMUNITY BENEFIT REPORT IS MADE AVAILABLE TO THE PUBLIC UPON REQUEST
REPORTS FILED WITH STATES	PART VI, LINE 7	MS

Additional Data

Software ID:
Software Version:
EIN: 23-7067206
Name: MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

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

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year?
12

Name and address	Type of Facility (describe)
METHODIST SPECIALITY CARE CENTER ONE LAYFAIR DRIVE SUITE 500 FLOWOOD,MS 39232	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST OUTPATIENT REHAB - EAST ONE LAYFAIR DRIVE SUITE 110 FLOWOOD,MS 39232	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST ORTHOTICS & PROSTHETICS-FLO ONE LAYFAIR DRIVE SUITE 300 FLOWOOD,MS 39232	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST ORTHOTICS & PROSTHETICS-MER 1600 14TH STREET MERIDIAN,MS 39301	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST PAIN MANAGEMENT ONE LAYFAIR DRIVE SUITE 400 FLOWOOD,MS 39232	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
QUEST 1910 LAKELAND DRIVE STE C JACKSON,MS 39216	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST ORTHOTICS & PROSTHETICS-LOU 1607 LOUISVILLE AVE MONROE,LA 71201	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST ORTHOTICS & PROSTHETICS-HAT 107 FAIRFIELD DRAIVE STE 10 HATTIESBURG,MS 39042	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST ORTHOTICS & PROSTHETICS-CLE 804 FIRST STREET CLEVELAND,MS 38732	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST OUTPATIENT REHAB -FITNESS L 331 SUNNYBROOK ROAD RIDGELAND,MS 39157	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST SPINE & JOINT CENTER ONE LAYFAIR DRIVE SUITE 100 FLOWOOD,MS 39232	SKILLED NURSING FACILITY FOR SEVERELY DISABLED
METHODIST OUTPATIENT REHAB -RIDGELAND 670 HIGHWAY 51 STE A RIDGELAND,MS 39157	SKILLED NURSING FACILITY FOR SEVERELY DISABLED

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

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

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

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. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) ANDREW JACKSON COUNCIL - BOY SCOUTS OF AMERICA 855 RIVERSIDE DRIVE JACKSON,MS 39202	64-0303071	501(C)(3)	15,000		CASH		TO FURTHER EXEMPT PURPOSE OF BOY SCOUTS OF AMERICA

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

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

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 METHODIST REHABILITATION ONLY DONATES TO NON-PROFIT COMMUNITY MINDED ORGANIZATIONS THAT PROVIDE SUPPORT TO THE COMMUNITY SERVED BY METHODIST REHABILITATION

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

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

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

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 or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☑ 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 Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	**(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 as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
	PART I, LINE 4B	MARK ADAMS PARTICIPATED IN THE 457F SUPPLEMENTAL RETIREMENT PLAN FOR CHIEF EXECUTIVE OFFICER THIS IS A NONQUALIFIED PLAN $275,000 WAS CONTRIBUTED INTO TRUST BY THE HOSPITAL AT 5/15/13

Additional Data

Return to Form

Software ID:

Software Version:

EIN: 23-7067206

Name: MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DOBRVIJOE STOKIC MD	(I)	206,849	0	414	12,436	18,198	237,897	0
	(II)	0	0	0	0	0	0	0
ALYSON JONES MD	(I)	158,835	0	0	10,162	23,407	192,404	0
	(II)	0	0	0	0	0	0	0
SAMUEL P GRISSOM MD	(I)	389,232	50,000	0	14,067	25,912	479,211	0
	(II)	0	0	0	0	0	0	0
GARY ARMSTRONG	(I)	236,969	33,500	0	14,811	19,585	304,865	0
	(II)	0	0	0	0	0	0	0
JOSEPH MORETTE	(I)	257,581	36,500	0	15,625	41,410	351,116	0
	(II)	0	0	0	0	0	0	0
MARK A ADAMS	(I)	379,065	87,600	0	14,844	43,980	525,489	0
	(II)	0	0	0	0	0	0	0
BRUCE HIRSHMAN MD	(I)	381,584	150,000	0	14,750	35,405	581,739	0
	(II)	0	0	0	0	0	0	0
CARMELA OSBORNE MD	(I)	247,664	0	0	14,109	11,491	273,264	0
	(II)	0	0	0	0	0	0	0
LEON GRIGORYEV MD	(I)	237,448	0	0	14,484	31,847	283,779	0
	(II)	0	0	0	0	0	0	0
ZORAYA PARILLA MD	(I)	266,925	0	0	13,116	20,629	300,670	0
	(II)	0	0	0	0	0	0	0
STEVE HOPE	(I)	195,033	0	0	11,249	18,289	224,571	0
	(II)	0	0	0	0	0	0	0

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	MISSISSIPPI HOSPITAL EQUIPMENT AND FACILITIES AUTHORITY	64-0732320	605360NL6	08-27-2003	7,500,000	CAPITAL EXPENDITURES		X	X			X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	7,500,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	285,259			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	7,214,741			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2004			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X							
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has 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?								

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) ZORAYA M PARRILLA MD	TOP 5 HIGHEST COMPENSATED EMPLOYEE	ONE TIME LOAN TO PHYSICIAN-RELOCATING TO MS		X	30,000	0		No		No	Yes	
(2) MARK ADAMS	PRESIDENT AND CEO	EXECUTIVE LEVEL LIFE INSURANCE BENEFIT - SEE BELOW FOR ADDITIONAL INFO		X	200,000	240,000		No	Yes		Yes	
Total			▶ $			240,000						

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) WILLIAM A RAY	BOARD TRUSTEE	0	RAY IS PRES/CEO OF BANKPLUS BANKPLUS PROVIDES FINANCIAL ADVICE ON THE RETIREMENT ACCOUNT FOR MMRC IN ITS ORDINARY COURSE OF BUSINESS		No
(2) TISH HUGHES	BOARD TRUSTEE	0	HUGHES IS SR VP IN PRIVATE BANKING WITH TRUSTMARK BANK MMRC HAS SOME INVESTMENTS HELD BY TRUSTMARK, AS WELL AS A LINE OF CREDIT IN THE ORDINARY COURSE OF BUSINESS		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS		THE LOAN TO MARK ADAMS IS AN EXECUTIVE LEVEL LIFE INSURANCE BENEFIT WITH REPAYMENT FROM DEATH BENEFIT PROCEEDS OR THE CASH VALUE OF THE INSURANCE POLICY

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

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

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	
	FORM 990, PART VI, SECTION B, LINE 12C	AS THE BOARD CONSIDERS ITS BUSINESS RELATIONSHIPS, CONTRACT APPROVALS AND OTHER TRANSACTIO NS, THE PRESENCE OF OR ANY POTENTIAL CONFLICT OF INTEREST (AS DEFINED BY THE BYLAWS) IS DI SCLOSED AND DISCUSSED A CONFLICT OF INTEREST TRANSACTION MAY BE APPROVED OR AUTHORIZED ON LY BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE BOARD OF TRUSTEES WHO HAVE NO DIRECT OR IN DIRECT INTEREST IN THE TRANSACTION IN MATTERS WHERE A BOARD MEMBER HAS A CONFLICT OF INTE REST, THE BOARD MEMBER IS RECUSED FROM DISCUSSION AND VOTING
	FORM 990, PART VI, SECTION B, LINE 15	EXECUTIVE COMPENSATION FOR METHODIST REHABILITATION CENTER (MRC) IS - OVERSEEN BY THE PERS ONNEL COMMITTEE, A COMMITTEE OF THE BOARD OF TRUSTEES THAT IS DESIGNATED FOR THIS PURPOSE, THAT IS INDEPENDENT OF CONFLICTS OF INTERESTS, AND THAT FOLLOWS THE HIGHEST ETHICAL STAND ARDS AND BUSINESS PRACTICES -ALIGNED TO ORGANIZATIONAL PERFORMANCE - GUIDED BY INDEPENDENT COUNSEL WITH EXPERTISE IN EXECUTIVE COMPENSATION TO ENSURE THAT MRC IS COMPARABLE TO TREND S AND PRACTICES OF SIMILAR SIZED NOT-FOR-PROFIT HOSPITALS EXECUTIVE COMPENSATION IS A GOVE RNANCE RESPONSIBILITY OF THE BOARD OF TRUSTEES THAT IS FREE FROM MANAGEMENT INFLUENCE IT SETS THE TONE FOR THE ENTIRE ORGANIZATION AND REFLECTS ITS VALUES EMPLOYMENT OF AN INDEPE NDENT CONSULTANCY WITH EXPERTISE IN HEALTHCARE EXECUTIVE COMPENSATION, IS AN IMPORTANT CON TROL TO ENSURE A WELL DESIGNED, FAIRLY IMPLEMENTED AND TRANSPARENT PROGRAM METHODIST REHA BILITATION CENTER'S EXECUTIVE COMPENSATION DETERMINATION PROCESS -THE BOARD CHARTERS AN I NDEPENDENT COMMITTEE (PERSONNEL COMMITTEE) -THE PERSONNEL COMMITTEE, AS NEEDED, HIRES AND DIRECTLY SUPERVISES THE WORK OF THE CONSULTANT -THE PERSONNEL COMMITTEE HAS A TOTAL COMPEN SATION PHILOSOPHY (PAY AND BENEFITS) -THE CONSULTANT IS INDEPENDENT AND USES APPROPRIATE D ATA FOR ANALYSIS AND COMPARISON WHEN A CONSULTANT IS NOT NECESSARY, OBJECTIVE COMPENSATIO N DATA IS PURCHASED AND UTILIZED IN THE DECISION -THE PERSONNEL COMMITTEE MAKES DETERMINA TIONS IN EXECUTIVE SESSION -THE PERSONNEL COMMITTEE MINUTES REFLECT THE DECISION-MAKING PR OCESS -ALL APPROPRIATE TAX FORMS ARE FULLY COMPLETED AND SUBMITTED -THE EXECUTIVE COMPENSA TION PHILOSOPHY IS SUMMARIZED ANNUALLY IN MRC'S COMMUNITY BENEFIT REPORT
	FORM 990, PART VI, SECTION C, LINE 19	METHODIST REHABILITATION DOES NOT MAKE AVAILABLE ANY OF THESE DOCUMENTS TO THE GENERAL PUBLIC
AUDITED COMMITTEE	FORM 990, PART XII, LINE 2C	AUDIT COMMITEE'S PROCESS FOR AUDIT OVERSIGHT AND SELECTION OF INDEPENDENT ACCOUNTANT HAS NOT CHANGED FROM PRIOR YEAR

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134027944

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

2012

Open to Public Inspection

Name of the organization
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number
23-7067206

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) PAIN MANAGEMENT CENTER LLC 1350 EAST WOODROW WILSON DRIVE JACKSON, MS 39216 72-1367775	COMPREHENSIVE PAIN MANAGEMENT SERVICES	MS			MISSISSIPPI METHODIST HOSPITAL AND REHABILITATION

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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 entity? Yes	(g) No
(1) THE WILSON RESEARCH FOUNDATION 1350 EAST WOODROW WILSON DRIVE JACKSON, MS 39216 64-0752440	TO SUPPORT MISSISSIPPI METHODIST HOSPITAL AND REHABILITATION CENTER	MS	501(C)(3)	509(A)(3) TYPE II	MISSISSIPPI METHODIST HOSPITAL AND REHABILITATION	Yes	

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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) Disproprtionate 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" to 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	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) SELECT PHYSICIAN MANAGEMENT SERVICES INC 1350 EAST WOODROW WILSON DRIVE JACKSON, MS 39216 64-0808219	PHYSICIAN PRACTICE MANAGEMENT SERVICES	MS	MISSISSIPPI METHODIST HOSPITAL AND REHABILITATION	C			100 000 %	Yes	

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
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 or **(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	Yes	
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 Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		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-s)	(c) Amount involved	(d) Method of determining amount involved
(1) THE WILSON RESEARCH FOUNDATION	B	2,000	CASH
(2) THE WILSON RESEARCH FOUNDATION	C	650,000	CASH
(3) THE WILSON RESEARCH FOUNDATION	Q	175,199	CASH
(4) THE WILSON RESEARCH FOUNDATION	O	165,299	FAIR MARKET VALUE

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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 section 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	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-7067206
Name: MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation	

-->

METHODIST REHABILITATION CENTER, INC. AND SUBSIDIARIES

Jackson, Mississippi

Audited Consolidated Financial Statements

Years Ended June 30, 2013 and 2012

CONTENTS

HORNE
CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Methodist Rehabilitation Center, Inc and Subsidiaries
Jackson, Mississippi

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Methodist Rehabilitation Center, Inc and Subsidiaries (a not-for-profit organization) which comprise the consolidated statements of financial position as of June 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such

opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Methodist Rehabilitation Center, Inc and Subsidiaries as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The accompanying supplementary information on pages 28 through 33 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subject to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Horne LLP

Ridgeland, Mississippi
October 23, 2013

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidated Statements of Financial Position
June 30, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,512,242	$ 1,561,448
Patient accounts receivable, net of allowance for doubtful accounts of $1,530,000 and $1,601,000, respectively	8,675,294	8,563,128
Third-party settlements	378,912	-
Investments	14,021,636	12,751,384
Assets limited as to use, current	387,385	377,821
Bequests receivable	-	193,396
Other current assets	2,132,881	2,149,075
Total current assets	27,108,350	25,596,252
Assets limited as to use, noncurrent	4,785,586	6,714,413
Investments in nonconsolidated entities	21,169,398	20,888,516
Property and equipment, net	28,649,990	26,794,358
Beneficial interest in charitable remainder trust	446,852	428,639
Other assets	893,796	708,275
Total assets	$ 83,053,972	$ 81,130,453
LIABILITIES AND NET ASSETS		
Current liabilities		
Current maturities of long-term debt	$ 385,000	$ 375,000
Line of credit	1,000,000	1,000,000
Accounts payable	1,374,819	1,467,242
Accrued salaries and wages	1,053,154	954,797
Accrued vacation payable	1,243,791	1,216,901
Accrued interest payable	2,385	2,821
Third-party settlements	-	332,502
Other accrued expenses	991,329	664,429
Total current liabilities	6,050,478	6,013,692
Long-term debt, less current maturities	4,580,000	4,965,000
Total liabilities	10,630,478	10,978,692
Net assets		
Unrestricted	71,654,606	69,120,960
Temporarily restricted	768,888	1,030,801
Total net assets	72,423,494	70,151,761
Total liabilities and net assets	$ 83,053,972	$ 81,130,453

See accompanying notes

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidated Statements of Operations
Years Ended June 30, 2013 and 2012

	2013	2012
Unrestricted revenues, gains and other support		
Net patient revenue	$ 48,627,411	$ 48,571,820
Research grants	5,500	16,657
Other operating revenue	1,158,489	1,261,383
Total unrestricted revenues, gains and other support	49,791,400	49,849,860
Expenses		
Salaries, wages and benefits	33,866,878	33,954,161
Supplies and other	13,875,433	13,532,431
Interest	163,345	255,498
Provision for uncollectible accounts	654,355	702,306
Depreciation and amortization	2,839,653	2,645,559
Total expenses	51,399,664	51,089,955
Operating loss	(1,608,264)	(1,240,095)
Nonoperating revenue (expense)		
Investment income (loss), net	1,370,339	(609,024)
Unrestricted contributions	177,388	189,164
Equity in net income (loss) of nonconsolidated entities	2,307,557	(36,322)
Total nonoperating revenue (expense)	3,855,284	(456,182)
Excess (deficiency) of revenue over expenses	2,247,020	(1,696,277)
Net assets released from restriction	286,626	228,729
Increase (decrease) in unrestricted net assets	$ 2,533,646	$ (1,467,548)

See accompanying notes

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2013 and 2012

	2013	2012
Unrestricted net assets		
Increase (decrease) in unrestricted net assets	$ 2,533,646	$ (1,467,548)
Temporarily restricted net assets		
Contributions	6,500	9,000
Change in value of beneficial interest in charitable remainder trust	18,213	(25,055)
Net assets released from restrictions	(286,626)	(228,729)
Decrease in temporarily restricted net assets	(261,913)	(244,784)
Increase (decrease) in net assets	2,271,733	(1,712,332)
Net assets at beginning of year		
Foundation unrestricted net assets	4,113,979	4,501,504
Foundation temporarily restricted net assets	1,030,801	1,275,585
Hospital net assets	65,006,981	66,087,004
Total net assets at beginning of year	70,151,761	71,864,093
Net assets at end of year	$ 72,423,494	$ 70,151,761

See accompanying notes

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Increase (decrease) in net assets	$ 2,271,733	$ (1,712,332)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Amortization of bond discount	-	1,604
Depreciation and amortization	2,839,653	2,645,559
Provision for uncollectible accounts	654,355	702,306
Net realized and unrealized (gain) loss on investments	(1,008,326)	1,034,618
Equity in net (income) loss of nonconsolidated affiliates	(2,307,557)	36,322
(Increase) decrease in value of beneficial interest in charitable remainder trust	(18,213)	25,055
Changes in assets and liabilities		
Patient and other accounts receivable	(766,521)	(1,482,906)
Third-party payor settlements	(711,414)	60,753
Bequests receivable	193,396	606,172
Other assets	(187,102)	26,942
Accounts payable	(92,423)	607,546
Accrued salaries, wages and vacation payable	125,247	212,653
Accrued interest	(436)	(21,974)
Other accrued expenses	326,900	58,177
Net cash provided by operating activities	1,319,292	2,800,495
Cash flows from investing activities		
Purchase of property and equipment	(4,677,510)	(4,759,345)
Purchases of equity interest in nonconsolidated entities	(600,000)	(918,007)
Distributions from nonconsolidated entities	2,626,675	1,233,033
Purchases of investments	(360,394)	(446,417)
Sales of investments	2,017,731	4,457,664
Net cash used by investing activities	(993,498)	(433,072)
Cash flows from financing activities		
Repayments on line of credit, net	-	(1,000,000)
Principal payments on long-term debt	(375,000)	(2,700,000)
Net cash used by financing activities	(375,000)	(3,700,000)
Net decrease in cash and cash equivalents	(49,206)	(1,332,577)
Cash and cash equivalents, beginning of year	1,561,448	2,894,025
Cash and cash equivalents, end of year	$ 1,512,242	$ 1,561,448
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 163,781	$ 335,582

See accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

Organization

Methodist Rehabilitation Center, Inc (the "Hospital") was organized as a not-for-profit corporation under the laws of the State of Mississippi for the purpose of constructing and equipping a comprehensive rehabilitation hospital The Hospital, located in Jackson, Mississippi is sponsored by the United Methodist Church in cooperation with the Vocational Rehabilitation Division, Mississippi State Department of Education and the University of Mississippi Medical Center

The Hospital provides comprehensive medical rehabilitation programs for people with spinal cord and brain injuries, stroke and other neurological and orthopedic disorders and treats patients from all of Mississippi's 82 counties and from neighboring states

The Hospital operates Methodist Specialty Care Center (the "Center"), a department of the Hospital, located in Flowood, Mississippi, which provides long-term specialized care for severely disabled patients whose medical needs are too complex for traditional nursing homes

The Hospital operates Pain Management Center ("Pain"), a department of the Hospital, located in Jackson, Mississippi Pain is a clinic that provides a goal oriented approach to the management of chronic pain through physical, occupational and behavioral therapies combined with non-surgical intervention

Principles of Consolidation

The consolidated financial statements include the accounts of the Hospital and its Subsidiaries (collectively the "Entity")

- Select Physician Management Services, Inc ("Select") – a wholly-owned subsidiary, is a for profit corporation whose purpose is managing certain physician practices
- The Wilson Research Foundation (the "Foundation") – a not-for-profit organization created and operated exclusively to assist in the advancement of clinical, educational and medical rehabilitation research by solicitation of gifts for the benefit of Methodist Rehabilitation Center, Inc and other healthcare organizations located in the State of Mississippi

All significant intercompany accounts and transactions have been eliminated in consolidation

The following is a summary of significant accounting policies

Basis of Preparation

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

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

The most sensitive estimates included in these consolidated financial statements relate to contractual discounts under third-party payor arrangements and the allowance for doubtful accounts receivable In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near term

Cash and Cash Equivalents

Cash and cash equivalents include investments in liquid debt instruments with original maturities of three months or less, that are not limited as to use by the Board of Trustees or third parties

Patient Accounts Receivable

Patient accounts receivable are reported at net realizable value, after deduction of allowances for estimated uncollectible accounts The estimated allowance for uncollectible accounts is based on historical losses and an analysis of currently outstanding amounts This account is generally increased by charges to a provision for uncollectible accounts and decreased by write-offs of accounts determined by management to be uncollectible

Investments

Investments in marketable equity and debt securities are measured at fair value Investments in non-consolidated entities are recorded based on the equity method

Investment income or loss (including realized gains and losses on investments, interest and dividends), is included in the excess of revenues over expenses unless the income or loss is restricted by donor or by law Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities Management considers all investments to be trading securities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

Assets Limited as to Use

Assets limited as to use principally include amounts held by trustees under indenture agreements and designated assets set aside by the Board of Trustees (the "Board") for future capital improvements or operating activities, over which the Board retains control and may at its discretion subsequently use for other purposes The portion of the assets held by the bond trustee, which will be used to pay current liabilities, is classified as a current asset

Inventories

Inventories, which consist primarily of medical supplies and drugs, are valued at the lower of cost or market Cost is determined using the first-in, first-out and average cost methods Inventories are included in other current assets on the consolidated statements of financial position

Prepaid Expenses and Deferred Charges

Prepaid expenses are amortized over the estimated period of future benefit, generally on a straight-line basis Deferred financing costs are amortized over the term of the related debt on the interest method

Bequests

The Foundation recognizes bequests as support when the wills have passed probate and the amount is certain

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of receipt Costs incurred which do not substantially increase the useful life of an asset are expensed as repair and maintenance expense Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using 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 Interest costs capitalized in 2013 and 2012 were approximately $-0- and $58,000, respectively

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets Assets to be disposed of are reported at the lower of the carrying amount of fair value less costs to sell

Compensated Absences

Hospital policy is to compensate employees for absences due to earned vacation and sick leave Accumulated vacation pay is accrued at the balance sheet date because it accumulates and is payable after one year of service upon termination of employment Sick pay accrues but is not reflected as a liability because it is not payable upon termination of employment

Net Assets

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or for a specific purpose Uncollected unrestricted contributions are reflected in temporarily restricted net assets

At June 30, 2013, temporarily restricted net assets consisted of pledges expected to be received over the next 2 years, discounted at a range from 2 81 – 3 22 percent, a contribution that has been received but that is restricted for a specific purpose, as well as the Foundation's beneficial interest in charitable remainder trust, as follows

2014	$	174,510
2015		153,000
		327,510
Less Discount		(5,474)
Beneficial interest in charitable remainder trust		446,852
	$	768,888

Pledges receivable are recorded as other assets, with the current portion recorded in other current assets

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates 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

The primary third-party programs include Medicare and Medicaid, which account for a significant amount of the Hospital's revenue The laws and regulations under which Medicare and Medicaid programs operate are complex, and are subject to interpretation and frequent changes As part of operating under these programs, there is a possibility that government authorities may review the Hospital's compliance with these laws and regulations Such review may result in adjustments to program reimbursement previously received and subject the Hospital to fines and penalties Although no assurance can be given, management believes it has complied with the requirements of these programs

Financial Assistance

The Hospital provides health care without charge or at amounts significantly less than its established rates to patients who meet certain criteria under its financial assistance policy Because the Hospital does not pursue collection of these amounts, the Hospital does not report these amounts as revenue or accounts receivable in the accompanying consolidated financial statements

Donor-Restricted Gifts

Unconditional promises to give cash and other assets 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 temporarily restricted support if they are received with donor stipulations that limit the use of donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations and changes in unrestricted net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

For contributions of long-lived assets or of cash and other assets restricted to the purchase of long-lived assets, for which donors have not expressly stipulated how long the long-lived asset must be used, the Foundation has adopted an accounting policy of implying time restrictions on the use of such contributed assets that expire over the assets' expected useful lives

Advertising

Advertising and program costs are charged to expense as incurred Advertising expense for the years ended June 30, 2013 and 2012 was approximately $106,000 and $89,000, respectively

Income Taxes

The Hospital and Foundation are not-for-profit corporations and have been recognized as a tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2)

Select is subject to income taxes, but has historically had cumulative net operating losses As a result, no provision for income taxes has been recognized in the accompanying consolidated financial statements

The Entity had no significant uncertain tax positions at June 30, 2013 If interest and penalties are incurred related to uncertain tax positions, such amounts would be recognized in income tax expense Tax periods for all fiscal years after 2009 remain open to examination by the federal and state taxing jurisdictions to which the Entity is subject

Functional Expense Classification

Substantially all expenses are incurred for the provision of health care services by the Hospital and are considered program services

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in unrestricted net assets include excess of revenue over expenses Consistent with industry practice, changes in unrestricted net assets which are excluded from excess of revenue over expenses include unrealized and realized 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 restrictions were to be used for the purposes of acquiring such assets)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820") defines fair value, establishes a hierarchal disclosure for measuring fair value and requires expanded disclosures about fair value measurements The provisions of this statement apply to all financial instruments that are being measured and reported on a fair value basis

Financial assets and liabilities recorded on the consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows

Level 1 Quoted prices in active markets for identical assets or liabilities Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments or derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation

The following table represents the Entity's fair value hierarchy for its financial assets, and changes therein, measured at fair value on a recurring basis as of and for the years ended June 30, 2013 and 2012

	Fair Value Measurements at June 30, 2013			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total at June 30, 2013**
Investments				
Money market funds	$ 211,844	$ -	$ -	$ 211,844
Mutual funds	3,396,806	4,025,412	-	7,422,218
Fixed income	-	630,180	-	630,180
U S equity securities	6,957,394	-	-	6,957,394
	10,566,044	4,655,592	-	15,221,636

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Continued

	Fair Value Measurements at June 30, 2013			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total at June 30, 2013
Assets limited as to use				
Money market funds	$ 166,765	$ -	$ -	$ 166,765
Mutual funds	3,806,206	-	-	3,806,206
	3,972,971	-	-	3,972,971
Beneficial interest in charitable remainder trust	-	-	446,852	446,852
Total	$ 14,539,015	$ 4,655,592	$ 446,852	$ 19,641,459

	Fair Value Measurements at June 30, 2012			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total at June 30, 2012
Investments				
Money market funds	$ 146,767	$ -	$ -	$ 146,767
Mutual funds	4,988,336	3,665,075	-	8,653,411
Fixed income	-	628,264	-	628,264
U S equity securities	4,522,942	-	-	4,522,942
	9,658,045	4,293,339	-	13,951,384
Assets limited as to use				
Money market funds	115,731	-	-	115,731
Mutual funds	5,776,503	-	-	5,776,503
	5,892,234	-	-	5,892,234
Beneficial interest in charitable remainder trust	-	-	428,639	428,639
Total	$ 15,550,279	$ 4,293,339	$ 428,639	$ 20,272,257

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Continued

Money market funds, mutual funds and U S equity securities were measured at fair value using quoted market prices They were classified as Level 1 as they trade in an active market for which closing prices are readily available

Fixed income securities were measured using inputs based upon quoted prices for similar instruments in active markets and, therefore, is considered a Level 2 category The fair value of the Foundation's investments is based on its pro rata share of every security that is purchased for the fund and therefore is considered a Level 2 category

The fair value of the Foundation's beneficial interest in charitable remainder trust is determined by calculating the present value of expected cash flows over the term of the underlying agreements A discount rate of 4 percent was used to calculate the present value The following is a reconciliation of the beginning and ending balances for the Foundation's beneficial interest in remainder trust agreements, which are measured at fair value using significant measurable inputs (Level 3)

	Interests In Charitable Remainder Trusts	
	2013	2012
Balance, beginning of year	$ 428,639	$ 453,694
Change in value of beneficial interest in charitable remainder trust	18,213	(25,055)
Balance, end of year	$ 446,852	$ 428,639

Note 3. Assets Limited as to Use

Assets limited as to use consisted of the following as of June 30, 2013 and 2012

	2013	2012
Under indenture agreement, held by bond trustee		
Interest fund	$ -	$ 676
Principal fund	-	17,056
	-	17,732
Internally designated		
By Board for future capital improvements	3,972,971	5,874,502

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Continued

	2013	2012
By Board for future malpractice deductibles	$ 1,200,000	$ 1,200,000
Total assets limited as to use	5,172,971	7,092,234
Less assets limited as to use required for Current liabilities	387,385	377,821
Noncurrent assets limited as to use	$ 4,785,586	$ 6,714,413

The composition of assets limited as to use consisted of the following types of investments as of June 30, 2013 and 2012

	2013	2012
Money market funds	$ 166,765	$ 115,730
Mutual funds	3,806,206	5,776,504
	3,972,971	5,892,234
Restricted by Board for malpractice deductibles	1,200,000	1,200,000
Total assets limited as to use	$ 5,172,971	$ 7,092,234

The debt service fund is maintained at an amount at least equal to the maximum annual debt service requirement (as defined) in any one year The interest and principal funds are for the annual debt service of the related bonds

The debt service funds are invested in "permitted investments," defined as government obligations, certificates of deposit or time deposits issued by a qualified depository of the state, money market funds (the assets of which are required to be invested in obligations listed above) and/or repurchase agreements fully served by government obligations

Note 4. Investments

The Entity holds investments carried at fair value The Entity's investments held at June 30, 2013 and 2012 were as follows

	2013	2012
Money market funds	$ 211,844	$ 146,767
Mutual funds	7,422,218	8,653,411
Fixed income	630,180	628,264
U S equity securities	6,957,394	4,522,942
	15,221,636	13,951,384
Less restricted by Board for malpractice deductibles	1,200,000	1,200,000
Total investments	$ 14,021,636	$ 12,751,384

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Continued

Investment income and gains for assets limited as to use, cash equivalents and other investments are comprised of the following for the years ended June 30, 2013 and 2012

	2013	2012
Investment income, net		
Interest and dividend income	$ 362,013	$ 425,594
Net realized and unrealized gains (losses) on trading securities	1,008,326	(1,034,618)
Total investment income (loss), net	$ 1,370,339	$ (609,024)

Note 5. Investments in Non-Consolidated Entities

During 2007, the Hospital purchased several investments in limited partnerships The Hospital's ownership in each of the partnerships is not significant but the Hospital has the ability to exercise influence over the entities through the Hospital's relationship with the managing partner Investments in such entities may be redeemed with up to a 90-day prior written request The limited partnerships are accounted for under the equity method The investments consisted of the following at June 30

	2013	2012
Equity method investments		
Balance, beginning of year	$ 20,888,516	$ 21,239,864
Capital contributions	600,000	918,007
Cumulative share of distributions	(2,626,675)	(1,233,033)
Cumulative share of income (loss)	2,307,557	(36,322)
Balance, end of year	$ 21,169,398	$ 20,888,516

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Continued

The following summarizes the combined assets, liabilities and equity and the combined results of operations of the equity method investments (on a 100 percent basis) This information was obtained from financial statements audited by other auditors

	As of December 31, 2012	2011
ASSETS		
Investments	$ 7,325,538,170	$ 6,550,694,714
Cash and cash equivalents	186,292,305	418,933,640
Receivable from sale of investments	72,446,455	3,455,680
Other	66,748,798	100,204,093
Total assets	$ 7,651,025,728	$ 7,073,288,127
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities		
Accounts payable	$ 124,435,772	$ 262,585,479
Payable to partners	37,712,401	26,777,291
Contributions received in advance	270,000	10,200,000
Notes payable	1,713,876,000	1,785,246,000
Other liabilities	86,160,107	117,475,086
Total liabilities	1,962,454,280	2,202,283,856
Minority interest	7,745,000	5,776,000
Partners' capital	5,680,826,448	4,865,228,271
Total liabilities and partners' capital	$ 7,651,025,728	$ 7,073,288,127

	For the Year Ended December 31, 2012	2011
CONDENSED STATEMENTS OF OPERATIONS		
Operating revenue	$ 458,591,000	$ 421,211,613
Investment income (loss)	(51,055,706)	3,239,210
Total revenues	407,535,294	424,450,823
Operating expenses	200,379,466	178,579,112
Net investment gain	207,155,828	245,871,711
Realized and unrealized gain on investments	345,363,418	310,939,682
Minority interest	(1,734,000)	(3,792,000)
Net income	$ 550,785,246	$ 553,019,393

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Property and Equipment

A summary of property and equipment at June 30 is set forth below

	2013	2012
Land	$ 5,646,881	$ 4,229,870
Buildings and parking lot	58,706,576	57,466,938
Movable equipment	36,191,693	35,188,802
	100,545,150	96,885,610
Less accumulated depreciation	(72,973,367)	(70,151,489)
	27,571,783	26,734,121
Construction in progress	1,078,207	60,237
Total	$ 28,649,990	$ 26,794,358

Depreciation expense for the years ended June 30, 2013 and 2012 totaled $2,821,878 and $2,619,934, respectively

Note 7. Beneficial Interest in Charitable Remainder Trust

During 2011, The Foundation was named as a remainder beneficiary under eight charitable remainder trusts Under the terms of the trusts, quarterly distributions are paid to income beneficiaries over their lifetimes Quarterly distributions are 5 percent of the fair market value of the trust assets as of the beginning of each year Upon the death of the income beneficiaries, 25 percent of the value of the charitable remainder trust account is distributed to the Foundation The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded in the Statement of Activities and Changes in Net Assets as a temporarily restricted contribution in the period the trust is established and the Foundation is notified of its existence The Foundation has recorded the beneficial interest in the charitable remainder trusts at the present value of the future cash flows from the trusts This present value was estimated to be equivalent to the Foundation's share of the current fair market value of the trusts, which amounts to $446,852 and $428,639 at June 30, 2013 and 2012, respectively

The total change in value of the charitable remainder trusts was an increase of $18,213 and a decrease of $25,055 for the years ended June 30, 2013 and 2012, respectively

Note 8. Line of Credit

The Hospital has an unsecured line of credit with a commercial bank with available borrowings of $2,000,000, maturing March 31, 2014 As of June 30, 2013 and 2012, the Hospital had an outstanding balance of $1,000,000, with quarterly interest payments at varying rates of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Continued

2 50 percent plus LIBOR rate As of June 30, 2013 and 2012, the interest rate was 2 78 percent and 3 75 percent, respectively

Note 9. Long-Term Debt

A summary of long-term debt at June 30 follows

	2013	2012
Mississippi Hospital Equipment and Facilities Authority Variable Rate Revenue Bonds-Series 2003	$ 4,965,000	$ 5,340,000
Less current portion	385,000	375,000
Long-term portion	$ 4,580,000	$ 4,965,000

In June 1993, the Hospital issued $27,325,000 in tax-exempt hospital revenue bonds The bond issue proceeds were used to defease the Hospital's obligation to pay the Mississippi Hospital Equipment and Facilities Authority Revenue Bonds-1993 Series 1 Interest is due on the 1993 hospital revenue bonds each year on May 1 and November 1 at rates ranging from 3 4 percent to 5 7 percent Principal was due in varying amounts each May1 until maturing in 2012

In August 2003, the Hospital issued $7,500,000 in variable rate revenue bonds The bond issue proceeds were used to assist the construction and installation of the Methodist Specialty Care Center, a long-term care facility of the Hospital Interest on the 2003 variable rate revenue bonds may be calculated using a weekly rate or a term rate mode, as defined Interest is calculated using the weekly rate mode until the borrower has requested mode to be changed to a term rate

Under the terms of the revenue bond indenture, certain debt service trust funds as described in Note 3 and the future net revenues of the Hospital are pledged as security for payment of the 2003 hospital revenue bonds The indenture also contains certain affirmative and negative covenants, which among other things, limit additional borrowings and require the maintenance of certain financial ratios The Hospital was in compliance with all such covenants as of June 30, 2013 and 2012

Under the weekly rate mode, interest is due on the first business day of each month and on the effective date of conversion from the weekly rate mode to the term rate mode For the years ended June 30, 2013 and 2012, the interest on the bonds was calculated using the weekly rate The interest rate was 6 percent as of June 30, 2013 and 2012 Principal is due in varying amounts beginning August 1, 2005 until the year 2023, and is collateralized by operating revenues of the Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Continued

Future maturities of the Hospital's long-term debt by year and in aggregate, follows

Year Ending June 30,	Amount
2014	$ 385,000
2015	405,000
2016	420,000
2017	435,000
2018	450,000
Thereafter	2,870,000
Total	$ 4,965,000

Note 10. Net Patient Service Revenue

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

Medicare

Substantially all acute care and rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Certain types of exempt services and other defined payments related to Medicare beneficiaries are paid based on cost reimbursement or other retroactive-determination methodologies The Hospital is reimbursed for other cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits by the Medicare fiscal intermediary The Hospital's cost reports have been audited and settled for all fiscal years through June 30, 2007

Medicaid

Inpatient and outpatient acute care services rendered to Medicaid program beneficiaries are generally reimbursed based upon cost-based reimbursement methodologies established by the State of Mississippi Based upon recent directions from the Centers for Medicare and Medicaid Services, the Mississippi Division of Medicaid has been instructed to begin cost settling certain Medicaid outpatient services beginning with reports on October 1, 2005

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Continued

Long-term care services rendered to Medicaid program beneficiaries are reimbursed using a cost-based method Certain limits apply to components and may change in the future depending upon other similar providers opening in the State of Mississippi

The Hospital participates in the Mississippi Intergovernmental Transfer Program as a Medicaid Disproportionate Share Hospital ("DSH") and in the Medicaid Upper Payment Limit Program ("UPL") Under these programs, the Hospital receives enhanced reimbursement through a matching mechanism For the fiscal years ended June 30, 2013 and 2012, respectively, the Hospital received approximately $512,463 and $-0- in enhanced reimbursement through the DSH Program For the fiscal years ended June 30, 2013 and 2012, respectively, the Hospital received approximately $416,853 and $1,237,349 in enhanced reimbursement through the UPL Program

UPL amounts are shown as a reduction of contractual adjustments with related assessments of $2,114,361 and $1,629,847 for the fiscal years ended June 30, 2013 and 2012, respectively, recorded in operating expenses

The Mississippi Hospital Association coordinates a voluntary program whereby member hospitals can elect to contribute to a grant program that generates funds for those member hospitals who under the Medicaid DSH/UPL/Tax model were required to pay taxes in excess of the amounts drawn down in DSH and UPL payments during State fiscal years 2013 and 2012 The hospital participates in this program and received approximately $1,052,000 and $392,500 in grants for the fiscal years ended June 30, 2013 and 2012, respectively

Revenue from the Medicare and Medicaid programs accounted for approximately 39 percent and 29 percent, respectively, of the Hospital's gross patient revenue for the year ended June 30, 2013 and 40 percent and 31 percent, respectively, of the Hospital's gross patient revenue for the year ended June 30, 2012

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 could change by a material amount in the near term For the years ended June 30, 2013 and 2012, net patient service revenue increased approximately $75,343 and $-0-, respectively, due to adjustments in excess of amounts previously estimated

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Continued

Other

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

A summary of patient service revenue for the years ended June 30, 2013 and 2012 follows

	2013	2012
Gross patient service revenue	$ 77,859,871	$ 73,829,359
Less provisions for Contractual adjustments under third-party reimbursement programs	29,232,460	25,257,539
Net patient service revenue	$ 48,627,411	$ 48,571,820

Note 11. Financial Assistance and Uncompensated Care – Service to the Region

The Hospital maintains records to identify and to monitor the level of charity care it provides These records include the amount of charges forgone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies and equivalent service statistics The direct and indirect costs associated with these services cannot be identified to specific charity care patients Therefore, management estimated the costs of these services by calculating a cost to gross charge ratio and multiplying it by the charges associated with services provided to patients meeting the Hospital's charity care guidelines Costs incurred for charity, based on the cost to charge ratio, was approximately $482,000 and $338,000 in 2013 and 2012, respectively

The Hospital also provides healthcare services to a significant portion of the uninsured and underinsured population in the surrounding community While a portion of these patients may ultimately qualify for coverage under the Medicaid program or the financial assistance policy discussed above, the Hospital often admits a number of patients with the expectation/realization that it will likely be unable to collect a significant portion of these accounts Charges deemed uncollectible during 2013 and 2012 were approximately $654,000 and $702,000, respectively

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Risk Management

The Hospital's professional liability insurance coverage is provided through a claims-made policy Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured The Hospital's current coverage expires on April 30, 2014, and management anticipates that such coverage will be renewed or replaced with equivalent insurance at that time

At June 30, 2013 and 2012, there were no material claims asserted or anticipated that were not covered by insurance, and the Hospital has not accrued for any significant losses for malpractice claims or expenses The Hospital is involved in various litigation and potential claims which management believes, based in part upon discussion with counsel, will not have a material adverse effect on the results of operations or the financial position of the Hospital Nevertheless, the future assertion of claims for occurrences prior to year-end is reasonably possible and may occur, although not anticipated In any event, management believes that any such claims would be substantially covered under its insurance program

Note 13. Employee Benefits

The Hospital sponsors a retirement plan for all employees who work a minimum of 1,000 hours per year and have at least one year of service All funds of the plan are invested in fixed funds and mutual fund options The Hospital contributes 3 percent of the participants' annual taxable compensation and matches 50 percent of the participants' contributions up to 7 percent of annual taxable compensation Employees are vested in the Hospital's contributions after three years of service The Hospital's contributions to the plan were $1,063,668 in 2013 and $1,117,934 in 2012

The Hospital provides health insurance coverage to its employees under a self-funded plan A liability for claims reported and not paid and an estimated liability for claims incurred but not reported or paid is included in accrued expenses in the consolidated statements of financial position Commercial insurance is purchased for claims in excess of coverage provided by the Hospital to limit the Hospital's liability for losses under its self-insurance program The estimated claims liability at June 30, 2013 and 2012 was $80,753 and $70,995, respectively

Note 14. Operating Leases

As lessor, the Hospital leases a portion of its premises for the operation of a restaurant The lease term was renewed through August 2015, with an option to extend the lease for one additional five-year period Base rent of $75,000 per year is receivable in equal monthly installments of $6,250 per month In addition, the Hospital receives contingent rental payments based on restaurant sales in excess of certain levels as defined in the lease agreement

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14. Continued

As lessee, rental expense, including short-term rentals, was approximately $507,500 in 2013 and $477,000 in 2012 In most cases management expects that, in the normal course of business, expiring leases will be renewed or replaced by other similar leases Based on operating leases currently in force, it is expected that lease rental expense for each of the next five years will be approximately $507,500 per year

Note 15. Business and Credit Concentrations

The Hospital provides health care services through its inpatient and outpatient care facilities principally located in Jackson, Mississippi The Hospital grants credit to patients, substantially all of whom are local residents The Hospital generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e g , Medicare, Medicaid, Blue Cross and commercial insurance policies)

The mix of net receivables from patients and third-party payors follows

	2013	2012
Medicare	30%	34%
Medicaid	20	20
Blue Cross	14	19
Other	36	27
Total	100%	100%

The Hospital maintains its cash in bank deposit accounts, which at times may exceed federally insured limits ($250,000) The Hospital has not experienced any losses in such accounts The Hospital believes it is not exposed to any significant credit risk related to cash and cash equivalent concentration

The Hospital also maintains investments in certain non-consolidated entities, of which a portion of those invested are entities domiciled in foreign countries

Note 16. Related Party Transactions

For the fiscal years ended June 30, 2013 and 2012, the financial statements of the Foundation are included in the consolidated financial statements of the Hospital

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Continued

The Foundation is authorized by the Hospital to solicit contributions to support the Hospital's mission in providing for research for spinal and brain injuries in the State of Mississippi The Foundation uses those contributions to award grants to various healthcare organizations to assist in the advancement of clinical, educational and medical rehabilitation research

The Hospital provides certain routine management, financial and accounting services for the Foundation

The following is a summary of amounts charged to the Foundation by the Hospital during 2013 and 2012

	2013	2012
Salaries and employee benefits	$ 165,299	$ 140,507
Office rental	4,696	4,950
Total	$ 169,995	$ 145,457

The Hospital owns and operates a retail gift shop that is largely staffed by volunteers The Hospital contributes to the Foundation, on behalf of the volunteers, the gift shop's net margin These amounts totaled $2,000 and $10,000 for the years ended June 30, 2013 and 2012, respectively

As of June 30, 2013 and 2012, all significant intercompany accounts and transactions have been eliminated in consolidation

Note 17. Recent Accounting Pronouncements

In July 2011, the FASB issued authoritative guidance requiring healthcare entities to change the presentation and disclosures regarding patient service revenues, provisions for uncollectible accounts and the allowance for doubtful accounts This guidance impacts healthcare entities that recognize significant amounts of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay This guidance requires an impacted healthcare entity to present its provision for doubtful accounts as a deduction from revenue, similar to contractual discounts Accordingly, patient service revenue for entities subject to this updated guidance will be reported net of both contractual discounts and provision for doubtful accounts The guidance also requires certain qualitative disclosures about the entity's policy for recognizing revenue and bad debt expense for patient service transactions

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 17. Continued

Based on management's assessment of its admission procedures, the Hospital is not an impacted healthcare entity since it assesses each patient's ability or the patient's payor source's ability to pay Accordingly, the Hospital will continue to record the provision for bad debts as a component of operating expense, and adoption did not have an impact on the Hospital's consolidated financial statements

Note 18. Subsequent Events

In preparing these consolidated financial statements, the Entity has evaluated events and transactions for potential recognition or disclosure through October 23, 2013, the date the consolidated financial statements were available to be issued

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidating Statement of Financial Position
June 30, 2013

	Hospital	SPM	WRF	2013 Total	Eliminations	2013 Total Consolidated
ASSETS						
Current assets						
Cash and cash equivalents	$ 1,424,822	$ -	$ 87,420	$ 1,512,242	$ -	$ 1,512,242
Patient accounts receivable, net of allowance for doubtful accounts of $1,530,000	8,675,294	-	-	8,675,294	-	8,675,294
Third-party settlements	378,912	-	-	378,912	-	378,912
Investments	9,996,224	-	4,025,412	14,021,636	-	14,021,636
Assets limited as to use, current	387,385	-	-	387,385	-	387,385
Other current assets	2,000,054	-	179,189	2,179,243	(46,362)	2,132,881
Total current assets	22,862,691	-	4,292,021	27,154,712	(46,362)	27,108,350
Assets limited as to use, noncurrent	4,785,586	-	-	4,785,586	-	4,785,586
Investments in nonconsolidated entities	21,169,398	-	-	21,169,398	-	21,169,398
Property and equipment, net	28,649,990	-	-	28,649,990	-	28,649,990
Beneficial interest in charitable remainder trust	-	-	446,852	446,852	-	446,852
Other assets	743,010	-	150,786	893,796	-	893,796
Total assets	$ 78,210,675	$ -	$ 4,889,659	$ 83,100,334	$ (46,362)	$ 83,053,972
LIABILITIES AND NET ASSETS						
Current liabilities						
Current maturities of long-term debt	$ 385,000	$ -	$ -	$ 385,000	$ -	$ 385,000
Line of credit	1,000,000	-	-	1,000,000	-	1,000,000
Accounts payable	1,365,595	223	9,001	1,374,819	-	1,374,819
Accrued salaries and wages	1,053,154	-	-	1,053,154	-	1,053,154
Accrued vacation payable	1,243,791	-	-	1,243,791	-	1,243,791
Accrued interest payable	2,385	-	-	2,385	-	2,385
Other accrued expenses	991,329	-	46,362	1,037,691	(46,362)	991,329
Total current liabilities	6,041,254	223	55,363	6,096,840	(46,362)	6,050,478
Long-term debt, less current maturities	4,580,000	-	-	4,580,000	-	4,580,000
Total liabilities	10,621,254	223	55,363	10,676,840	(46,362)	10,630,478
Net assets						
Unrestricted	67,589,421	(223)	4,065,408	71,654,606	-	71,654,606
Temporarily restricted	-	-	768,888	768,888	-	768,888
Total net assets	67,589,421	(223)	4,834,296	72,423,494	-	72,423,494
Total liabilities and net assets	$ 78,210,675	$ -	$ 4,889,659	$ 83,100,334	$ (46,362)	$ 83,053,972

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidating Statement of Financial Position
June 30, 2012

	Hospital	SPM	WRF	2012 Total	Eliminations	2012 Total Consolidated
ASSETS						
Current assets						
Cash and cash equivalents	$ 1,273,102	$ 887	$ 287,459	$ 1,561,448	$ -	$ 1,561,448
Patient accounts receivable, net of allowance for doubtful accounts of $1,601,000	8,563,128	-	-	8,563,128	-	8,563,128
Investments	9,086,309	-	3,665,075	12,751,384	-	12,751,384
Assets limited as to use, current	377,821	-	-	377,821	-	377,821
Bequest receivable	-	-	193,396	193,396	-	193,396
Other current assets	1,876,115	-	301,324	2,177,439	(28,364)	2,149,075
Total current assets	21,176,475	887	4,447,254	25,624,616	(28,364)	25,596,252
Assets limited as to use, noncurrent	6,714,413	-	-	6,714,413	-	6,714,413
Investments in nonconsolidated entities	20,888,516	-	-	20,888,516	-	20,888,516
Property and equipment, net	26,794,358	-	-	26,794,358	-	26,794,358
Beneficial interest in charitable remainder trust	-	-	428,639	428,639	-	428,639
Other assets	403,133	-	305,142	708,275	-	708,275
Total assets	$ 75,976,895	$ 887	$ 5,181,035	$ 81,158,817	$ (28,364)	$ 81,130,453
LIABILITIES AND NET ASSETS						
Current liabilities						
Current maturities of long-term debt	$ 375,000	$ -	$ -	$ 375,000	$ -	$ 375,000
Line of credit	1,000,000	-	-	1,000,000	-	1,000,000
Accounts payable	1,457,616	525	9,101	1,467,242	-	1,467,242
Accrued salaries and wages	954,797	-	-	954,797	-	954,797
Accrued vacation payable	1,216,901	-	-	1,216,901	-	1,216,901
Accrued interest payable	2,821	-	-	2,821	-	2,821
Third party settlements	332,502	-	-	332,502	-	332,502
Other accrued expenses	665,639	-	27,154	692,793	(28,364)	664,429
Total current liabilities	6,005,276	525	36,255	6,042,056	(28,364)	6,013,692
Long-term debt, less current maturities	4,965,000	-	-	4,965,000	-	4,965,000
Total liabilities	10,970,276	525	36,255	11,007,056	(28,364)	10,978,692
Net assets						
Unrestricted	65,006,619	362	4,113,979	69,120,960	-	69,120,960
Temporarily restricted	-	-	1,030,801	1,030,801	-	1,030,801
Total net assets	65,006,619	362	5,144,780	70,151,761	-	70,151,761
Total liabilities and net assets	$ 75,976,895	$ 887	$ 5,181,035	$ 81,158,817	$ (28,364)	$ 81,130,453

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidating Statement of Operations
Year Ended June 30, 2013

	Hospital	SPM	WRF	2013 Total	Eliminations	2013 Total Consolidated
Unrestricted revenues, gains and other support						
Net patient revenue	$ 48,627,411	$ -	$ -	$ 48,627,411	$ -	$ 48,627,411
Research grants	655,500	-	-	655,500	(650,000)	5,500
Other operating revenue	1,158,489	-	-	1,158,489	-	1,158,489
Total unrestricted revenues, gains and other support	50,441,400	-	-	50,441,400	(650,000)	49,791,400
Expenses						
Salaries, wages and benefits	33,701,579	-	165,299	33,866,878	-	33,866,878
Supplies and other	13,816,062	585	708,786	14,525,433	(650,000)	13,875,433
Interest	163,345	-	-	163,345	-	163,345
Provision for uncollectible accounts	654,355	-	-	654,355	-	654,355
Depreciation and amortization	2,839,653	-	-	2,839,653	-	2,839,653
Total expenses	51,174,994	585	874,085	52,049,664	(650,000)	51,399,664
Operating loss	(733,594)	(585)	(874,085)	(1,608,264)	-	(1,608,264)
Nonoperating revenue (expense)						
Investment income (loss)	1,008,839	-	361,500	1,370,339	-	1,370,339
Unrestricted contributions	-	-	177,388	177,388	-	177,388
Equity in net loss of nonconsolidated entities	2,307,557	-	-	2,307,557	-	2,307,557
Total nonoperating revenue (expense)	3,316,396	-	538,888	3,855,284	-	3,855,284
Excess (deficiency) of revenue over expenses	2,582,802	(585)	(335,197)	2,247,020	-	2,247,020
Net assets released from restriction	-	-	286,626	286,626	-	286,626
Increase (decrease) in unrestricted net assets	$ 2,582,802	$ (585)	$ (48,571)	$ 2,533,646	$ -	$ 2,533,646

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidating Statement of Operations
Year Ended June 30, 2012

	Hospital	SPM	WRF	2012 Total	Eliminations	2012 Total Consolidated
Unrestricted revenues, gains and other support						
Net patient revenue	$ 48,571,820	$ -	$ -	$ 48,571,820	$ -	$ 48,571,820
Research grants	666,657	-	-	666,657	(650,000)	16,657
Other operating revenue	1,261,383	-	-	1,261,383	-	1,261,383
Total unrestricted revenues, gains and other support	50,499,860	-	-	50,499,860	(650,000)	49,849,860
Expenses						
Salaries, wages and benefits	33,813,654	-	140,507	33,954,161	-	33,954,161
Supplies and other	13,466,357	645	715,429	14,182,431	(650,000)	13,532,431
Interest	255,498	-	-	255,498	-	255,498
Provision for uncollectible accounts	702,306	-	-	702,306	-	702,306
Depreciation and amortization	2,645,559	-	-	2,645,559	-	2,645,559
Total expenses	50,883,374	645	855,936	51,739,955	(650,000)	51,089,955
Operating loss	(383,514)	(645)	(855,936)	(1,240,095)	-	(1,240,095)
Nonoperating revenue						
Investment income	(659,542)	-	50,518	(609,024)	-	(609,024)
Unrestricted contributions	-	-	189,164	189,164	-	189,164
Equity in net income of nonconsolidated entities	(36,322)	-	-	(36,322)	-	(36,322)
Total nonoperating revenue	(695,864)	-	239,682	(456,182)	-	(456,182)
Deficiency of revenue over expenses	(1,079,378)	(645)	(616,254)	(1,696,277)	-	(1,696,277)
Net assets released from restriction	-	-	228,729	228,729	-	228,729
Decrease in unrestricted net assets	$ (1,079,378)	$ (645)	$ (387,525)	$ (1,467,548)	$ -	$ (1,467,548)

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidating Statement of Changes in Net Assets
June 30, 2013

	Hospital	SPM	WRF	2013 Total	Eliminations	2013 Total Consolidated
Unrestricted net assets						
Increase (decrease) in unrestricted net assets	$ 2,582,802	$ (585)	$ (48,571)	$ 2,533,646	$ -	$ 2,533,646
Temporarily restricted net assets						
Contributions	-	-	6,500	6,500	-	6,500
Change in value of beneficial interest in charitable remainder trust	-	-	18,213	18,213	-	18,213
Net assets released from restrictions	-	-	(286,626)	(286,626)	-	(286,626)
Decrease in temporarily restricted net assets	-	-	(261,913)	(261,913)	-	(261,913)
Increase (decrease) in net assets	2,582,802	(585)	(310,484)	2,271,733	-	2,271,733
Net assets at beginning of year	65,006,619	362	5,144,780	70,151,761	-	70,151,761
Net assets at end of year	$ 67,589,421	$ (223)	$ 4,834,296	$ 72,423,494	$ -	$ 72,423,494

METHODIST REHABILITATION CENTER, INC.
AND SUBSIDIARIES
Consolidating Statement of Changes in Net Assets
June 30, 2012

	Hospital	SPM	WRF	2012 Total	Eliminations	2012 Total Consolidated
Unrestricted net assets						
Decrease in unrestricted net assets	$ (1,079,378)	$ (645)	$ (387,525)	$ (1,467,548)	$ -	$ (1,467,548)
Temporarily restricted net assets						
Contributions	-	-	9,000	9,000	-	9,000
Change in value of beneficial interest in charitable remainder trust	-	-	(25,055)	(25,055)	-	(25,055)
Net assets released from restrictions	-	-	(228,729)	(228,729)	-	(228,729)
Decrease in temporarily restricted net assets	-	-	(244,784)	(244,784)	-	(244,784)
Decrease in net assets	(1,079,378)	(645)	(632,309)	(1,712,332)	-	(1,712,332)
Net assets at beginning of year	66,085,997	1,007	5,777,089	71,864,093	-	71,864,093
Net assets at end of year	$ 65,006,619	$ 362	$ 5,144,780	$ 70,151,761	$ -	$ 70,151,761