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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 2012 Open to Public Inspection
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013

B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization WILLIS-KNIGHTON MEDICAL CENTER		D Employer identification number 72-0400933
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) POST OFFICE BOX 32600	Room/suite	E Telephone number (318) 212-4000
	City or town, state or country, and ZIP + 4 SHREVEPORT, LA 711302600		G Gross receipts \$ 911,312,193
	F Name and address of principal officer JAMES K ELROD POST OFFICE BOX 32600 SHREVEPORT, LA 711302600		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.WKHS.COM			

Part I **Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities THE MEDICAL CENTER PROVIDES A FULL-RANGE OF HEALTH CARE SERVICES TO THE GENERAL PUBLIC		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	6,992
	6 Total number of volunteers (estimate if necessary)	6	302
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,188,569
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	26,840	12,857
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	847,199,480	891,166,400
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,641,187	283,508
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	947,805	4,132,928
		849,815,312	895,595,693
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,340,463	1,841,191
	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)	351,641,743	375,192,529
	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)	412,207,323	444,496,160
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	766,189,529	821,529,880
	19 Revenue less expenses Subtract line 18 from line 12	83,625,783	74,065,813
	Net Assets or Fund Balances		Beginning of Current Year
20 Total assets (Part X, line 16)		950,515,940	1,006,411,418
21 Total liabilities (Part X, line 26)		370,437,103	280,746,051
22 Net assets or fund balances Subtract line 21 from line 20		580,078,837	725,665,367

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer			2014-05-12	
	Date				
Paid Preparer Use Only	JAMES K ELROD PRESIDENT				
	Type or print name and title				
	Prnt/Type preparer's name C WILLIAM GERARDY JR		Preparer's signature		Date
	Check ☐ if self-employed		PTIN P00024591		
	Firm's name ▶ COLE EVANS & PETERSON			Firm's EIN ▶ 72-0506596	
	Firm's address ▶ POST OFFICE DRAWER 1768 SHREVEPORT, LA 711661768			Phone no (318) 222-8367	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

TO CONTINUOUSLY IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE WE SERVE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$	684,127,238	including grants of \$	1,841,191	(Revenue \$ 889,000,078)
		WILLIS-KNIGHTON MEDICAL CENTER STRIVES TO PROVIDE HIGH QUALITY, COST-EFFECTIVE MEDICAL CARE TO THE COMMUNITIES OF NORTHWEST LOUISIANA, NORTHEAST TEXAS, AND SOUTHWEST ARKANSAS THE MEDICAL CENTER OFFERS SOPHISTICATED TECHNOLOGY AND PROCEDURES THAT MAKE IT A TERTIARY CARE REFERRAL CENTER GENERAL THE MEDICAL CENTER PROVIDES 24-HOUR EMERGENCY CARE, REGARDLESS OF THE PATIENT'S ABILITY TO PAY, AT ITS FOUR HOSPITALS THE MEDICAL CENTER PROVIDES AN ORGAN TRANSPLANT PROGRAM, OBSTETRICS, COMPREHENSIVE HEART AND CANCER PROGRAMS, EXTENSIVE SURGICAL OPTIONS, LEADING-EDGE DIAGNOSTICS AS WELL AS A BROAD NETWORK OF PHYSICIANS ENCOMPASSING MOST SPECIALTIES AND SUBSPECIALTIES THE MEDICAL CENTER PROVIDES THESE SERVICES REGARDLESS OF RACE, COLOR, CREED, RELIGION, GENDER, NATIONAL ORIGIN, DISABILITY OR AGE THE MEDICAL CENTER HAD 50,997 ADMITTANCES DURING THE YEAR ENDED SEPTEMBER 30, 2013 WITH A TOTAL OF 202,918 PATIENT DAYS AND 3,291 BIRTHS THE MEDICAL CENTER PARTICIPATES IN THE MEDICAID PROGRAM AND ADMINISTERS A CHARITY CARE POLICY WHEREBY FREE OR DISCOUNTED SERVICES ARE AVAILABLE TO QUALIFIED INDIVIDUALS WITH LIMITED FINANCIAL MEANS DURING THE YEAR ENDED SEPTEMBER 30, 2013, THE MEDICAL CENTER PROVIDED AN ESTIMATED \$18,300,000 IN UNREIMBURSED COSTS ATTRIBUTABLE TO CHARITY CARE (EXCLUDING PROJECT NEIGHBORHEALTH) AND AN ESTIMATED \$24,000,000 IN UNREIMBURSED COSTS ATTRIBUTABLE TO MEDICAID PATIENTS THESE ESTIMATES ARE BASED ON THE MEDICAL CENTER'S OVERALL COST-TO-CHARGE RATIO IN ADDITION TO THESE SERVICES, WILLIS-KNIGHTON PROJECT NEIGHBORHEALTH OPERATES FOUR CLINICS IN COMMUNITIES THAT ARE ECONOMICALLY DISTRESSED AND/OR DESIGNATED AS MEDICALLY UNDER-SERVED AREAS WITH HEALTH PROFESSIONAL SHORTAGES SEE SCHEDULE H FOR DETAILED INFORMATION REGARDING PROJECT NEIGHBORHEALTH REGIONAL TRANSPLANT CENTER THE MEDICAL CENTER OPERATES THE JOHN C MCDONALD REGIONAL TRANSPLANT CENTER AT WILLIS-KNIGHTON MEDICAL CENTER ALL TRANSPLANT PATIENTS RECEIVE TRANSPLANTS WITHOUT REGARD TO THEIR ECONOMIC STATUS THE REGIONAL TRANSPLANT CENTER PROVIDES KIDNEY, PANCREAS, AND LIVER TRANSPLANTS SUBSTANTIALLY ALL THE COSTS OF OPERATING THE REGIONAL TRANSPLANT CENTER ARE BORNE BY WILLIS-KNIGHTON MEDICAL CENTER DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2013, 36 PATIENTS RECEIVED ORGAN TRANSPLANTS, CONSISTING OF 28 KIDNEYS (6 OF THOSE PATIENTS ALSO HAD A PANCREAS TRANSPLANT, AND 1 OF THOSE PATIENTS ALSO HAD A LIVER TRANSPLANT) AND 9 LIVERS OF THE 36 TRANSPLANT SURGERIES PERFORMED AT THE MEDICAL CENTER DURING THE YEAR ENDED SEPTEMBER 30, 2013, 22 PATIENTS WERE BENEFICIARIES OF THE MEDICARE PROGRAM AS SUCH, THESE TRANSPLANTS WERE PERFORMED AT VERY LITTLE, IF ANY, COST TO THE PATIENTS EMERGENCY CARE THE MEDICAL CENTER PROVIDES EMERGENCY SERVICES AT FOUR LOCATIONS ON A 24-HOUR BASIS STAFFED BY FULL-TIME EMERGENCY ROOM PHYSICIANS EMERGENCY PATIENTS ARE TREATED REGARDLESS OF THEIR ABILITY TO PAY DURING THE YEAR ENDED SEPTEMBER 30, 2013, THE MEDICAL CENTER'S EMERGENCY ROOMS WERE VISITED BY 156,981 PATIENTS, OF WHOM 20,382 WERE ADMITTED TO THE HOSPITAL FOR FURTHER TREATMENT WOMEN AND CHILDREN'S HEALTH THE MEDICAL CENTER PROVIDES A VARIETY OF MEDICAL SERVICES FOR WOMEN AND CHILDREN, INCLUDING OBSTETRICS, GYNECOLOGY, NEONATOLOGY, MATERNAL/FETAL HEALTH SERVICES FOR HIGH RISK PREGNANCY, PEDIATRIC INTENSIVE CARE AND PEDIATRIC SUPPORT SERVICES SUCH AS PEDIATRIC GASTROENTEROLOGY AND PEDIATRIC SURGERY THESE SERVICES INCLUDE BOTH HIGH-RISK AND LOW-RISK OBSTETRICS MATERNAL TRANSPORTS ARE ACCEPTED THE LABOR AND DELIVERY (L&D) UNITS ARE DIRECTED BY BOARD CERTIFIED OB-GYN PHYSICIANS AND THE MAJORITY OF THE NURSES ARE CERTIFIED BY THE ASSOCIATION OF WOMEN'S HEALTH, OBSTETRIC & NEONATAL NURSES (AWHON) THERE WERE 3,291 BIRTHS, 8,601 OBSTETRICAL VISITS TO THE L&D UNITS, AND 3,579 OBSTETRICAL AND GYNCOLOGICAL INPATIENTS DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2013 HEALTH AND WELLNESS CENTERS THE MEDICAL CENTER HAS SIX MEDICALLY-SUPERVISED HEALTH AND WELLNESS CENTERS DEDICATED TO THE PREVENTION OF HEALTH PROBLEMS, FOUR IN SHREVEPORT, ONE IN BOSSIER CITY, AND ONE IN HOMER WITH A TOTAL MEMBER ENROLLMENT AT SEPTEMBER 30, 2013 OF 6,410 THE CENTERS ARE LOCATED ON EACH OF THE FOUR HOSPITAL CAMPUSES, IN THE WK PIERRE AVENUE COMMUNITY CENTER, AND IN THE WK CLAIBORNE REGIONAL HEALTH CENTER A MEDICAL EVALUATION, INCLUDING A BLOOD CHEMISTRY WORK-UP, IS REQUIRED FOR MEMBERSHIP THE CENTERS SERVE PULMONARY AND CARDIAC REHABILITATION PATIENTS AND PROVIDE HEALTH AND WELLNESS SERVICES TO THE COMMUNITIES IN WHICH THEY ARE LOCATED NEONATAL INTENSIVE CARE UNIT WILLIS-KNIGHTON'S CENTER FOR WOMEN'S HEALTH HOUSES A 42-BED LEVEL III REGIONAL OBSTETRICAL AND NEONATAL UNIT THIS UNIT ACCEPTS REFERRALS FROM THE ARK-LA-TEX AREA AND IS SERVICED BY BOTH AIR AND GROUND EMERGENCY TRANSPORT ON A 24-HOUR BASIS THIS UNIT IS DIRECTED BY A BOARD CERTIFIED NEONATOLOGIST THE MAJORITY OF THE NURSING STAFF IS CERTIFIED BY AWHON THE AVERAGE LENGTH OF STAY PER ADMIT IS 19.4 DAYS HOSPICE HOSPICE OF LOUISIANA IS A DEPARTMENT OF WILLIS-KNIGHTON MEDICAL CENTER THAT PROVIDES COMPREHENSIVE END-OF-LIFE CARE INCLUDING SKILLED AND SUPPORTIVE SERVICES TO TERMINALLY ILL PATIENTS AND THEIR FAMILIES THE HOSPICE TEAM, UNDER THE GUIDANCE OF THE ATTENDING PHYSICIAN, FOCUSES ON THE ALLEVIATION OF THE PAIN AND DISCOMFORT CONNECTED WITH LIFE-ENDING ILLNESS QUALITY OF LIFE, EMOTIONAL AND SPIRITUAL BALANCE, SYMPTOM MANAGEMENT, AND PAIN CONTROL ARE THE GOALS THAT TEAM MEMBERS STRIVE FOR AS THEY ASSIST DYING PATIENTS AND THEIR FAMILIES BEREAVEMENT SUPPORT FOR THE IMMEDIATE FAMILY AND COMPANIONS IS PROVIDED FOR AT LEAST ONE YEAR FOLLOWING THE PATIENT'S DEATH FOR THE YEAR ENDED SEPTEMBER 30, 2013, HOSPICE OF LOUISIANA SERVED 202 PATIENTS AND THEIR FAMILIES AS DIRECT ADMITS, NOT INCLUDING VISITATION AND COUNSELING PROVIDED THROUGH PRE-ADMIT AND/OR BEREAVEMENT SERVICES THE TEAM INCLUDES REGISTERED NURSES, CERTIFIED NURSING ASSISTANTS, SOCIAL WORKERS, CHAPLAINS, VOLUNTEERS, ATTENDING PHYSICIANS, AND MEDICAL DIRECTOR BEHAVIORAL MEDICINE CENTER THE BEHAVIORAL MEDICINE CENTER AT WILLIS-KNIGHTON MEDICAL CENTER OFFERS INPATIENT AND OUTPATIENT SERVICES TO INDIVIDUALS IN NEED OF MENTAL HEALTH CARE DURING THE YEAR ENDED SEPTEMBER 30, 2013, THE BEHAVIORAL MEDICINE CENTER SPONSORED NUMEROUS INFORMATION SESSIONS FOR VARIOUS GROUPS IN THE SHREVEPORT/BOSSIER AND NORTHWEST LOUISIANA AREAS SUCH SESSIONS AMOUNTED TO APPROXIMATELY 470 HOURS AND WERE ATTENDED BY APPROXIMATELY 3,800 PEOPLE TOPICS INCLUDED MARRIAGE/FAMILY - DEVELOPMENT OF SKILLS TO ENRICH MARRIAGE AND FAMILY LIFE SELF-ESTEEM - CONCENTRATES ON HOW GOOD SELF-ESTEEM CAN ENHANCE AN INDIVIDUAL'S QUALITY OF LIFE PARENTING - FOCUSES ON APPROPRIATE PARENTING SKILLS AT VARIOUS DEVELOPMENTAL STAGES STRESS MANAGEMENT - DEVELOPING SKILLS TO COPE WITH EVERYDAY STRESSES IN LIFE PERSONAL ENRICHMENT - EMPOWERING OURSELVES TO REACH MAXIMUM POTENTIAL MOTIVATION/ATTITUDE - HOW ATTITUDE AFFECTS OUR MENTAL AND PHYSICAL HEALTH COUNSELING ISSUES/TECHNIQUES - ISSUES CONCERNING PROFESSIONAL DEVELOPMENT FOR COUNSELORS/THERAPISTS AGING - DEVELOPMENT OF A POSITIVE ATTITUDE TO DEAL WITH ISSUES OF AGING DEPRESSION/SUICIDE - ASSESSMENT OF DEPRESSION AND SUICIDE, AND LEGAL AND ETHICAL ISSUES SURROUNDING SUICIDE				

4b	(Code	) (Expenses \$	11,056,139	including grants of \$	) (Revenue \$	4,485,520)
THE MEDICAL CENTER PROVIDES HOUSING, HEALTHCARE, AND RELATED SERVICES TO THE ELDERLY THROUGH THE OAKS OF LOUISIANA. THE OAKS OF LOUISIANA IS A RESIDENTIAL COMMUNITY DESIGNED SPECIFICALLY FOR ADULTS AGED 55 AND OVER. THIS RESIDENTIAL COMMUNITY PROVIDES SECURE, MAINTENANCE-FREE LIVING AND PROMOTES AN ACTIVE, HEALTHY LIFESTYLE. THE CAMPUS OF THE OAKS OF LOUISIANA INCLUDES THE TOWER AT THE OAKS, A RESIDENTIAL COMMUNITY, AND SAVANNAH AT THE OAKS, AN ASSISTED LIVING FACILITY.						

[illegible]

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

4e	Total program service expenses	695,183,377
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Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	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	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI 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 Yes	
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		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
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		No
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	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, 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	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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.	550	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.	6,992	
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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	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)?		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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		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	No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	No
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	12	
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			
1b	Enter the number of voting members included in line 1a, above, who are independent	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	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
7b	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		
8a	The governing body?	8a	Yes
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	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
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
16b	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	No

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 MR JAMES K ELROD 2611 GREENWOOD ROAD SHREVEPORT, LA (318) 212-4000

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

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** 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

[illegible]

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	14,077,875	5,500	330,757

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization: 462

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	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? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. 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
LSU HEALTH SCIENCES CENTER PO BOX 33932 SHREVEPORT LA 71130	MEDICAL STAFFING	5,091,089
SHREVEPORT ANESTHESIA SERVICE 2600 GREENWOOD ROAD SHREVEPORT LA 71103	PHYSICIAN SERVICES	4,097,893
RED RIVER CARDIOVASCULAR SURGEONS 2751 ALBERT BICKNELL DR SUITE 5C SHREVEPORT LA 71103	PHYSICIAN SERVICES	3,330,000
TEG ARCHITECTS LLC 903 SPRING STREET JEFFERSONVILLE IN 47130	ARCHITECTURAL FEES	2,241,302
MAYO MEDICAL LABORATORIES PO BOX 9146 MINNEAPOLIS MN 55480	LABORATORY TESTING SERVICES	2,117,420

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 ►118

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				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	12,857			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		12,857			
Program Service Revenue	2a	HOSPITAL SERVICES	Business Code				
			900099	886,680,880	886,680,880		
	b	RESIDENTIAL COMMUNITY	900099	4,485,520	4,485,520		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		891,166,400			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		908,669		908,669	
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties					
	6a	Gross rents	(i) Real	(ii) Personal			
			1,558,434				
	b	Less rental expenses	1,277,483				
	c	Rental income or (loss)	280,951				
	d	Net rental income or (loss)		280,951	280,951		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
			13,777,004	36,852			
	b	Less cost or other basis and sales expenses	13,754,668	684,349			
	c	Gain or (loss)	22,336	-647,497			
	d	Net gain or (loss)		-625,161	-625,161		
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . .					
		a					
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events . . .					
	9a	Gross income from gaming activities See Part IV, line 19					
		a					
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities . . .					
	10a	Gross sales of inventory, less returns and allowances .					
		a					
b	Less cost of goods sold	b					
c	Net income or (loss) from sales of inventory . . .						
	Miscellaneous Revenue		Business Code				
11a	LABORATORY REVENUE	621500	484,973		484,973		
b	(LOSS) FROM SUBSIDIARY - HEALTH P	524114	69,559	69,559			
c	(LOSS) FROM SUBSIDIARY - VIRGINIA	623000	-434,968	-434,968			
d	All other revenue		3,732,413	3,028,817	703,596		
e	Total. Add lines 11a-11d		3,851,977				
12	Total revenue. See Instructions		895,595,693	893,485,598	1,188,569	908,669	

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.	1,834,039	1,834,039		
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.	7,152	7,152		
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	6,623,380		6,623,380	
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.	272,060,334	237,778,932	34,281,402	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	22,519,959	19,214,513	3,305,446	
9	Other employee benefits.	50,623,146	43,192,756	7,430,390	
10	Payroll taxes.	23,365,710	19,936,126	3,429,584	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	798,546		798,546	
c	Accounting.	1,712,614		1,712,614	
d	Lobbying.				
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).				
12	Advertising and promotion.	2,817,683	1,140,130	1,677,553	
13	Office expenses.				
14	Information technology.	7,089,213		7,089,213	
15	Royalties.				
16	Occupancy.				
17	Travel.				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	710,315		710,315	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	45,463,399	22,561,253	22,902,146	
23	Insurance.	5,231,662		5,231,662	
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	DIRECT DEPARTMENTAL EXP	347,843,147	347,843,147		
b	TAXES & LICENSES	8,063,166		8,063,166	
c	BUSINESS OFFICE	5,384,520		5,384,520	
d					
e	All other expenses	19,381,895	1,675,329	17,706,566	
25	Total functional expenses. Add lines 1 through 24e.	821,529,880	695,183,377	126,346,503	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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	5,326,613
	2	Savings and temporary cash investments			156,688,418	2	118,581,569
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			126,115,486	4	141,524,578
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	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			11,401,086	7	7,798,107
	8	Inventories for sale or use			20,574,027	8	21,296,159
	9	Prepaid expenses and deferred charges			3,385,510	9	3,864,762
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	1,070,719,690			
	b	Less accumulated depreciation	10b	543,441,018	510,393,592	10c	527,278,672
	11	Investments—publicly traded securities			102,365,990	11	165,730,061
	12	Investments—other securities See Part IV, line 11			16,882,615	12	12,754,760
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets			1,648,502	14	1,443,318
	15	Other assets See Part IV, line 11			1,060,714	15	812,819
16	Total assets. Add lines 1 through 15 (must equal line 34)			950,515,940	16	1,006,411,418	
Liabilities	17	Accounts payable and accrued expenses			90,271,313	17	92,060,255
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			177,443,951	20	164,265,868
	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 . . .				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			102,721,839	25	24,419,928
	26	Total liabilities. Add lines 17 through 25			370,437,103	26	280,746,051
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			580,078,837	27	725,665,367
	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			580,078,837	33	725,665,367
34	Total liabilities and net assets/fund balances			950,515,940	34	1,006,411,418	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	895,595,693
2	Total expenses (must equal Part IX, column (A), line 25)	2	821,529,880
3	Revenue less expenses Subtract line 2 from line 1	3	74,065,813
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	580,078,837
5	Net unrealized gains (losses) on investments	5	-338,760
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	71,859,477
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	725,665,367

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? 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	2a	No
2b	Were the organization's financial statements audited by an independent accountant? 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	2b	Yes
2c	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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes
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
3b	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: 72-0400933

Name: WILLIS-KNIGHTON MEDICAL 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			
JAMES K ELROD PRESIDENT/CEO/TRUSTEE	53 00	X		X				1,487,262	5,500	12,899
PIERRE V BLANCHARDIV MD TRUSTEE/PHYSICIAN	40 00	X						205,307	0	6,804
RAY P ODEN JR TRUSTEE/CHAIRMAN	4 00	X						0	0	0
PHILLIP A ROZEMAN MD TRUSTEE	4 00	X						0	0	0
TIGNER A WALKER TRUSTEE	4 00	X						0	0	0
FRANK B HUGHES MD TRUSTEE/CHAIRMAN	4 00	X						0	0	0
RAND H FALBAUM TRUSTEE	4 00	X						0	0	0
TWAIN K GIDDENS TRUSTEE	4 00	X						0	0	0
WILLIS L MEADOWS JR TRUSTEE	4 00	X						0	0	0
SAM J TALBOT TRUSTEE	4 00	X						0	0	0
VINCENT MARSALA PHD TRUSTEE	4 00	X						0	0	0
JOHN C MICIOTTO MD TRUSTEE	4 00	X						0	0	0
GILBERT R SHANLEY TRUSTEE	4 00	X						0	0	0
ROBERT D HUIE EXECUTIVE VP & CFO	52 00			X				1,147,461	0	19,888
CHARLES D DAIGLE SR VP OF OPERATIONS & COO	40 00			X				444,136	0	21,319
STEPHEN R RANDALL SR VP-SPECIAL OPERATIONS	40 00			X				308,090	0	21,252
MARGARET G ELROD VP/IND WELLNESS/COMMUNITY	40 00			X				174,256	0	8,625
JERRY A FIELDER II VP/ADMINISTRATOR WKMC	40 00			X				164,081	0	21,773
CLIFFORD M BROUSSARD VP/ADMIN WK BOSSIER	40 00			X				174,786	0	14,117
JANET K ELROD VP/ADMIN WK SOUTH	40 00			X				173,649	0	8,953
IRA L MOSS VP/ADMIN WK PIERREMONT	40 00			X				203,327	0	15,086
JILL K ELROD VP OF LEGAL AFFAIRS	40 00			X				229,136	0	12,208
PEGGY J GAVIN VP OF PHYSICIAN SERVICES	40 00			X				176,291	0	9,291
DEBORAH D OLDS VP OF NURSING	40 00			X				136,153	0	15,185
RAMONA D FRYER VP OF REV/QUALITY/COMPLIAN	40 00			X				180,248	0	16,899

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			
DANIEL J MOLLER JR MD CHIEF-MEDICAL AFFAIRS-WKMC	40 00			X				321,969	0	13,683
CHARLES A POWERS MD CHIEF-MED AFFAIRS-WKB	40 00			X				321,409	0	14,387
RANDALL P BREWER MD PHYSICIAN	40 00					X		2,217,347	0	23,903
MILAN G MODY MD PHYSICIAN	40 00					X		1,699,363	0	18,901
CHRISTIAN M BRIERY MD PHYSICIAN	40 00					X		1,549,919	0	18,646
MATTHEW S MOSURA MD PHYSICIAN	40 00					X		1,304,848	0	18,899
CLINT M CORMIER MD PHYSICIAN	40 00					X		1,458,837	0	18,039

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
WILLIS-KNIGHTON MEDICAL CENTER

Employer identification number
72-0400933

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 33¹/₃% 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 33¹/₃% 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?

(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?

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

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

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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 IIISupport 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

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 WILLIS-KNIGHTON MEDICAL CENTER	Employer identification number 72-0400933
--	--

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)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
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					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		65,053
j	Total. Add lines 1c through 1i.			65,053
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to 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
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	DURING THE YEAR ENDED SEPTEMBER 30, 2013, THE MEDICAL CENTER PAID DUES TOTALING \$31,600 TO THE LOUISIANA STATE MEDICAL SOCIETY ON BEHALF OF DOCTORS IN THE MEDICAL CENTER'S PHYSICIAN NETWORK, WHICH CONSISTS OF PHYSICIANS EMPLOYED BY OR UNDER CONTRACT WITH THE MEDICAL CENTER. A PORTION OF THE DUES, \$6,636 WAS RELATED TO LOBBYING ACTIVITIES. DURING THE YEAR ENDED SEPTEMBER 30, 2013, THE MEDICAL CENTER PAID DUES TOTALING \$6,790 TO THE AMERICAN MEDICAL ASSOCIATION ON BEHALF OF DOCTORS IN THE MEDICAL CENTER'S PHYSICIAN NETWORK, WHICH CONSISTS OF PHYSICIANS EMPLOYED BY OR UNDER CONTRACT WITH THE MEDICAL CENTER. A PORTION OF THE DUES, \$3,735 WAS RELATED TO LOBBYING ACTIVITIES. DURING THE YEAR ENDED SEPTEMBER 30, 2013, THE MEDICAL CENTER PAID DUES TOTALING \$260,390 TO THE LOUISIANA HOSPITAL ASSOCIATION FOR THE MEDICAL CENTER'S MEMBERSHIP IN THE ASSOCIATION AND ON BEHALF OF DOCTORS IN THE MEDICAL CENTER'S PHYSICIAN NETWORK, WHICH CONSISTS OF PHYSICIANS EMPLOYED BY OR UNDER CONTRACT WITH THE MEDICAL CENTER. A PORTION OF THE DUES, \$54,682 WAS RELATED TO LOBBYING ACTIVITIES. HEALTHCARE POLICY IS CRITICAL TO THE MISSION OF THE MEDICAL CENTER, AND ITS MANAGEMENT BELIEVES THAT HEALTHCARE PROVIDERS SHOULD PARTICIPATE IN FORMING HEALTHCARE POLICY BY INTERACTING WITH NATIONAL, STATE, AND LOCAL REPRESENTATIVES AND THEIR STAFFS, WHEN POSSIBLE, TO HELP THEM BETTER UNDERSTAND THE COMPLEXITIES AND RAMIFICATIONS OF KEY HEALTHCARE ISSUES. THE MEDICAL CENTER'S MANAGEMENT IS AVAILABLE TO LAWMAKERS, GOVERNMENT OFFICIALS, AND THEIR STAFF MEMBERS, FOR INFORMATION AND OCCASIONALLY RESPONDS TO QUESTIONS AND INITIATES COMMUNICATIONS ABOUT HOW PROPOSED LAWS, POLICIES, REGULATIONS, ETC MIGHT AFFECT THE MEDICAL CENTER'S ABILITY TO DELIVER COST-EFFECTIVE, QUALITY HEALTHCARE. THE AMOUNT OF TIME AND MONEY RESOURCES INVOLVED IN THESE ACTIVITIES IS INSUBSTANTIAL. THE MEDICAL CENTER HAS NOT AND DOES NOT INTERVENE IN ANY POLITICAL CAMPAIGN.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization WILLIS-KNIGHTON MEDICAL CENTER	Employer identification number 72-0400933
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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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

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

▶\$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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	1,272,830	47,885,590		49,158,420
b Buildings	9,550,416	602,556,749	297,534,059	314,573,106
c Leasehold improvements		1,903,870	1,247,534	656,336
d Equipment		310,987,785	230,242,390	80,745,395
e Other		96,562,450	14,417,035	82,145,415
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				527,278,672

Schedule D (Form 990) 2012

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	912,442,115
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	2e	
a	Net unrealized gains on investments	2a	-338,762
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	-338,762
3	Subtract line 2e from line 1	3	912,780,877
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	-17,185,184
c	Add lines 4a and 4b	4c	-17,185,184
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	895,595,693

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	766,855,587
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	2e	
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	-54,674,293
e	Add lines 2a through 2d	2e	-54,674,293
3	Subtract line 2e from line 1	3	821,529,880
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	4c	
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	0
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	821,529,880

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
PART XI, LINE 4B - OTHER ADJUSTMENTS		UNRELATED BUSINESS INCOME-EXTERNAL HOUSEKEEPING, DATA PROCESSING, LAUNDRY SUBSIDIARIES EXPENSES
PART XII, LINE 2D - OTHER ADJUSTMENTS		SUBSIDIARIES INCOME/EXPENSE UNRELATED BUSINESS INCOME-EXTERNAL HOUSEKEEPING, DATA PROCESSNG, LAUNDRY FASB ASC 715-30 PENSION
		PART XII, LINE 4B UNRELATED BUSINESS GROSS INCOME DATA PROCESSING 297,460 HOUSEKEEPING 81,338 LAUNDRY 262,730 SUBSIDIARIES EXPENSES (17,826,712) TOTAL (17,185,184) PART XIII, LINE 2D UNRELATED BUSINESS GROSS INCOME DATA PROCESSING (297,460) HOUSEKEEPING (81,338) LAUNDRY (262,730) SUBSIDIARIES EXPENSES 17,826,712 PENSION RELATED CHANGES (71,859,477) TOTAL (54,674,293)

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
WILLIS-KNIGHTON MEDICAL CENTER

Employer identification number
72-0400933

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. 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 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
3a Sub-total	0	0			0
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			0

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			RUSSIA & THE NEWLY INDEPENDENT STATES -	PROVIDE MEDICAL SUPPLIES FOR MEDICAL MISSION TRIP TO THE UKRAINE			7,152	MEDICAL SUPPLIES	BOOK

- 2
- Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶
- 1
- 3
- Enter total number of other organizations or entities ▶
- 0

Part III

[illegible]

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐ Yes

☒ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes

☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☐ Yes

☒ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐ Yes

☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes

☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes

☒ No

Supplemental Information
Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

[illegible]

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
WILLIS-KNIGHTON MEDICAL CENTER

Employer identification number
72-0400933

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☒ 400% ☐ Other _____ % 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"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b	Yes	
b	If "Yes," did the organization make it available to the public?	5c		No
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.	6a	Yes	
		6b	Yes	

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)			18,423,846		18,423,846	2 240 %
b Medicaid (from Worksheet 3, column a)			72,549,043	48,546,525	24,002,518	2 920 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			90,972,889	48,546,525	42,426,364	5 160 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,525,384		4,525,384	0 550 %
f Health professions education (from Worksheet 5)			4,667,879		4,667,879	0 570 %
g Subsidized health services (from Worksheet 6)			2,508,160	904,635	1,603,525	0 200 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,834,039		1,834,039	0 220 %
j Total Other Benefits			13,535,462	904,635	12,630,827	1 540 %
k Total. Add lines 7d and 7j			104,508,351	49,451,160	55,057,191	6 700 %

Part II

Community Building Activities

Complete this table 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					
2	Economic development					
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development					
9	Other					
10	Total					

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

No

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

18,293,419

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

217,697,259

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

192,359,558

7

Subtract line 6 from line 5. This is the surplus (or shortfall).

7

25,337,701

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

9b

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?
4

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	WILLIS-KNIGHTON MEDICAL CENTER 2600 GREENWOOD ROAD SHREVEPORT, LA 71103	X	X		X			X		REHAB CTR, SNF, PHYSICIAN CLINICS	A
2	WK PIERREMONT HEALTH CENTER 8001 YOUREE DRIVE SHREVEPORT, LA 71115	X	X		X			X		PHYSICIAN CLINICS	A
3	WK BOSSIER HEALTH CENTER 2400 HOSPITAL DRIVE BOSSIER CITY, LA 71111	X	X					X		PHYSICIAN CLINICS	A
4	WILLIS-KNIGHTON SOUTH 2510 BERT KOUNS INDUSTRIAL LOOP SHREVEPORT, LA 71118	X	X		X			X		PHYSICIAN CLINICS	A

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)

WILLIS-KNIGHTON HEALTH SYSTEM

Name of hospital facility or facility reporting group

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

	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 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
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 <u>12</u>		
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? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
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 Yes	
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 <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
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	Yes
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? If "Yes," check all actions in which the hospital facility or a third party engaged		17	Yes
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? If "No," indicate why	Yes	
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? If "Yes," explain in Part VI		No
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? If "Yes," explain in Part VI		No

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?

4

Name and address	Type of Facility (describe)
1 OUTPATIENT CLINICS VARIOUS LOCATIONS SHREVEPORT, LA 71130	OUTPATIENT CLINICS
2 THE OAKS OF LOUISIANA 600 EAST FLOURNOY LUCUS ROAD SHREVEPORT, LA 71115	RESIDENTIAL COMMUNITY FOR ADULTS AGE 55 AND OVER
3 SAVANNAH AT THE OAKS 600 EAST FLOURNOY LUCUS ROAD SHREVEPORT, LA 71115	ASSISTED LIVING FACILITY
4 EXTENDED CARE CENTER 2550 KINGS HIGHWAY SHREVEPORT, LA 71103	SUBACUTE REHABILITATION
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 ALL ITEMS IN THE TABLE, EXCEPT FOR LINE 7G, USE THE COST-TO-CHARGE RATIO COSTING METHOD PROJECT NEIGHBORHEALTH, WHICH IS INCLUDED ON LINE 7G, USES THE ACTUAL COST METHOD
		PART III, LINE 4 THE MEDICAL CENTER MAINTAINS AN ALLOWANCE FOR DOUBTFUL PATIENT ACCOUNTS RECEIVABLE BASED ON MANAGEMENTS ASSESSMENT OF COLLECTABILITY, CURRENT ECONOMIC CONDITIONS, AND PRIOR EXPERIENCE AS MANAGEMENT DETERMINES THE COLLECTION OF SPECIFIC PATIENT ACCOUNTS TO BE DOUBTFUL, SUCH ACCOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE BASED ON THIS ANALYSIS, BAD DEBT EXPENSE AS A PERCENTAGE OF GROSS PATIENT BILLINGS (EXCLUDING MEDICARE CHARGES, MEDICAID CHARGES, AND CHARITY CARE) WAS 5 8 PERCENT AND 6 9 PERCENT FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012, RESPECTIVELY

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE MEDICARE COST REPORT IS BASED ON REGULATORY REQUIREMENTS AND GUIDELINES
		PART III, LINE 9B MONTHLY STATEMENTS ARE GENERATED AND MAILED BY THE MEDICAL CENTER TO KEEP PATIENTS/GUARANTORS INFORMED OF OUTSTANDING ACCOUNT BALANCES STATEMENT MESSAGES ARE GENERATED FOR EACH ACCOUNT THAT LET THE PATIENT/GUARANTOR KNOW IF THE BALANCE IS PENDING PAYMENT FROM THEIR INSURANCE CARRIER OR DEEMED TO BE THE PATIENT'S RESPONSIBILITY THE IN-HOUSE COLLECTIONS DEPARTMENT IS RESPONSIBLE FOR SELF-PAY COLLECTIONS THIS INCLUDES COLLECTION OF BALANCES AFTER ALL INSURANCE HAS PAID AND COLLECTION OF BALANCES FROM PATIENTS WHO HAVE NO INSURANCE THE MEDICAL CENTER UTILIZES SELF PAY COMPASS (A COMPANY THAT SPECIALIZES IN ESTIMATING INDIVIDUAL'S INCOME AND FINANCIAL RESOURCES) TO IDENTIFY ACCOUNTS THAT HAVE A HIGH PROBABILITY FOR PAYMENT THE PROBABILITY OF PAYMENT REPORT GENERATED BY SELF PAY COMPASS IS BASED ON OUTSIDE INFORMATION SOURCES THAT PROVIDE A PERSON'S CREDIT HISTORY, ESTIMATED HOUSEHOLD INCOME, MEDICAL BILL PAYMENT HISTORY, ETC REPORTS ARE GENERATED FROM SELF PAY COMPASS ON A WEEKLY BASIS FOR ALL ACCOUNTS WITH A SELF-PAY BALANCE AND CALCULATED PROBABILITY OF PAYMENT GREATER THAN 70% ACCOUNTS FROM THESE REPORTS ARE THEN PROCESSED BY MEDITECH (THE MEDICAL CENTER'S CORE SOFTWARE) TO DETERMINE IF THE GUARANTOR HAS ADDITIONAL SELF-PAY BALANCES IF THE GUARANTOR IS CURRENTLY PAYING ON ANOTHER ACCOUNT(S), THE ACCOUNT FROM THE REPORT IS COMBINED WITH THE OTHER ACCOUNT(S) SO THE GUARANTOR RECEIVES ONE STATEMENT OR COLLECTION LETTER EACH MONTH IF THE GUARANTOR HAS NO OTHER ACCOUNTS ON WHICH THEY ARE PAYING, A PHONE CALL IS MADE A REPORT IS GENERATED FROM SELF PAY COMPASS ON A MONTHLY BASIS TO DETERMINE ACCOUNTS WITH BALANCES LESS THAN \$100 THAT ARE DELINQUENT THESE ACCOUNTS ARE IMPORTED INTO MEDITECH TO RECEIVE A COLLECTION LETTER WHEN APPROPRIATE A REPORT IS GENERATED FROM MEDITECH ON A MONTHLY BASIS TO IDENTIFY ACCOUNTS WITH BALANCES OVER \$10,000 THE IN-HOUSE COLLECTOR REVIEWS THE COLLECTION ACTIVITY AND FOLLOWS UP WITH THE APPROPRIATE ACTION WHICH MAY INCLUDE PHONE CALLS, ASSISTING THE PATIENT WITH APPLYING FOR CHARITY CARE, ESTABLISHING A PAYMENT ARRANGEMENT OR RECOMMENDING THAT THE ACCOUNT BE REFERRED FOR OUTSIDE COLLECTIONS OTHER REPORTS ARE GENERATED FROM MEDITECH AND SELF PAY COMPASS ON AN AS-NEEDED BASIS TO IDENTIFY OTHER ACCOUNTS REQUIRING COLLECTION ACTIVITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 WILLIS-KNIGHTON MEDICAL CENTER OPERATES THROUGHOUT SHREVEPORT, BOSSIER CITY AND NEARBY PARISHES AND PROVIDES FOUR HOSPITALS, NUMEROUS SATELLITE CLINICS, A SKILLED NURSING FACILITY, A RETIREMENT COMMUNITY, AND AN ASSISTED LIVING FACILITY THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITIES THAT IT SERVES BY STAYING INFORMED ABOUT THE RELEVANT TRENDS OCCURRING IN THE AREAS IN WHICH IT OPERATES
		PART VI, LINE 3 WILLIS-KNIGHTON HEALTH SYSTEM IS COMMITTED TO PROVIDING CHARITY CARE TO PERSONS WHO HAVE HEALTHCARE NEEDS AND ARE UNINSURED, UNDERINSURED, INELIGIBLE FOR A GOVERNMENT PROGRAM, OR OTHERWISE UNABLE TO PAY FOR MEDICALLY NECESSARY CARE CONSISTENT WITH ITS MISSION TO DELIVER COMPASSIONATE, HIGH QUALITY, AFFORDABLE HEALTHCARE SERVICES AND TO BE AN ADVOCATE FOR THOSE WHO ARE MOST IN NEED, WILLIS-KNIGHTON HEALTH SYSTEM STRIVES TO ENSURE THAT THE FINANCIAL CAPACITY OF PEOPLE WHO NEED HEALTH CARE SERVICES DOES NOT PREVENT THEM FROM SEEKING OR RECEIVING CARE PATIENTS ARE EXPECTED TO COOPERATE WITH WILLIS-KNIGHTON HEALTH SYSTEM'S PROCEDURES FOR OBTAINING CHARITY OR OTHER FORMS OF PAYMENT OR FINANCIAL ASSISTANCE, AND TO CONTRIBUTE TO THE COST OF THEIR CARE BASED ON THEIR INDIVIDUAL ABILITY TO PAY PATIENTS OF THE MEDICAL CENTER ARE INFORMED OF THEIR ELIGIBILITY FOR ASSISTANCE UNDER GOVERNMENT PROGRAMS AND THE ORGANIZATION'S CHARITY CARE POLICY IN THE FOLLOWING MANNERS 1)IF THE PATIENT DOES NOT HAVE INSURANCE, THEN THE MEDICAL CENTER WILL ASSIST THEM IN DETERMINING WHETHER OR NOT THEY QUALIFY FOR MEDICAID 2)INFORMATION CONCERNING THE MEDICAL CENTER'S CHARITY CARE PROGRAM IS AVAILABLE ON THE MEDICAL CENTER'S WEBSITE, WWW.WKHS.COM 3)ONCE A PATIENT HAS BEEN ADMITTED INTO THE HOSPITAL, AND IT IS DETERMINED THAT THEY DO NOT HAVE INSURANCE, THEN A MEDICAL CENTER EMPLOYEE IS RESPONSIBLE FOR REQUESTING A DEPOSIT FROM THE PATIENT IF THE PATIENT IS NOT ABLE TO PAY, THEN THE PATIENT IS GIVEN AN APPLICATION FOR THE CHARITY CARE PROGRAM AT THAT TIME 4)IN THE EVENT THERE IS NO WRITTEN DOCUMENTATION TO SUPPORT A PATIENT'S ELIGIBILITY FOR CHARITY CARE, THE MEDICAL CENTER UTILIZES SELF PAY COMPASS (A COMPANY THAT SPECIALIZES IN ESTIMATING AN INDIVIDUAL'S INCOME AND FINANCIAL RESOURCES) TO DETERMINE CHARITY CARE ELIGIBILITY THE MEDICAL CENTER RELIES ON SELF PAY COMPASS TO ESTIMATE INCOME AND FINANCIAL RESOURCES ONLY FOR THOSE INDIVIDUALS WHOSE INCOME IS ESTIMATED TO BE 400% OR LESS OF THE FEDERAL POVERTY LEVEL REPORTS ARE GENERATED ON A QUARTERLY BASIS TO IDENTIFY ACCOUNTS THAT MEET THIS CRITERION, AND CHARITY CARE ADJUSTMENTS ARE APPLIED, IF APPLICABLE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 WILLIS-KNIGHTON'S PRIMARY SERVICE AREA COVERS AN APPROXIMATE 35 MILE RADIUS OF SHREVEPORT, COVERING THE LOUISIANA PARISHES OF CADDO, BOSSIER, WEBSTER, CLAIBORNE, RED RIVER, DESOTO AND BIENVILLE, AND WHICH HAD A 2011 ESTIMATED POPULATION OF APPROXIMATELY 485,023 PERSONS THE MEDIAN HOUSEHOLD INCOME ACCORDING TO THE 2010 U S CENSUS DATA FOR SHREVEPORT IS \$39,086 THE MEDIAN HOUSEHOLD INCOME ACCORDING TO THE 2010 U S CENSUS DATA FOR BOSSIER PARISH IS \$46,518
		PART VI, LINE 5 OTHER COMMUNITY BENEFITS PROJECT NEIGHBORHEALTH - OVERVIEWDURING 1995, THE MEDICAL CENTER BEGAN A PROGRAM KNOWN AS "PROJECT NEIGHBORHEALTH " THE PROGRAM'S PURPOSE IS TO PROMOTE HEALTH AND WELL-BEING IN COMMUNITIES THAT ARE ECONOMICALLY DISTRESSED AND/OR DESIGNATED AS MEDICALLY UNDER-SERVED, HEALTH-PROFESSIONAL-SHORTAGE AREAS THE PROGRAM PROVIDES FREE COMMUNITY PROGRAMS INCLUDING ANTI-DRUG/GANG PROGRAMS, LIFE SKILLS TRAINING, MENTORING PROGRAMS, NUTRITIONAL COUNSELING, POLICE COMMUNITY FORUMS, AND OTHER COMMUNITY-RELATED PROGRAMS AS PART OF PROJECT NEIGHBORHEALTH, THE MEDICAL CENTER OPERATES THE FOLLOWING CLINICS SIMPKINS COMMUNITY HEALTH & EDUCATION CENTER, WK PIERRE AVENUE HEALTH & WELLNESS CENTER, WK BRADLEY MEDICAL CLINIC, AND THE CHILDREN'S DENTAL CLINIC AND WK COMMUNITY EDUCATION CENTER SIMPKINS COMMUNITY HEALTH & EDUCATION CENTERPROJECT NEIGHBORHEALTH ON SEPTEMBER 1, 1995, AT A COST OF APPROXIMATELY \$1,300,000, THE MEDICAL CENTER OPENED A 6,463 SQUARE FOOT, FEDERALLY DESIGNATED INDIGENT CARE MEDICAL CLINIC AND A 3,914 SQUARE FOOT COMMUNITY EDUCATION BUILDING ON SHREVEPORT-BLANCHARD ROAD AT DR MARTIN LUTHER KING DRIVE IN SHREVEPORT, LOUISIANA LOCATED IN AN ECONOMICALLY DISTRESSED COMMUNITY, THESE FACILITIES ARE CONVENIENT TO AND PRIMARILY FOR THE BENEFIT OF THE PEOPLE IN THAT COMMUNITY SERVICES ARE PROVIDED WITHOUT REGARD TO THE PATIENTS' ABILITY TO PAY THE LOCATION OF THE CLINIC (CENSUS TRACT 246 IN THE DR MARTIN LUTHER KING DRIVE AREA IN CADDO PARISH) WAS DESIGNATED BY THE DEPARTMENT OF HEALTH AND HOSPITALS AS A HEALTH-PROFESSIONAL-SHORTAGE AREA AND AS A MEDICALLY UNDER-SERVED AREA PRIOR TO THE CLINIC'S OPENING, THIS AREA WAS THE SECOND LARGEST CONTIGUOUS POPULATION OF MEDICALLY UNDER-SERVED PEOPLE IN THE UNITED STATES THE CLINIC HAS AN EMERGENCY AND SPECIAL PROCEDURES ROOM, AN X-RAY DEPARTMENT, AND A FULLY EQUIPPED LABORATORY AND DENTAL FACILITY PREVENTATIVE CARE PROGRAMS INCLUDE BLOOD PRESSURE CHECKS, HEALTH SCREENINGS, IMMUNIZATIONS, AND DIABETES COUNSELING THE CLINIC'S STAFF INCLUDES 2 PART-TIME FAMILY PRACTICE PHYSICIANS, A PART-TIME NURSE PRACTITIONER, AND SUPPORT STAFF THE CLINIC HAD 4,500 MEDICAL PATIENT VISITS DURING THE YEAR ENDED SEPTEMBER 30, 2013 THE EDUCATION FACILITY HOUSES CLASSROOMS, AN AUDITORIUM, A NURSERY, A CONFERENCE ROOM, AND A LIBRARY WITH STUDY AREAS WK PIERRE AVENUE COMMUNITY HEALTH & WELLNESS CENTERPROJECT NEIGHBORHEALTH ON AUGUST 1, 1998, THE MEDICAL CENTER OPENED A 15,062 SQUARE FOOT MEDICAL CLINIC KNOWN AS THE "WK PIERRE AVENUE COMMUNITY CENTER" ON PIERRE AVENUE IN SHREVEPORT AT A COST OF APPROXIMATELY \$1,375,000 LOCATED IN AN ECONOMICALLY DISTRESSED COMMUNITY, THIS FACILITY IS CONVENIENT TO AND PRIMARILY FOR THE BENEFIT OF THE PEOPLE IN THAT COMMUNITY THIS FACILITY ALSO CONTAINS A HEALTH AND FITNESS CENTER THE MEDICAL CENTER PROVIDES EQUIPMENT AND MEDICAL STAFF FOR THE CLINIC THE CLINIC'S STAFF INCLUDES 2 PART-TIME FAMILY PRACTICE PHYSICIANS, A PART-TIME PHYSICIAN ASSISTANT, AND SUPPORT STAFF THE CLINIC HAD 4,441 MEDICAL PATIENTS DURING THE YEAR ENDED SEPTEMBER 30, 2013 WK BRADLEY MEDICAL CLINIC ON AUGUST 24, 1998, THE MEDICAL CENTER OPENED A 3,915 SQUARE FOOT MEDICAL CLINIC KNOWN AS THE "WK BRADLEY MEDICAL CLINIC" IN BRADLEY, ARKANSAS AT A COST OF APPROXIMATELY \$140,000 LOCATED IN AN ECONOMICALLY DISTRESSED COMMUNITY, THIS FACILITY IS CONVENIENT TO AND PRIMARILY FOR THE BENEFIT OF THE PEOPLE IN THAT COMMUNITY THE MEDICAL CENTER PROVIDES EQUIPMENT AND MEDICAL STAFF FOR THE CLINIC THE CLINIC'S STAFF INCLUDES A NURSE PRACTITIONER AND VARIOUS SUPPORT STAFF THE CLINIC HAD 1,980 MEDICAL PATIENTS DURING THE YEAR ENDED SEPTEMBER 30, 2013 THE CHILDREN'S DENTAL CLINIC AND WK COMMUNITY EDUCATION CENTERPROJECT NEIGHBORHEALTH ON OCTOBER 15, 2001, THE MEDICAL CENTER OPENED A 3,049 SQUARE FOOT MEDICAL CLINIC KNOWN AS THE "THE CHILDREN'S DENTAL CLINIC AND WK COMMUNITY EDUCATION CENTER" ON SOUTHERN AVENUE IN SHREVEPORT THE MEDICAL CLINIC IS HOUSED IN A DONATED BUILDING THAT THE MEDICAL CENTER RENOVATED AT A COST OF APPROXIMATELY \$162,000 LOCATED IN AN ECONOMICALLY DISTRESSED COMMUNITY, THIS FACILITY IS CONVENIENT TO AND PRIMARILY FOR THE BENEFIT OF THE PEOPLE IN THAT COMMUNITY THE MEDICAL CENTER PROVIDES EQUIPMENT AND MEDICAL STAFF FOR THE CLINIC THE CLINIC'S STAFF INCLUDES 57 DENTISTS FROM THE NORTHWEST LOUISIANA DENTAL VOLUNTEERS, WHO EACH DONATE ONE-THIRD DAY PER MONTH TO THE CLINIC THE CLINIC HAD APPROXIMATELY 750 PATIENTS DURING THE YEAR ENDED SEPTEMBER 30, 2013 DURING THE YEAR ENDED SEPTEMBER 30, 2013, UNDER PROJECT NEIGHBORHEALTH, THE MEDICAL CENTER PROVIDED OVER 15,000 HOURS TO COMMUNITY SERVICES/PROJECTS AT NO COST TO THE RECIPIENTS BY 3 FULL-TIME EMPLOYEES, 1 PART-TIME EMPLOYEE, AND VOLUNTEERS IN ADDITION TO HOURS PROVIDED BY VARIOUS DEPARTMENTS WITHIN THE MEDICAL CENTER OTHER COMMUNITY SERVICES THE MEDICAL CENTER MAKES AVAILABLE, FREE-OF-CHARGE, MEETING SPACE TO OUTSIDE COMMUNITY OUTREACH ORGANIZATIONS SUCH AS QUEENSBOROUGH NEIGHBORHOOD ASSOCIATION, BOSSIER MEDICAL SOCIETY, CADDO PARISH SHERIFF'S OFFICE, ICE (INNER CITY ENTREPRENEUR), NORTH LOUISIANA AHEC, LIFESHARE BLOOD CENTER, LSU PSYCHIATRY PROGRAM, TEXAS WESLEYAN UNIVERSITY CRNA PROGRAM, NORTHWEST LOUISIANA COALITION FOR WOMEN AND CHILDREN, NORTHWEST LOUISIANA INTERFAITH PHARMACY, VOLUNTEERS FOR YOUTH JUSTICE AND OTHER CHARITABLE AND GOVERNMENTAL ORGANIZATIONS ROOMS ARE ALSO PROVIDED FOR OFF CAMPUS CLASSES TAUGHT BY BOSSIER PARISH COMMUNITY COLLEGE AT THE WK CAREER INSTITUTE THE MEDICAL CENTER OFFERS EXTENSIVE ONLINE HEALTH INFORMATION ON ITS WEB SITE FREE HEALTH INFORMATION IS AVAILABLE, TARGETED TO BOTH ADULTS AND CHILDREN INFORMATION FOR ADULTS INCLUDES A HEALTH LIBRARY, DRUG INTERACTION CHECKER, NUTRITION AND WELLNESS INFORMATION AND DESCRIPTION OF PROCEDURES, WRITTEN BY HEALTH PROFESSIONALS AND REVIEWED AND UPDATED REGULARLY THE MEDICAL CENTER ALSO PARTNERS WITH THE NEMOURS FOUNDATION TO OFFER KIDSHEALTH, A HEALTH AND WELLNESS INFORMATION SITE TARGETED TO CHILDREN, TEENS AND THEIR PARENTS THE WILLIS-KNIGHTON CANCER CENTER WEB SITE OFFERS INFORMATION ON VARIOUS TYPES OF CANCER AND TREATMENTS AS WELL AS AN UPDATED LIST OF CLINICAL TRIALS DURING THE PAST YEAR THE MEDICAL CENTER'S ON-LINE HEALTH LIBRARY ATTRACTED 260,000 VISITS FROM A TOTAL OF 219,000 VISITORS KIDSHEALTH ATTRACTED OVER 191,000 VISITS IMMUNIZATIONS FOR CHILDREN WILLIS-KNIGHTON PROVIDES A MOBILE UNIT THAT OFFERS "SHOTS FOR TOTS" USING ITS MOBILE VAN AND STAFF, VACCINES ARE TAKEN TO VARIOUS NEIGHBORHOODS TO MAKE THEM CONVENIENT FOR PARENTS UNDER THIS PROGRAM, ANY CHILD MAY RECEIVE IMMUNIZATION SHOTS, FREE OF CHARGE, FOR MEASLES, MUMPS, RUBELLA, DIPHTHERIA, PERTUSSIS, TETANUS, HEPATITIS B, POLIO, MENINGITIS, FLU, AND CHICKEN POX THE MEDICAL CENTER SUBSIDIZES ALL EXPENSES OF THE PROGRAM EXCEPT THE VACCINE, WHICH IS PROVIDED BY THE LOUISIANA DEPARTMENT OF PUBLIC HEALTH DURING THE YEAR ENDED SEPTEMBER 30, 2013, THE MEDICAL CENTER IMMUNIZED 3,129 PATIENTS UNDER THIS PROGRAM HEALTH PROFESSIONS EDUCATIONTHE MEDICAL CENTER PROVIDES VARIOUS EDUCATION PROGRAMS THAT RESULT IN HEALTH CARE PROFESSIONALS RECEIVING DEGREES, CERTIFICATES OR TRAINING THAT IS NECESSARY TO BE LICENSED TO PRACTICE AS HEALTH CARE PROFESSIONALS WHILE THE MEDICAL CENTER ALSO PROVIDES A VARIETY OF EDUCATION, TRAINING AND STIPEND PROGRAMS THAT ARE EXCLUSIVE TO THE MEDICAL CENTER'S EMPLOYEES AND MEDICAL STAFF, THOSE COSTS ARE NOT INCLUDED IN THIS CATEGORY THE MEDICAL CENTER MAINTAINS AN ASSOCIATION WITH LSU HEALTH SCIENCES CENTER (A PUBLIC TEACHING, RESEARCH, AND INDIGENT CARE FACILITY) BY PROVIDING GRANTS, ASSISTANCE WITH RESIDENTS AND FELLOWS, ALONG WITH UNDERWRITING THE COST OF CLINICAL SETTINGS FOR TRAINING AND INTERSHIPS FOR A VARIETY OF OTHER HEALTH PROFESSIONALS SPORTS MEDICINESPORTS MEDICINE EXPERTS AT WILLIS-KNIGHTON SPORTS MEDICINE WORK WITH ATHLETES ON THE PREVENTION AND TREATMENT OF SPORTS-RELATED INJURIES, HELPING THEM TO MAINTAIN A HEALTHY LIFESTYLE THIS SERVICE IS OFFERED TO VARIOUS SCHOOLS AND PROGRAMS THROUGHOUT THE LOCAL AREA

Identifier	ReturnReference	Explanation
PART V, LINE 8 FACILITY REPORTING GROUP A		SEE BELOW
FACILITY 1 -- WILLIS-KNIGHTON MEDICAL CENTER	PART V, SECTION B, LINE 3	CONDUCTED 17 INTERVIEWS (LIST OF INTERVIEWEES FOLLOWS) WITH THE THREE GROUPS OUTLINED IN IRS NOTICE 2011-52 DISCUSSED THE HEALTH NEEDS OF THE COMMUNITY, ACCESS ISSUES, BARRIERS AND ISSUES RELATED TO SPECIFIC POPULATIONS. GATHERED BACKGROUND INFORMATION, INCLUDING CREDENTIALS, ON EACH INTERVIEWEE SHERRI BUFFINGTON, STATE SENATOR DISTRICT 38(CADDO AND DESOTO PARISH), VICE CHAIR HEALTH & WELFAREBARROW PEACOCK, STATE SENATOR DISTRICT 37 (SHREVEPORT AND BOSSIER PARISH)WILLIS BRADFORD, WILLIS-KNIGHTON DIRECTOR OF PROJECT NEIGHBORHEALTHMARTHA MARAK, DIRECTOR OF THE FOOD BANK OF NORTHWEST LOUISIANADR DAN MOLLER, CMO, WILLIS-KNIGHTON HEALTH SYSTEMDR ANIL NANDA, NEUROSURGEON, LSU HEALTH - SHREVEPORTDR CHARLES POWERS, CMO - WILLIS-KNIGHTON BOSSIER HOSPITALRON WEBB, CITY COUNCILMAN, DISTRICT E, CITY OF SHREVEPORTDR MARTHA WHYTE, DIRECTOR - DEPARTMENT OF PUBLIC HEALTH REGION 7BRIDGET CAUSEY, RN, BSN, NURSING SUPERVISOR, CADDO PARISH PUBLIC SCHOOLSWillie WHITE, CEO OF DAVID RAINES COMMUNITY HEALTH CENTERSDR JOHN MICIOTTO, RETIRED OB/GYN, FORMER MEDICAL DIRECTOR, NORTHWEST LOUISIANA DEPT OF HEALTHANTHONY MARTIN, DIRECTOR - WILLIS-KNIGHTON HOME HEALTH/HOSPICETIM WILCOX, DIRECTOR - WILLIS-KNIGHTON BEHAVIORAL HEALTHC O SIMPKINS, SR , DDS - COMMUNITY LEADER, EX-CITY COUNCILMANBRUCE WILSON, DIRECTOR - UNITED WAY OF NORTHWEST LOUISIANADR PHILLIP ROZEMAN, CARDIOLOGIST, COMMUNITY LEADER

Identifier	ReturnReference	Explanation
FACILITY 1 -- WILLIS-KNIGHTON MEDICAL CENTER	PART V, SECTION B, LINE 4	WK PIERREMONT HEALTH CENTERWK BOSSIER HEALTH CENTERWILLIS-KNIGHTON SOUTH
FACILITY 2 -- WK PIERREMONT HEALTH CENTER	PART V, SECTION B, LINE 3	CONDUCTED 17 INTERVIEWS (LIST OF INTERVIEWEES FOLLOWS) WITH THE THREE GROUPS OUTLINED IN IRS NOTICE 2011-52 DISCUSSED THE HEALTH NEEDS OF THE COMMUNITY, ACCESS ISSUES, BARRIERS AND ISSUES RELATED TO SPECIFIC POPULATIONS GATHERED BACKGROUND INFORMATION, INCLUDING CREDENTIALS, ON EACH INTERVIEWEE SHERRI BUFFINGTON, STATE SENATOR DISTRICT 38(CADDO AND DESOTO PARISH), VICE CHAIR HEALTH & WELFAREBARROW PEACOCK, STATE SENATOR DISTRICT 37 (SHREVEPORT AND BOSSIER PARISH)WILLIS BRADFORD, WILLIS-KNIGHTON DIRECTOR OF PROJECT NEIGHBORHEALTHMARTHA MARAK, DIRECTOR OF THE FOOD BANK OF NORTHWEST LOUISIANADR DAN MOLLER, CMO, WILLIS-KNIGHTON HEALTH SYSTEMDR ANIL NANDA, NEUROSURGEON, LSU HEALTH - SHREVEPORTDR CHARLES POWERS, CMO - WILLIS-KNIGHTON BOSSIER HOSPITALRON WEBB, CITY COUNCILMAN, DISTRICT E, CITY OF SHREVEPORTDR MARTHA WHYTE, DIRECTOR - DEPARTMENT OF PUBLIC HEALTH REGION 7BRIDGET CAUSEY, RN, BSN, NURSING SUPERVISOR, CADDO PARISH PUBLIC SCHOOLSWILLIE WHITE, CEO OF DAVID RAINES COMMUNITY HEALTH CENTERSDR JOHN MICIOTTO, RETIRED OB/GYN, FORMER MEDICAL DIRECTOR, NORTHWEST LOUISIANA DEPT OF HEALTHANTHONY MARTIN, DIRECTOR - WILLIS-KNIGHTON HOME HEALTH/HOSPICETIM WILCOX, DIRECTOR - WILLIS-KNIGHTON BEHAVIORAL HEALTHC O SIMPKINS, SR , DDS - COMMUNITY LEADER, EX-CITY COUNCILMANBRUCE WILSON, DIRECTOR - UNITED WAY OF NORTHWEST LOUISIANADR PHILLIP ROZEMAN, CARDIOLOGIST, COMMUNITY LEADER

Identifier	ReturnReference	Explanation
FACILITY 2 -- WK PIERREMONT HEALTH CENTER	PART V, SECTION B, LINE 4	WILLIS-KNIGHTON MEDICAL CENTERWK BOSSIER HEALTH CENTERWILLIS-KNIGHTON SOUTH
FACILITY 3 -- WK BOSSIER HEALTH CENTER	PART V, SECTION B, LINE 3	CONDUCTED 17 INTERVIEWS (LIST OF INTERVIEWEES FOLLOWS) WITH THE THREE GROUPS OUTLINED IN IRS NOTICE 2011-52 DISCUSSED THE HEALTH NEEDS OF THE COMMUNITY, ACCESS ISSUES, BARRIERS AND ISSUES RELATED TO SPECIFIC POPULATIONS GATHERED BACKGROUND INFORMATION, INCLUDING CREDENTIALS, ON EACH INTERVIEWEE SHERRI BUFFINGTON, STATE SENATOR DISTRICT 38(CADDO AND DESOTO PARISH), VICE CHAIR HEALTH & WELFAREBARROW PEACOCK, STATE SENATOR DISTRICT 37 (SHREVEPORT AND BOSSIER PARISH)WILLIS BRADFORD, WILLIS-KNIGHTON DIRECTOR OF PROJECT NEIGHBORHEALTHMARTHA MARAK, DIRECTOR OF THE FOOD BANK OF NORTHWEST LOUISIANADR DAN MOLLER, CMO, WILLIS-KNIGHTON HEALTH SYSTEMDR ANIL NANDA, NEUROSURGEON, LSU HEALTH - SHREVEPORTDR CHARLES POWERS, CMO - WILLIS-KNIGHTON BOSSIER HOSPITALRON WEBB, CITY COUNCILMAN, DISTRICT E, CITY OF SHREVEPORTDR MARTHA WHYTE, DIRECTOR - DEPARTMENT OF PUBLIC HEALTH REGION 7BRIDGET CAUSEY, RN, BSN, NURSING SUPERVISOR, CADDO PARISH PUBLIC SCHOOLSWILLIE WHITE, CEO OF DAVID RAINES COMMUNITY HEALTH CENTERSDR JOHN MICIOTTO, RETIRED OB/GYN, FORMER MEDICAL DIRECTOR, NORTHWEST LOUISIANA DEPT OF HEALTHANTHONY MARTIN, DIRECTOR - WILLIS-KNIGHTON HOME HEALTH/HOSPICETIM WILCOX, DIRECTOR - WILLIS-KNIGHTON BEHAVIORAL HEALTHC O SIMPKINS, SR , DDS - COMMUNITY LEADER, EX-CITY COUNCILMANBRUCE WILSON, DIRECTOR - UNITED WAY OF NORTHWEST LOUISIANADR PHILLIP ROZEMAN, CARDIOLOGIST, COMMUNITY LEADER

Identifier	ReturnReference	Explanation
FACILITY 3 -- WK BOSSIER HEALTH CENTER	PART V, SECTION B, LINE 4	WILLIS-KNIGHTON MEDICAL CENTERWK PIERREMONT HEALTH CENTERWILLIS-KNIGHTON SOUTH
FACILITY 4 -- WILLIS-KNIGHTON SOUTH	PART V, SECTION B, LINE 3	CONDUCTED 17 INTERVIEWS (LIST OF INTERVIEWEES FOLLOWS) WITH THE THREE GROUPS OUTLINED IN IRS NOTICE 2011-52 DISCUSSED THE HEALTH NEEDS OF THE COMMUNITY, ACCESS ISSUES, BARRIERS AND ISSUES RELATED TO SPECIFIC POPULATIONS GATHERED BACKGROUND INFORMATION, INCLUDING CREDENTIALS, ON EACH INTERVIEWEE SHERRI BUFFINGTON, STATE SENATOR DISTRICT 38(CADDO AND DESOTO PARISH), VICE CHAIR HEALTH & WELFAREBARROW PEACOCK, STATE SENATOR DISTRICT 37 (SHREVEPORT AND BOSSIER PARISH)WILLIS BRADFORD, WILLIS-KNIGHTON DIRECTOR OF PROJECT NEIGHBORHEALTHMARTHA MARAK, DIRECTOR OF THE FOOD BANK OF NORTHWEST LOUISIANADR DAN MOLLER, CMO, WILLIS-KNIGHTON HEALTH SYSTEMDR ANIL NANDA, NEUROSURGEON, LSU HEALTH - SHREVEPORTDR CHARLES POWERS, CMO - WILLIS-KNIGHTON BOSSIER HOSPITALRON WEBB, CITY COUNCILMAN, DISTRICT E, CITY OF SHREVEPORTDR MARTHA WHYTE, DIRECTOR - DEPARTMENT OF PUBLIC HEALTH REGION 7BRIDGET CAUSEY, RN, BSN, NURSING SUPERVISOR, CADDO PARISH PUBLIC SCHOOLSWILLIE WHITE, CEO OF DAVID RAINES COMMUNITY HEALTH CENTERSDR JOHN MICIOTTO, RETIRED OB/GYN, FORMER MEDICAL DIRECTOR, NORTHWEST LOUISIANA DEPT OF HEALTHANTHONY MARTIN, DIRECTOR - WILLIS-KNIGHTON HOME HEALTH/HOSPICETIM WILCOX, DIRECTOR - WILLIS-KNIGHTON BEHAVIORAL HEALTHC O SIMPKINS, SR , DDS - COMMUNITY LEADER, EX-CITY COUNCILMANBRUCE WILSON, DIRECTOR - UNITED WAY OF NORTHWEST LOUISIANADR PHILLIP ROZEMAN, CARDIOLOGIST, COMMUNITY LEADER

Identifier	ReturnReference	Explanation
FACILITY 4 -- WILLIS-KNIGHTON SOUTH	PART V, SECTION B, LINE 4	WILLIS-KNIGHTON MEDICAL CENTERWK BOSSIER HEALTH CENTERWK PIERREMONT HEALTH CENTER

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
WILLIS-KNIGHTON MEDICAL CENTER

Employer identification number
72-0400933

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
See Additional Data Table							

2

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

34

3

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

5

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 THE MEDICAL CENTER HAS A CONTRIBUTION COMMITTEE THAT APPROVES SUBSTANTIALLY ALL CONTRIBUTIONS THE CONTRIBUTION COMMITTEE REQUESTS THAT THE ORGANIZATION REQUESTING THE DONATION COMPLETE A CONTRIBUTION REQUEST FORM THAT IS AVAILABLE ON THE MEDICAL CENTER'S WEBSITE BEFORE THE MEDICAL CENTER'S CONTRIBUTION COMMITTEE WILL APPROVE THE CONTRIBUTIONS THE PURPOSE OF THE CONTRIBUTION MUST BE STATED ON THE CONTRIBUTION REQUEST FORM

Software ID:

Software Version:

EIN: 72-0400933

Name: WILLIS-KNIGHTON MEDICAL CENTER

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HOLY ANGELS RESIDENTIAL FACILITY INC10450 ELLERBE ROAD SHREVEPORT,LA 71106	72-0628035	501(C)(3)	215,000				DONATION FOR OPERATIONS
INDEPENDENCE BOWL FOUNDATIONPO BOX 1723 SHREVEPORT,LA 71166	72-0297228	501(C)(3)	35,750				SPONSORSHIP

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
INNER CITY ENTREPRENEUR INSTITUTE 820 JORDAN STREET SUITE 360 SHREVEPORT,LA 71101	72-1418314	501(C)(3)	20,000				BIZCAMP SPONSOR
INSTITUTE FOR GLOBAL OUTREACH1024 PIERRE AVENUE ROOM B SHREVEPORT,LA 71103	33-1180777	501(C)(3)	25,000				WALK FOR HUMANITY WORLDKARE

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

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NORTH AMERICA IAPB INC 137 HAMPTON ROAD SOUTHAMPTON, NY 11968	04-3796216	501(C)(3)	50,000				DONATION FOR OPERATIONS
JUNIOR ACHIEVEMENT 3003 KNIGHT STREET SHREVEPORT,LA 71105	72-0595081	501(C)(3)	20,000				DONATION FOR OPERATIONS

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

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LSUHSCPO BOX 31650 SHREVEPORT,LA 71115	72-1402222	GOVERNMENT	210,500				DONATION FOR OPERATIONS
LOUISIANA TECH UNIVERSITY FOUNDATION PO BOX 3046 RUSTON,LA 71272	72-6021176	501(C)(3)	76,500				SPONSORSHIP

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

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NORTH LOUISIANA ECONOMIC PARTNERSHIP INC415 TEXAS STREET SHREVEPORT,LA 71101	72-0936419	501(C)(3)	20,400				DONATION FOR OPERATIONS
MARCH OF DIMES FOUNDATION1120 SOUTH POINTE PARKWAY BLDG D SHREVEPORT,LA 71105	13-1846366	501(C)(3)	23,000				DONATION FOR OPERATIONS

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

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NEW CARDIOVASCULAR HORIZONS FOUNDATION 3639 AMBASSADOR CAFFERY PARKWAY SUITE 605 LAFAYETTE,LA 70503	46-3186713	501(C)(3)	10,000				DONATION FOR CARDIOVASCULAR SYMPOSIUM
NORTHWEST LOUISIANA FOOD BANK2307 TEXAS AVENUE SHREVEPORT,LA 71103	72-1328890	501(C)(3)	30,000				DONATION FOR OPERATIONS

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

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NORTHWESTERN FOUNDATIONUNIVERSITY PARKWAY NATCHITOCHES,LA 71497	72-6021495	501(C)(3)	240,000				DONATION FOR OPERATIONS
OAKWOOD HOME FOR WOMEN INC1700 HIGHLAND AVENUE SHREVEPORT,LA 71101	23-7368054	501(C)(3)	10,000				DONATION FOR OPERATIONS

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

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THE ODYSSEY FOUNDATION401 TEXAS STREET SHREVEPORT,LA 71101	33-1055253	501(C)(6)	19,600				DONATION FOR AUTISM LIBRARY AND WALKING FOR AUTISM FUNDRAISER
PROVIDENCE HOUSE814 COTTON STREET SHREVEPORT,LA 71101	72-1205164	501(C)(3)	50,000				DONATION FOR OPERATIONS

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

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RED RIVER REVEL ARTS FESTIVAL101 CROCKET STREET SUITE C SHREVEPORT,LA 71101	72-0953274	501(C)(3)	25,200				SPONSORSHIP OF REGIONAL CULTURAL EVENT
RED RIVER RADIO PUBLIC BROADCASTINGPO BOX 5250 SHREVEPORT,LA 71135	72-0702001	501(C)(3)	9,000				DONATION FOR OPERATIONS

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SAMARITAN COUNSELING CENTER1525 STEPHENS AVENUE SHREVEPORT,LA 71101	72-1014069	501(C)(3)	10,500				DONATION FOR OPERATIONS
SHREVEPORT CHAMBER OF COMMERCE400 EDWARDS STREET SHREVEPORT,LA 71101	72-0315700	501(C)(6)	25,000				DONATION FOR OPERATIONS

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

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SHREVEPORT-BOSSIER RESCUE MISSION2033 TEXAS AVENUE SHREVEPORT,LA 71103	23-7050551	501(C)(3)	134,335				HEALTH INSURANCE FOR RESCUE MISSION EMPLOYEES AND DONATION FOR OPERATIONS
SHREVEPORT SYMPHONY 619 LOUISIANA AVENUE SHREVEPORT,LA 71101	72-6001334	501(C)(3)	65,000				DONATION FOR OPERATIONS

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

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SOUTH LOUISIANA CLINICAL RESEARCH225 DUNN STREET HOUMA,LA 70360	72-1430540	501(C)(3)	7,500				SPONSORSHIP
SOUTHERN UNIVERSITY FOUNDATION610 TEXAS STREET SUITE 400 SHREVEPORT,LA 71101	72-1454141	501(C)(3)	12,500				SPONSORSHIP

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

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ST JUDE'S CHILDREN'S RESEARCH HOSPITALPO BOX 810 MEMPHIS,TN 38101	62-0646012	501(C)(3)	25,000				DREAM HOME DONATION
ULM FOUNDATION3601 DESIARD STREET MONROE,LA 71209	72-6028527	501(C)(3)	120,000				DONATION FOR OPERATIONS

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WOODLAWN HIGH SCHOOL 7340 WYNGATE BLVD SHREVEPORT,LA 71106	72-6000224	GOVERNMENT	5,499				PURCHASED SCHOOL SIGN
YMCA400 MCNEIL SHREVEPORT,LA 71101	72-0408997	501(C)(3)	40,800				SPONSORSHIP

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

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ALLIANCE FOR EDUCATION820 JORDAN STREET SHREVEPORT,LA 71101	72-1466587	501(C)(3)	25,000				DONATION FOR PATHWAY TO EXCELLENCE
AMERICAN CANCER SOCIETY920 PIERREMONT SUITE 300 SHREVEPORT,LA 71106	23-7040934	501(C)(3)	15,000				SPONSOR CADDO AND BOSSIER RELAY FOR LIFE

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

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AMERICAN HEART ASSOCIATIONPO BOX 37388 SHREVEPORT,LA 71133	13-5613797	501(C)(3)	39,500				DONATION FOR OPERATIONS
BOSSIER CHAMBER OF COMMERCE710 BENTON ROAD BOSSIER CITY,LA 71111	72-0382231	501(C)(6)	10,000				DONATION FOR OPERATIONS

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

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CADDO BOSSIER SOCCER ASSOCIATION1780 EAST BERT KOUNS SUITE 901 SHREVEPORT,LA 71105	58-1652966	501(C)(3)	18,000				SPONSORSHIP
CALVARY ACADEMY9333 LINWOOD AVENUE SHREVEPORT,LA 71106	72-0482882	501(C)(3)	6,000				SPONSORSHIP

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

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CHILDREN AND ARTHRITIS 2751 ALBERT BICKNELL DRIVE SUITE 2E 2E SHREVEPORT,LA 71103	72-1170530	501(C)(3)	15,000				DONATION FOR OPERATIONS
COUNCIL FOR A BETTER LOUISIANAPO BOX 4308 BATON ROUGE,LA 70821	72-0570930	501(C)(6)	10,000				DONATION FOR OPERATIONS

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DESOTO REGIONAL HEALTH SYSTEMPO BOX 1636 MANSFIELD,LA 71052	72-1491325	501(C)(3)	29,597				DONATION FOR OPERATIONS
FRIENDS OF LOUISIANA STATE EXHIBIT MUSEUM PO BOX 38356 SHREVEPORT,LA 71133	72-0960820	501(C)(3)	30,000				DONATION FOR OPERATIONS

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

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COALITION TO PROTECT AMERICA'S HEALTHCARE PO BOX 30211 BETHESDA,MD 20824	52-2253225	501(C)(4)	10,000				DONATION FOR OPERATIONS

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
WILLIS-KNIGHTON MEDICAL CENTER

Employer identification number
72-0400933

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ 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		No
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	Yes	
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 ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ 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? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? 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.		No
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? b Any related organization? If "Yes," to line 5a or 5b, describe in Part III	Yes	No
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? b Any related organization? If "Yes," to line 6a or 6b, describe in Part III		No
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		No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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 1A	THE VALUE OF EACH PERSON'S FREE MEMBERSHIP IN THE MEDICAL CENTER'S HEALTH & WELLNESS CENTERS IS ADDED TO THE EMPLOYEE'S W-2 WAGES
	PART I, LINE 3	THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES DETERMINES THE COMPENSATION OF THE TOP TWO EXECUTIVES (CEO AND CFO) OF THE MEDICAL CENTER. A SECOND COMPENSATION COMMITTEE, CONSISTING OF THE CEO AND CFO, DETERMINES THE COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES. THE COMPENSATION COMMITTEES STUDY DATA FROM INDEPENDENT SALARY SURVEYS. OFFICERS AND OTHER KEY EMPLOYEES ARE PROVIDED WITH A WRITTEN EMPLOYMENT CONTRACT BEFORE EMPLOYMENT COMMENCES.
	PART I, LINE 4B	CERTAIN OFFICERS INCLUDED IN FORM 990, PART VII, SECTION A, LINE 1A, PARTICIPATE IN A SECTION 457(B) DEFERRED COMPENSATION PLAN.
	PART I, LINE 5	PHYSICIANS INCLUDED IN FORM 990, PART VII, SECTION A, LINE 1A, ARE COMPENSATED BASED ON THEIR OWN PERSONAL PRODUCTIVITY. THE PHYSICIANS ARE PAID A PERCENTAGE OF THEIR INDIVIDUAL COLLECTIONS BASED ON THE CONDITIONS OF EACH PHYSICIAN CONTACT.
SUPPLEMENTAL INFORMATION	PART III	EXPLANATION OF PART II, COLUMN (B)(III) OTHER COMPENSATION: JAMES K. ELROD: UNUSED VACATION PAY-\$155,748; UNUSED SICK PAY-\$26,150; VALUE ADDED FOR COMPUTER USAGE-\$200; VALUE ADDED FOR CELL PHONE USAGE-\$2,597; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$12,638; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (1,113); CABLE/INTERNET-\$1,051; PERSONAL USE OF EMPLOYER VEHICLES-\$2,309; SEVERANCE PAY-\$150,008; ** TOTAL--\$366,588. **THE INCREASE IN GROSS SEVERANCE BENEFIT, TO BE PAID TO MR. ELROD ON TERMINATION OF EMPLOYMENT (AS ADDITIONAL COMPENSATION FOR EACH OF HIS YEARS OF SERVICE TO WILLIS-KNIGHTON MEDICAL CENTER), WAS TAXABLE DURING 2012, AND, ACCORDINGLY, WAS INCLUDED IN HIS 2012 FORM W-2. WILLIS-KNIGHTON DISBURSED TO THE INTERNAL REVENUE SERVICE AND TO THE LOUISIANA DEPARTMENT OF REVENUE THE REQUIRED TAX WITHHOLDING. WILLIS-KNIGHTON DID NOT PAY MR. ELROD THE NET-OF-TAX AMOUNT OF THIS COMPENSATION, BUT, UNDER THE TERMS OF THE AGREEMENT, THE MEDICAL CENTER IS RETAINING THE NET-OF-TAX AMOUNT UNTIL HIS EMPLOYMENT TERMINATES. ACCORDINGLY, THERE WAS NO CURRENT DISBURSEMENT TO MR. ELROD FOR SEVERANCE PAY. ROBERT D. HUIE: NONQUALIFIED DEFERRED COMPENSATION PLAN-\$506,205 (PLEASE SEE EXPLANATION FOLLOWING); UNUSED VACATION PAY-\$35,482; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$1,200; VALUE ADDED FOR COMPUTER USAGE-\$200; VALUE ADDED FOR CELL PHONE USAGE-\$1,377; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$5,200; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (8,070); TOTAL--\$558,594. CHARLES D. DAIGLE: UNUSED SICK PAY-\$9,991; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$1,200; VALUE ADDED FOR CELL PHONE USAGE-\$1,245; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$558; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (6,783); TOTAL--\$23,211. STEPHEN R. RANDALL: UNUSED SICK PAY-\$6,894; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$1,200; VALUE ADDED FOR CELL PHONE USAGE-\$1,132; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$562; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (6,783); TOTAL--\$20,005. MARGARET G. ELROD: UNUSED SICK PAY-\$3,588; VALUE ADDED FOR CELL PHONE USAGE-\$2,268; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$2,543; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (2,013); PERSONAL USE OF EMPLOYER VEHICLES-\$917; TOTAL--\$24,303. JERRY A. FIELDER, II: UNUSED SICK PAY-\$3,866; VALUE ADDED FOR CELL PHONE USAGE-\$1,940; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$650; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (4,983); VALUE ADDED FOR CABLE/INTERNET-\$1,051; TOTAL--\$2,524. CLIFFORD M. BROUSSARD: UNUSED SICK PAY-\$4,081; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$660; VALUE ADDED FOR CELL PHONE USAGE-\$791; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$1,972; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (3,270); TOTAL--\$4,234. JANET K. ELROD: UNUSED SICK PAY-\$3,628; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$660; VALUE ADDED FOR CELL PHONE USAGE-\$2,270; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$586; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (2,113); TOTAL--\$22,031. IRA L. MOSS: UNUSED SICK PAY-\$4,290; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$1,200; VALUE ADDED FOR CELL PHONE USAGE-\$1,332; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$3,192; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (3,561); PERSONAL USE OF EMPLOYER VEHICLES-\$580; TOTAL--\$24,033. JILL K. ELROD: UNUSED SICK PAY-\$4,792; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$660; VALUE ADDED FOR CELL PHONE USAGE-\$4,408; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$1,229; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (6,113); VALUE ADDED FOR CABLE/INTERNET-\$1,051; PERSONAL USE OF EMPLOYER VEHICLES-\$5,850; TOTAL--\$28,877. PEGGY J. GAVIN: UNUSED SICK PAY-\$3,573; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$1,200; VALUE ADDED FOR CELL PHONE USAGE-\$2,057; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$2,526; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (1,613); PERSONAL USE OF EMPLOYER VEHICLES-\$2,252; TOTAL--\$26,995. RAMONA D. FRYER: UNUSED SICK PAY-\$2,604; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$660; VALUE ADDED FOR CELL PHONE USAGE-\$1,279; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$992; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (5,470); TOTAL--\$17,065. DEBORAH D. OLDS: UNUSED SICK PAY-\$3,122; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$660; VALUE ADDED FOR CELL PHONE USAGE-\$1,922; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$2,321; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (2,361); TOTAL--\$5,664. DANIEL J. MOLLER, JR., M.D.: VALUE ADDED FOR HEALTH & FITNESS USAGE-\$660; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$9,985; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (2,361); TOTAL--\$25,284. CHARLES A. POWERS, M.D.: VALUE ADDED FOR HEALTH & FITNESS USAGE-\$1,200; VALUE ADDED FOR CELL PHONE USAGE-\$2,113; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$7,699; SECTION 457(B) DEFERRED COMPENSATION PLAN-\$17,000; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (3,270); TOTAL--\$24,742. PIERRE V. BLANCHARD, IV, M.D.: COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$6,329; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (1,113); TOTAL--\$5,216. RANDALL P. BREWER, M.D.: VALUE ADDED FOR HEALTH & FITNESS USAGE-\$660; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$564; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (9,383); TOTAL--(\$8,159). MATTHEWS MOSURA, M.D.: COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$503; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (4,383); TOTAL--(\$3,880). MILAN G. MODY, M.D.: VALUE ADDED FOR HEALTH & FITNESS USAGE-\$1,200; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$554; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (4,382); TOTAL--(\$2,628). CHRISTIAN M. BRIERY, M.D.: VALUE ADDED FOR HEALTH & FITNESS USAGE-\$660; COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$506; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (4,093); TOTAL--(\$2,927). CLINT M. CORMIER, M.D.: COST OF GROUP TERM LIFE INSURANCE IN EXCESS OF \$50,000-\$503; VALUE ADDED FOR HEALTH & FITNESS USAGE-\$440; EMPLOYEE CAFETERIA PLAN CONTRIBUTIONS-\$ (3,474); TOTAL--(\$2,531). EXPLANATION OF PART II, COLUMN (B)(III) OTHER COMPENSATION: THE AMOUNT CONTRIBUTED FOR THE CALENDAR YEAR 2012 FOR MR. HUIE'S SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN IS INCLUDED IN THE DETAILS FOR PART II, COLUMN (B)(III). EXPLANATION OF PART II, COLUMN (C) DEFERRED COMPENSATION: THIS EMPLOYEE PARTICIPATES IN A DEFINED BENEFIT PENSION PLAN, THE CONTRIBUTIONS TO WHICH ARE ACTUARIALLY DETERMINED. THE AMOUNT SHOWN IS THE INCREASE IN THE ANNUAL VESTED BENEFIT AT NORMAL RETIREMENT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012 (NOT DISCOUNTED TO PRESENT VALUE) (NORMAL RETIREMENT IS AGE 65 WITH 5 YEARS OF PARTICIPATION). MR. ELROD HAS REACHED THE MAXIMUM BENEFIT UNDER THE PLAN. EXPLANATION OF PART II, COLUMN (D) NONTAXABLE BENEFITS INCLUDED IN THIS COLUMN IS THE COST OF THE FOLLOWING NONTAXABLE BENEFITS: LONG-TERM DISABILITY INCOME INSURANCE PLAN, GROUP TERM-LIFE INSURANCE, AND THE ESTIMATED COST OF SELF-FUNDED HEALTH INSURANCE PLAN.

Software ID:
Software Version:
EIN: 72-0400933
Name: WILLIS-KNIGHTON MEDICAL 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				
JAMES K ELROD	(i)	1,120,674	0	366,588	0	12,899	1,500,161	0
	(ii)	5,500	0	0	0	0	5,500	0
PIERRE V BLANCHARDIV MD	(i)	200,091	0	5,216	1,953	4,851	212,111	0
	(ii)	0	0	0	0	0	0	0
ROBERT D HUIE	(i)	588,867	0	558,594	2,356	17,532	1,167,349	0
	(ii)	0	0	0	0	0	0	0
CHARLES D DAIGLE	(i)	420,925	0	23,211	1,621	19,698	465,455	0
	(ii)	0	0	0	0	0	0	0
STEPHEN R RANDALL	(i)	288,085	0	20,005	1,554	19,698	329,342	0
	(ii)	0	0	0	0	0	0	0
MARGARET G ELROD	(i)	149,953	0	24,303	2,789	5,836	182,881	0
	(ii)	0	0	0	0	0	0	0
JERRY A FIELDER II	(i)	161,557	0	2,524	4,015	17,758	185,854	0
	(ii)	0	0	0	0	0	0	0
CLIFFORD M BROUSSARD	(i)	170,552	0	4,234	1,769	12,348	188,903	0
	(ii)	0	0	0	0	0	0	0
JANET K ELROD	(i)	151,618	0	22,031	3,011	5,942	182,602	0
	(ii)	0	0	0	0	0	0	0
IRA L MOSS	(i)	179,294	0	24,033	2,418	12,668	218,413	0
	(ii)	0	0	0	0	0	0	0
JILL K ELROD	(i)	200,259	0	28,877	2,101	10,107	241,344	0
	(ii)	0	0	0	0	0	0	0
PEGGY J GAVIN	(i)	149,296	0	26,995	3,858	5,433	185,582	0
	(ii)	0	0	0	0	0	0	0
DEBORAH D OLDS	(i)	130,489	0	5,664	3,932	11,253	151,338	0
	(ii)	0	0	0	0	0	0	0
RAMONA D FRYER	(i)	163,183	0	17,065	2,377	14,522	197,147	0
	(ii)	0	0	0	0	0	0	0
DANIEL J MOLLER JR MD	(i)	296,685	0	25,284	1,860	11,823	335,652	0
	(ii)	0	0	0	0	0	0	0
CHARLES A POWERS MD	(i)	296,667	0	24,742	1,862	12,525	335,796	0
	(ii)	0	0	0	0	0	0	0
RANDALL P BREWER MD	(i)	975,000	1,250,506	-8,159	1,605	22,298	2,241,250	0
	(ii)	0	0	0	0	0	0	0
MILAN G MODY MD	(i)	675,000	1,026,991	-2,628	1,603	17,298	1,718,264	0
	(ii)	0	0	0	0	0	0	0
CHRISTIAN M BRIERY MD	(i)	700,000	852,846	-2,927	1,638	17,008	1,568,565	0
	(ii)	0	0	0	0	0	0	0
MATTHEW S MOSURA MD	(i)	860,950	447,778	-3,880	1,601	17,298	1,323,747	0
	(ii)	0	0	0	0	0	0	0

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				
CLINT M CORMIER MD	(i)	700,000	761,368	-2,531	1,650	16,389	1,476,876	0
	(ii)	0	0	0	0	0	0	0

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
WILLIS-KNIGHTON MEDICAL CENTER

Employer identification number

72-0400933

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?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			Yes	No		Yes	No
Total ▶ \$											

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of 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
See Additional Data Table					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 72-0400933
Name: WILLIS-KNIGHTON MEDICAL CENTER

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) FRANK B HUGHES MD	TRUSTEE	124,616	RENT-BUILDING		No
(2) PHILLIP A ROZEMAN MD	TRUSTEE	79,641	RENT-BUILDING		No
(3) GREGORY J GAVIN	FAMILY MEMBER OF PEGGY GAVIN, OFFICER	196,938	EMPLOYMENT		No
(4) KIMBERLY M MULLINS	FAMILY MEMBER OF PEGGY GAVIN, OFFICER	58,047	EMPLOYMENT		No
(5) CHARLES E MULLINS	FAMILY MEMBER OF PEGGY GAVIN, OFFICER	77,805	EMPLOYMENT		No
(6) SHARLENE ANN BROUSSARD	FAMILY MEMBER OF CLIFFORD BROUSSARD, OFFICER	46,125	EMPLOYMENT		No
(7) TODD JUSTIN BLANCHARD	FAMILY MEMBER OF PIERRE BLANCHARD, M D , TRUSTEE	136,896	EMPLOYMENT		No
(8) PIERRE V BLANCHARD MD	TRUSTEE	5,551,922	RENT-BUILDING, PURCHASED SERVICE AGREEMENT WITH LIFECARE HOSPITALS, INC , FOR WHICH PIERRE BLANCHARD, M D IS THE MEDICAL DIRECTOR		No
(9) SARAH GLORIOSO MD	FAMILY MEMBER OF TWAIN K GIDDENS, TRUSTEE	855,983	EMPLOYMENT		No

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As Filed Data -

DLN: 93493133006344

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
WILLIS-KNIGHTON MEDICAL CENTER

Employer identification number
72-0400933

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	
	FORM 990, PART VI, SECTION B, LINE 11	THE MEDICAL CENTER'S CPA FIRM PREPARES THE FORM 990 WITH THE ASSISTANCE OF SEVERAL OF THE MEDICAL CENTER'S EMPLOYEES. THE FORM 990 IS THEN REVIEWED BY THE MEDICAL CENTER'S PRESIDENT. AFTER THIS REVIEW, A COMPLETE COPY OF THE FORM 990 IS PROVIDED TO EACH MEMBER OF THE BOARD OF TRUSTEES, AND THE PRESIDENT, VICE-PRESIDENT AND CPA FIRM REVIEW AND DISCUSS THE FORM 990 WITH THE TRUSTEES BEFORE THE FORM 990 IS FILED.
	FORM 990, PART VI, SECTION B, LINE 12C	THE CONFLICTS OF INTEREST POLICY COVERS ALL "INTERESTED PERSONS" AND "INTERESTED PERSONS" IS DEFINED AS ANY TRUSTEE, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE WITH BOARD DESIGNATED POWERS WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST IN AN ENTITY WITH WHICH THE MEDICAL CENTER HAS A TRANSACTION OR ARRANGEMENT, OR A COMPENSATION ARRANGEMENT WITH THE MEDICAL CENTER OR WITH ANY ENTITY OR INDIVIDUAL WITH WHICH THE MEDICAL CENTER HAS A TRANSACTION OR ARRANGEMENT, OR A POTENTIAL OWNERSHIP OR INVESTMENT INTEREST IN, OR COMPENSATION ARRANGEMENT WITH, ANY ENTITY OR INDIVIDUAL WITH WHICH THE MEDICAL CENTER IS NEGOTIATING A TRANSACTION OR ARRANGEMENT. INTERESTED PERSONS HAVE A DUTY TO DISCLOSE ANY ACTUAL OR POSSIBLE CONFLICTS OF INTEREST AND ALL MATERIAL FACTS RELATED TO THE PROPOSED TRANSACTION OR ARRANGEMENT TO THE TRUSTEES AND MEMBERS OF COMMITTEES WITH BOARD DESIGNATED POWERS. THE INTERESTED PERSON IS ALLOWED TO MAKE A PRESENTATION AT THE BOARD OR COMMITTEE MEETING, BUT AFTER SUCH PRESENTATION THE INTERESTED PERSON SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT THAT RESULTS IN THE CONFLICT OF INTEREST. IF THE BOARD OR COMMITTEE BELIEVES A MEMBER HAS VIOLATED THE CONFLICTS OF INTEREST POLICY, IT SHALL INFORM THE MEMBER OF THE BASIS FOR SUCH BELIEF AND AFFORD THE MEMBER AN OPPORTUNITY TO EXPLAIN THE ALLEGED FAILURE. IF THE BOARD OR COMMITTEE DETERMINES THAT THE MEMBER HAS, IN FACT, FAILED TO DISCLOSE AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, IT SHALL TAKE APPROPRIATE DISCIPLINARY AND CORRECTIVE ACTION. PERIODIC REVIEWS ARE CONDUCTED WHICH, AT A MINIMUM, INCLUDE THE FOLLOWING SUBJECTS: 1. WHETHER COMPENSATION ARRANGEMENTS AND BENEFITS ARE REASONABLE AND ARE THE RESULT OF ARM'S-LENGTH BARGAINING. 2. WHETHER ACQUISITIONS OF GOODS OR SERVICES RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT. 3. WHETHER PARTNERSHIP AND JOINT VENTURE ARRANGEMENTS AND ARRANGEMENTS WITH MANAGEMENT SERVICE ORGANIZATIONS AND PHYSICIAN HOSPITAL ORGANIZATIONS CONFORM TO WRITTEN POLICIES, ARE PROPERLY RECORDED, REFLECT REASONABLE PAYMENTS FOR GOODS AND SERVICES, FURTHER THE CORPORATION'S CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT. 4. WHETHER AGREEMENTS TO PROVIDE HEALTH CARE AND AGREEMENTS WITH OTHER HEALTH CARE PROVIDERS, EMPLOYEES, AND THIRD PARTY PAYORS FURTHER THE CORPORATION'S CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT.
	FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES DETERMINES THE COMPENSATION OF THE TOP TWO EXECUTIVES (CEO AND CFO) OF THE MEDICAL CENTER. A SECOND COMPENSATION COMMITTEE, CONSISTING OF THE CEO AND CFO, DETERMINES THE COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES. THE COMPENSATION COMMITTEES STUDY DATA FROM INDEPENDENT SALARY SURVEYS (SUCH AS "MANAGER AND EXECUTIVE COMPENSATION IN HOSPITALS AND HEALTH SYSTEMS," WHICH IS AN ANNUAL SURVEY PREPARED BY SULLIVAN COTTER) TO UNDERSTAND COMPENSATION PAID TO SIMILARLY QUALIFIED INDIVIDUALS IN COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS. THE COMPENSATION COMMITTEES ALSO COMPILE DATA FROM OTHER TAX-EXEMPT HEALTH SYSTEMS OF SIMILAR SIZE AND COMPLEXITY AND USE THAT INFORMATION AS COMPARATIVE COMPENSATION. THE COMMITTEES USE THE INFORMATION FROM THESE SOURCES AS BENCHMARKS IN DETERMINING OFFICER AND KEY EMPLOYEE COMPENSATION. THE COMMITTEES ALSO CONSIDER OTHER FACTORS IN DETERMINING OFFICER AND KEY EMPLOYEE COMPENSATION, SUCH AS LENGTH OF EMPLOYMENT AND THEIR RESPONSIBILITIES. THE EXECUTIVE COMPENSATION COMMITTEE PERIODICALLY HIRES INDEPENDENT CONSULTANTS FOR ANALYSIS OF THE COMPENSATION OF THE MEDICAL CENTER'S TOP TWO EXECUTIVES (CEO AND CFO). THE COMMITTEES MAINTAIN CONTEMPORANEOUS DOCUMENTATION OF THE BASIS FOR THEIR DECISIONS REGARDING COMPENSATION ARRANGEMENTS.
	FORM 990, PART VI, SECTION C, LINE 19	WILLIS-KNIGHTON MEDICAL CENTER'S GOVERNING DOCUMENTS AND ITS CONFLICT OF INTEREST POLICY ARE AVAILABLE ON ITS WEBSITE: WWW.WKHS.COM. THE FINANCIAL STATEMENTS ARE AVAILABLE ON THE FOLLOWING WEBSITE: HTTP://WWW.EMMA.MSRB.ORG.
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	FASB ASC 715-30 PENSION 71,859,477
	FORM 990, PART XII, LINE 2C	WILLIS-KNIGHTON MEDICAL CENTER DID NOT CHANGE ITS OVERSIGHT PROCESS OR SELECTION PROCESS DURING THE YEAR ENDED 9/30/13.

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
WILLIS-KNIGHTON MEDICAL CENTER

Employer identification number
72-0400933

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

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	No
(1) VIRGINIA HALL NURSING HOME DBA PROGRESSIVE CARE CENTER 2715 ALBERT BICKNELL DRIVE SHREVEPORT, LA 711033925 72-1047744	NURSING CARE-SKILLED NURSING FACILITY FOR THE ELDERLY AND DISABLED	LA	501(C)(3)	9	N/A		No
(2) MULTI-FAITH RETIREMENT SERVICES DBA LIVE OAK RETIREMENT 600 E FLOURNOY LUCAS ROAD SHREVEPORT, LA 711153855 72-0809402	PROVIDE HOUSING, HEALTHCARE AND RELATED SERVICES TO THE ELDERLY	LA	501(C)(3)	9	N/A		No

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?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" 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	No
(1) SOUTH SHREVEPORT PHARMACY INC PO BOX 1768 SHREVEPORT, LA 711661768 72-1131182	INACTIVE	LA	N/A	C			100 000 %		No
(2) CLAIMS & BENEFITS ADMINISTRATORS OF LOUISIANA INC PO BOX 32600 SHREVEPORT, LA 711302600 72-1296277	INACTIVE	LA	N/A	C			100 000 %		No
(3) WILLIS-KNIGHTON LAB AND X-RAY SERVICES INC PO BOX 32600 SHREVEPORT, LA 711302600 72-1137503	INACTIVE	LA	N/A	C			100 000 %		No
(4) HEALTH PLUS OF LOUISIANA INC 2219 LINE AVENUE SHREVEPORT, LA 711042128 72-1264135	THIRD-PARTY ADMINISTRATOR	LA	N/A	C	29,461	2,625,116	100 000 %		No
(5) HPL INSURANCE AGENCY INC PO BOX 32625 SHREVEPORT, LA 711302625 20-2199735	HEALTH INSURANCE AGENT	LA	HEALTH PLUS OF LOUISIANA INC	C	702	40,248	100 000 %		No

Part V

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

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 organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

Yes

No

1a Yes

1b Yes

1c No

1d No

1e No

1f No

1g No

1h No

1i No

1j Yes

1k Yes

1l Yes

1m No

1n No

1o Yes

1p Yes

1q No

1r No

1s Yes

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Schedule R (Form 990) 2012

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Software ID:
Software Version:
EIN: 72-0400933
Name: WILLIS-KNIGHTON MEDICAL CENTER

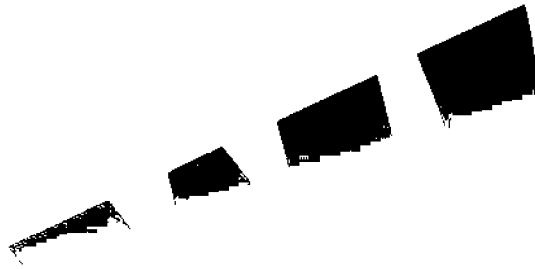
Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
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--> Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
VIRGINIA HALL NURSING HOME DBA PROGRESSIVE CARE CENTER	A	213,112	FAIR MARKET VALUE
VIRGINIA HALL NURSING HOME DBA PROGRESSIVE CARE CENTER	K	259,020	FAIR MARKET VALUE
VIRGINIA HALL NURSING HOME DBA PROGRESSIVE CARE CENTER	B	163,000	FAIR MARKET VALUE
VIRGINIA HALL NURSING HOME DBA PROGRESSIVE CARE CENTER	O	1,312,615	FAIR MARKET VALUE
VIRGINIA HALL NURSING HOME DBA PROGRESSIVE CARE CENTER	L	1,223,486	FAIR MARKET VALUE
VIRGINIA HALL NURSING HOME DBA PROGRESSIVE CARE CENTER	J	213,112	FAIR MARKET VALUE
HEALTH PLUS OF LOUISIANA INC	A	16,250	FAIR MARKET VALUE
HEALTH PLUS OF LOUISIANA INC	S	2,000,000	FAIR MARKET VALUE
HEALTH PLUS OF LOUISIANA INC	P	2,817,074	FAIR MARKET VALUE
HEALTH PLUS OF LOUISIANA INC	J	16,250	FAIR MARKET VALUE
MULTI-FAITH RETIREMENT SERVICES DBA LIVE OAK RETIREMENT COMMUNITY	K	381,600	FAIR MARKET VALUE



WILLIS-KNIGHTON
HEALTH SYSTEM

Financial Statements

September 30, 2013

WILLIS-KNIGHTON MEDICAL CENTER
AND SUBSIDIARIES

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES

I N D E X

Independent Auditors' Report

FINANCIAL STATEMENTS

Exhibit	A	Consolidated Statements of Financial Position at September 30, 2013 and September 30, 2012
Exhibit	B	Consolidated Statements of Operations and Changes in Net Assets for the Years Ended September 30, 2013 and September 30, 2012
Exhibit	C	Consolidated Statements of Cash Flows for the Years Ended September 30, 2013 and September 30, 2012
Exhibit	D	Notes to Consolidated Financial Statements

SUPPLEMENTAL INFORMATION

Schedule	1	Consolidated Statements of Patient Revenues and Direct Departmental Expenses for the Years Ended September 30, 2013 and September 30, 2012
Schedule	2	Results of Operations-Natural Classifications for the Years Ended September 30, 2013 and September 30, 2012
Schedule	3	Summary of Operating Results

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Willis-Knighton Medical Center
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Willis-Knighton Medical Center and its Subsidiaries (the Medical Center), which comprise the consolidated statements of financial position as of September 30, 2013 and 2012, and the related consolidated statements of operations and 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 consolidated 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Medical Center's preparation and fair presentation of the consolidated 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 Medical Center'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 consolidated 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 on the previous page present fairly, in all material respects, the consolidated financial position of the Willis-Knighton Medical Center and Subsidiaries as of September 30, 2013 and 2012, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Portlethwaite : Netterville

Baton Rouge, Louisiana
January 22, 2014

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

<u>A S S E T S</u>	<u>2013</u>	<u>September 30</u> <u>2012</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents (Note 29)	42,754,928	42,062,409
Certificates of Deposit (Note 29)	890,752	1,987,603
Investments in Debt Securities (Notes 4 and 31)	180,231,579	150,116,253
Accounts Receivable from Patient Services-Net of Estimated Allowances and Uncollectible Accounts (Notes 3 and 13)	128,001,740	116,239,327
Estimated Third-Party Payor Settlements (Note 3)	1,368,103	18,640
Accounts Receivable-Other-Net (Note 3)	4,380,331	3,287,557
Arbitrage Rebate Recovery (Note 13)	24,861	250,152
Notes Receivable-Current Portion (Note 5)	164,682	708,698
Insurance Recoveries Receivable-Current Portion (Note 9)	1,151,000	1,000,000
Inventories-Drugs and Supplies	21,307,057	20,586,049
Prepaid Expenses	3,818,394	3,307,129
Assets Whose Use is Limited-Current Portion	<u>11,721,622</u>	<u>15,065,341</u>
Total Current Assets	395,815,049	354,629,158
<u>Fixed Assets: (Notes 18, 21, 22 and 34)</u>		
Land	50,643,222	50,643,222
Parking Lot Improvements	35,931,200	35,103,021
Buildings and Improvements	642,021,708	622,340,927
Equipment	<u>317,336,935</u>	<u>303,773,603</u>
	1,045,933,065	1,011,860,773
<u>Less-Accumulated Depreciation</u>	<u>563,694,785</u>	<u>522,860,881</u>
Net Fixed Assets	482,238,280	488,999,892
<u>Assets Whose Use is Limited: (Notes 14 and 31)</u>		
Depreciation Fund (Note 6)	22,160,707	22,085,493
Development Fund (Note 7)	1,843,093	1,836,627
Bond Funds (Note 8)	20,135,522	24,485,026
Malpractice and General Liability Claims Fund (Note 9)	<u>11,263,876</u>	<u>11,540,549</u>
	55,403,198	59,947,695
<u>Less-Portion Required for Current Liabilities</u>	<u>11,721,622</u>	<u>15,065,341</u>
Noncurrent Assets Whose Use is Limited	43,681,576	44,882,354
<u>Other Assets:</u>		
Notes Receivable (Note 5)	1,733,425	1,292,388
Insurance Recoveries Receivable (Note 9)	4,725,000	5,189,000
Assets Not in Service (Note 10)	63,947,917	41,980,999
Sundry Assets (Notes 11 and 31)	<u>2,304,460</u>	<u>2,531,964</u>
Total Other Assets	72,710,802	50,994,351
Total Assets	<u>994,445,707</u>	<u>939,505,755</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

<u>LIABILITIES AND NET ASSETS</u>	<u>2013</u>	September 30 <u>2012</u>
<u>Current Liabilities:</u>		
Accounts Payable	28,346,062	30,397,388
Accrued Salaries and Withholdings	13,723,986	12,274,638
Accrued Employee Vacation Benefits	16,018,050	14,365,639
Accrued Employee Health Benefit Claims (Note 26)	5,600,000	5,200,000
Accrued Worker's Compensation Claims (Note 28)	1,238,000	1,170,000
Accrued Malpractice and General Liability Claims (Note 9)	3,152,000	2,806,000
Accrued Interest Payable	20,622	59,341
Capital Lease Obligations-Current Portion (Note 21)	819,037	589,158
Bonds Payable-Current Portion (Note 13)	9,700,000	13,200,000
Deposits Payable	<u>95,507</u>	<u>57,596</u>
Total Current Liabilities	78,713,264	80,119,760
<u>Long-Term Liabilities:</u>		
Bonds Payable (Notes 13 and 31)	164,400,000	177,600,000
<u>Less-Unamortized Discount</u>	134,132	156,049
<u>Less-Current Portion</u>	<u>9,700,000</u>	<u>13,200,000</u>
Long-Term Portion of Bonds Payable	154,565,868	164,243,951
Accrued Worker's Compensation Claims (Note 28)	2,763,000	2,605,000
Accrued Malpractice and General Liability Claims (Note 9)	12,720,000	14,035,000
Liability for Pension Benefits (Note 15)	18,742,880	97,482,398
Capital Lease Obligations (Note 21)	<u>1,275,328</u>	<u>940,809</u>
Total Long-Term Liabilities	190,067,076	279,307,158
<u>Commitments and Contingent Liabilities (Note 25)</u>		
Total Liabilities	268,780,340	359,426,918
<u>Net Assets:</u>		
Donor-Restricted	- 0 -	- 0 -
<u>Unrestricted: (Note 14)</u>		
Board Designated	24,924,027	29,024,492
Legally or Contractually Designated	30,479,171	30,923,203
Undesignated	<u>670,262,169</u>	<u>520,131,142</u>
Total Unrestricted	<u>725,665,367</u>	<u>580,078,837</u>
Total Net Assets	<u>725,665,367</u>	<u>580,078,837</u>
Total Liabilities and Net Assets	<u>994,445,707</u>	<u>939,505,755</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

Year Ended September 30
2013 2012

Changes in Unrestricted Net Assets:

Operating Revenues and Expenses:

Direct Patient Health Care: (Note 35)

Net Patient Revenues (Note 3) (Schedule 1)	959,455,240	932,676,871
Provision for Bad Debts (Note 17)	<u>57,364,124</u>	<u>67,120,805</u>
Net Patient Revenues Less Provision for Bad Debts	902,091,116	865,556,066
Direct Departmental Expenses (Schedule 1)	<u>(596,550,743)</u>	<u>(562,793,364)</u>
Net Direct Patient Health Care	305,540,373	302,762,702

Other Operating Revenues (Losses):

Administrative Services Income		4,636
Electronic Health Records Incentive Payments (Note 27)	1,812,501	
Resident Services-Net (Note 34)	<u>(5,737,920)</u>	<u>(5,115,750)</u>
Total Other Operating Revenues (Losses)	(3,925,419)	(5,111,114)

General and Administrative: (Note 35)

Housekeeping	5,487,850	5,000,166
Maintenance	12,706,983	11,935,024
Other General and Administrative (Notes 9, 15, 19, 20, 26, 28 and 32)	<u>210,900,551</u>	<u>199,619,259</u>
Total General and Administrative	<u>229,095,384</u>	<u>216,554,449</u>

Operating Revenue	72,519,570	81,097,139
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Nonoperating Revenues and Expenses:

Commercial Rental Income-Net (Note 22)	1,309,497	1,159,087
(Loss) on Disposal of Assets	<u>(624,192)</u>	<u>(57,085)</u>
Interest Income (Note 23)	909,169	1,705,949
Interest Expense (Note 16)	<u>(710,315)</u>	<u>(1,053,718)</u>
Contributions Received-Unrestricted	12,857	26,840
Other Income-Net	<u>649,229</u>	<u>747,573</u>
Nonoperating Revenue	<u>1,546,245</u>	<u>2,528,646</u>

<u>Excess of Revenues over Expenses</u>	74,065,815	83,625,785
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The Accompanying Notes Are An Integral Part Of These Financial Statements

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

Year Ended September 30
2013 2012

Changes in Unrestricted Net Assets: (Continued)

Other Changes in Unrestricted Net Assets:

Pension-Related Changes Other than Net Periodic Pension Cost (Note 15)	71,859,477	(27,182,365)
Change in Net Unrealized Gains on Investment Securities	(338,762)	(569,941)
Other Changes in Unrestricted Net Assets	<u>71,520,715</u>	<u>(27,752,306)</u>

<u>Increase in Unrestricted Net Assets</u>	145,586,530	55,873,479
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Changes in Donor-Restricted Net Assets:

Temporarily	- 0 -	- 0 -
Permanently	<u>- 0 -</u>	<u>- 0 -</u>

<u>Increase in Net Assets</u>	145,586,530	55,873,479
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<u>Net Assets at Beginning of Period</u>	<u>580,078,837</u>	<u>524,205,358</u>
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<u>Net Assets at End of Period</u>	<u>725,665,367</u>	<u>580,078,837</u>
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The Accompanying Notes Are An Integral Part Of These Financial Statements

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

	Year Ended September 30	
	<u>2013</u>	<u>2012</u>
<u>Cash Flows from Operating Activities:</u>		
Increase in Net Assets (Exhibit B)	145,586,530	55,873,479
Adjustments to Reconcile Increase in Net Assets to Cash Flows from Operating Activities:		
Depreciation (Note 18)	49,873,606	48,779,047
Amortization	1,074,516	1,014,489
Provision for Bad Debts	57,364,124	67,120,805
Loss on Disposition of Assets	624,192	57,085
Fair Value Adjustments to Carrying Amounts of Securities	320,312	790,853
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(71,020,342)	(84,635,318)
Inventories	(721,008)	689,723
Prepaid Expenses	(511,265)	(405,901)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	2,247,612	(1,400,098)
Accrued Expenses	2,757,951	11,106,384
Liability for Pension Benefits	(78,739,518)	3,476,114
Net Cash Flows Provided by Operating Activities	108,856,710	102,466,662
<u>Cash Flows from Investing Activities: (Note 33)</u>		
Acquisition of Fixed Assets	(68,700,611)	(68,575,518)
Transfers to Assets Whose Use is Limited	(11,970,306)	(12,019,994)
Transfers from Assets Whose Use is Limited	16,517,285	10,009,035
Loans to Physicians and Students	(1,314,203)	(641,630)
Loan to Springhill Medical Center		(500,000)
Collections on Loan to Springhill Medical Center	500,000	
Proceeds from Sale of Assets	36,852	27,498
Collections on Notes Receivable	782,272	101,503
Purchase of Certificates of Deposit	(362,786)	(328,659)
Redemption of Certificates of Deposit	1,459,637	524,170
Proceeds from Redemption of Debt Securities	95,508,496	33,600,000
Purchase of Debt Securities	(125,924,607)	(65,713,593)
Net Cash Flows (Used) by Investing Activities	(94,167,971)	(103,517,188)
<u>Cash Flows from Financing Activities: (Note 33)</u>		
Payments on Capital Lease Obligations	(796,220)	(2,272,312)
Principal Payments on Bonds	(13,200,000)	(6,900,000)
Net Cash Flows (Used) by Financing Activities	(13,996,220)	(9,172,312)

The Accompanying Notes Are An Integral Part Of These Financial Statements

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

	Year Ended September 30	
	<u>2013</u>	<u>2012</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	692,519	(10,222,838)
<u>Cash and Cash Equivalents at Beginning of Period</u>	<u>42,062,409</u>	<u>52,285,247</u>
<u>Cash and Cash Equivalents at End of Period</u>	<u>42,754,928</u>	<u>42,062,409</u>
<u>Additional Cash Flows Information:</u>		
Interest Paid in Cash	865,836	1,117,966
Income Taxes Paid in Cash	- 0 -	- 0 -

The Accompanying Notes Are An Integral Part Of These Financial Statements

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Use of Estimates

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. Application of those principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. See Note 30 concerning significant estimates.

Consolidation

These financial statements include the accounts of Willis-Knighton Medical Center and its wholly-owned subsidiaries, Virginia Hall Nursing Home, South Shreveport Pharmacy, Inc., Health Plus of Louisiana, Inc., and Multi-Faith Retirement Services. See Note 2. Intercompany transactions and balances have been eliminated in consolidation to the extent practicable.

Statement of Operations Classifications

Revenues and expenses deemed by management to be ongoing, major, or central to the provision of health care services, including health awareness promotion through specially designed senior living facilities and other means, are reported as components of operating income. Transactions that are peripheral or incidental to providing health care services are reported as nonoperating.

Performance Indicator

The Medical Center's performance indicator, "excess of revenues over expenses," includes operating and nonoperating revenues and expenses and excludes, consistent with industry practice, unrealized gains and losses on investment securities and pension-related changes other than net periodic pension cost. See Note 15.

Patient Revenue

Patient revenues are reported net of free services and contractual adjustments, including estimated retroactive adjustments under payment agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period in which the related services are rendered and adjusted in future periods as settlements are determined. See Notes 3 and 30.

Net patient revenues for services to Medical Center employees and their families who participate in the Medical Center's group health care plan are measured using a discount schedule that is comparable to those included in payment agreements with third-party insurers. These foregone net patient revenues are recorded as an employee benefit and included in general and administrative expense. See Note 26.

Advertising

Costs of advertising and marketing are expensed as incurred. See Note 20.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Accounts Receivable

All charges to accounts receivable are recorded contemporaneously with the services provided based on the established rates for those services. Reductions to accounts receivable result from cash collections, discounts under contractual agreements, bad debts, and charity care (free services) adjustments. The Medical Center does not make its accounts receivable available for sale. Interest on unpaid balances is generally not charged. Accounts receivable are reported in the financial statements at their estimated net realizable value through the use of allowances for uncollectibles expected to result from contractual discounts and bad debts. In evaluating the collectibility of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate appropriate allowances for uncollectibles. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowances.

The allowance for contractual discounts on accounts receivable from third-party payors (Medicare, Medicaid and private medical benefit insurers) is based primarily on the latest discount percentages experienced with each third-party payor.

The allowance for bad debts is based on management's assessment of collectability, current economic conditions, and prior experience. For receivables from third-party payors, bad debt losses have not been material in the Medical Center's experience, accordingly, an allowance for bad debts on accounts from third-party payors is not maintained. For receivables associated with self-pay patients (patients without insurance), the allowance for bad debts resulting from management's assessments is a function of estimated uncollectibility percentages applied to various age groups of the account balances.

For most charges to insured patients, the Medical Center files claims with those patients' insurance companies and abstains from billing those patients until all insurance benefits have been collected or established. Once billed, all patients' (both insured and uninsured) charges are due within 30 days of the billing and are considered delinquent after 90 days. Patient account balances are charged against the allowance for bad debts when all internal collection efforts have failed and the account is referred to a collection agency or when the debtor is found to be bankrupt.

The allowance for uncollectibles related to nonpatient accounts receivable is based on an account aging and other factors. Charges to nonpatient accounts receivable are due within 30 days of the billing date and are considered delinquent after that time period. Bad debts related to nonpatient receivables are included in general and administrative expenses. See Notes 3 and 17.

Notes Receivable

Notes receivable are recorded in the amount of cash expended or, in the case of property sales, in the amount of the portion of the sales price financed by the Medical Center. The Medical Center does not make its notes receivable available for sale. Allowances for bad debts are periodically evaluated based on each note's payment performance and underlying security. Interest earned on notes receivable is determined in accordance with each note's terms and recorded on the accrual basis. Past due status is based on the note's contractual terms and the decision to suspend or resume interest accruals on past due notes is made on a case-by-case basis. Note balances are charged off as uncollectible after all foreclosure recoveries have been received, and it is determined that no other productive collection efforts are available. See Note 5.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Recognition of Electronic Records Incentive

See Note 27 concerning the recognition of revenue from incentive payments for implementation of electronic health records.

Interest Income

Interest income, including that earned on assets whose use is limited, is reported as nonoperating revenue. See Note 23.

Interest Expense

Interest expense is considered peripheral to the provision of health care services and, as such, is reported as a nonoperating item. See Note 16.

Recognition of Donor-Restricted Contributions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires or is satisfied during the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in either temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Fixed Assets and Depreciation

Fixed assets, other than those held under capital leases, are included at cost or, if donated, at fair value on the date of receipt. Depreciation is computed using the straight-line method over the assets' estimated useful lives. See Note 18. Significant 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. See Note 16.

Gains and losses on the disposal of fixed assets are considered incidental to the provision of health care services and, as such, are reported as nonoperating.

Capital Leases and Amortization

Assets and liabilities under capital leases are recorded at the present value of the minimum lease payments. The assets are amortized over their related lease terms, which approximate their estimated productive lives. Amortization of assets under capital leases is included in depreciation. See Notes 18 and 21.

Inventories

Inventories are reported principally at cost using a first-in, first-out cost flow assumption.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTSNote 1 - Summary of Significant Accounting Policies (Continued)Income Taxes

The Internal Revenue Service has determined that the Medical Center and its subsidiaries, Virginia Hall Nursing Home and Multi-Faith Retirement Services, are exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Full provision is made for income taxes on any unrelated business income of the exempt entities and on taxable income generated by the non-tax-exempt subsidiaries, South Shreveport Pharmacy, Inc. and Health Plus of Louisiana, Inc.

Assets Whose Use is Limited

Assets whose use is limited include assets designated by the Board of Trustees for future capital expenditures and/or debt service, over which the Board retains control and may at its discretion subsequently use for other purposes; assets designated and held by a trustee in accordance with indenture agreements; assets legally designated in accordance with state insurance laws; and assets specifically identified as having donor-imposed use restrictions. Amounts required to meet current liabilities are reclassified as current assets in the statements of financial position. See Notes 6, 7, 8, 9 and 14.

Investments in Debt Securities

Investments in debt securities are reported at fair value. Fair values are based on active market quotes. See Notes 4 and 31.

Amortization of Intangibles

Bond discounts are included at the difference between the face amount of the bonds and cash received from their issuance. Bond issuance costs are included at cost. Amortization of the discounts and costs of issuance is computed using the interest method over the life of the bonds.

Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments acquired with maturities of three months or less, excluding assets whose use is limited by board designation, arrangements under trust agreements, or donor restrictions. However, to provide a more complete view of the Medical Center's cash flows, cash inflows received directly by and cash outflows disbursed directly from assets whose use is limited are treated as constructively received or disbursed in cash by the Medical Center and are included in the cash activities presented in the statements of cash flows.

Accrued Employee Health Benefit Claims

The Medical Center makes provision for accrued and unpaid medical claims and related expenses of its employees who participate in a group health care benefit plan. See Note 26. Such provisions are actuarially determined and include amounts for claims filed and not paid and an estimate of claims incurred but not filed at the balance sheet date.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Stop-Loss Insurance (Reinsurance)

Stop-loss insurance premiums are paid by the Medical Center to limit loss exposure on worker's compensation, professional liability, general liability and health care claims of the employees who participate in the Medical Center's group health care benefit plan. Recoveries from the stop-loss insurance are reported as reductions to claims expense. See Notes 9, 26 and 28.

Change in Accounting Principle

See Note 35 concerning a change in accounting principle.

Note 2 - Organization and Operations

Willis-Knighton Medical Center is organized and operated as a not-for-profit corporation under Louisiana law and is the parent of several wholly-owned subsidiaries. The principal activity of the Medical Center and its subsidiaries, which accounts for substantially all of its consolidated operating revenues, is providing a full-range of health care services to the general public, including Medicare and Medicaid recipients, in the northwest Louisiana vicinity. The Medical Center owns and operates the following hospital facilities:

<u>Facility</u>	<u>Location</u>	<u>Number of Licensed Acute Care Beds</u>	<u>Number of Acute Care Beds Available</u>
Willis-Knighton Medical Center	2600 Greenwood Road Shreveport, Louisiana	344	233
Willis-Knighton South	2510 Bert Kouns Industrial Loop Shreveport, Louisiana	152	152
WK Bossier Health Center	2400 Hospital Drive Bossier City, Louisiana	166	152
WK Pierremont Health Center	8001 Youree Drive Shreveport, Louisiana	<u>190</u>	<u>183</u>
		<u>852</u>	<u>720</u>

The Medical Center also operates a 24-bed skilled nursing facility on its Greenwood Road campus.

In November 2010, the Medical Center opened The Oaks of Louisiana, an independent-living facility with 123 apartments. See Note 34.

In July 2011, the Medical Center opened Savannah at The Oaks, an assisted-living facility with 44 apartments.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTSNote 2 - Organization and Operations (Continued)

Following are brief descriptions of the Medical Center's wholly-owned subsidiaries and their operations:

Virginia Hall Nursing Home, d/b/a Progressive Care Center, is a skilled nursing facility adjacent to the Medical Center's Greenwood Road location and provides 131 patient beds.

Multi-Faith Retirement Services, d/b/a Live Oak Retirement Community, is a retirement complex in southeast Shreveport that provides housing, health care, and other related services to elderly residents.

Health Plus of Louisiana, Inc. provides third-party administrator services.

Note 3 - Patient Revenues and Accounts Receivable

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. A summary of the payment arrangements with major third-party payors follows:

Medicare. Under the Medicare program, inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services and defined capital and medical education costs related to Medicare beneficiaries are paid based upon a cost reimbursement method under which the Medical Center is reimbursed for cost-reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits by the Medicare fiscal intermediary. These rates vary according to an ambulatory classification system.

For the years ended September 30, 2013 and September 30, 2012, the Medical Center received approximately 49 and 47 percent, respectively, of its gross patient revenue (46 and 43 percent, respectively, of its net patient revenue) from the Medicare program. These revenues are subject to health insurance program fiscal intermediary review and retroactive adjustment. Cost reports for the years ended September 30, 2011, 2012, and 2013 are subject to examination. Provisions have been made for estimated settlements and adjustments.

Medicaid. Under the Louisiana Medicaid program, inpatient services, excluding those for organ transplant patients, are paid at a set per diem rate and outpatient services and organ transplant services are paid under a cost reimbursement method. Under the cost reimbursement method, the Medical Center is reimbursed at a tentative rate with final settlement determined after submission of its cost reports to and audits by the Medicaid fiscal intermediary. Under the per diem method, one established rate is used for all patient stays, regardless of the magnitude or complexity of the services provided. The Medical Center's Medicaid cost reports for the years ended September 30, 2011, 2012, and 2013 are subject to examination by the Medicaid fiscal intermediary. Provisions have been made for estimated settlements and adjustments.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3 - Patient Revenues and Accounts Receivable (Continued)

Other Payors. The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, preferred provider organizations, and employers, which result in contractual adjustments from established rates. Payments to the Medical Center under these agreements are based primarily on agreed-upon discounts from established charges and rates prescribed for each service.

A summary of patient revenues for the years ended September 30, 2013 and September 30, 2012 follows:

	Year Ended September 30	
	<u>2013</u>	<u>2012</u>
Patient Revenues at Established Rates	\$ 2,507,202,148	\$ 2,368,224,052
<u>Less-Free Services (Charity Care)</u>	<u>57,875,191</u>	<u>39,251,302</u>
	2,449,326,957	2,328,972,750
<u>Less-Provisions for Contractual Adjustments</u> (Note 30):		
Current Provisions	1,493,116,674	1,396,837,314
Changes in Prior Estimates of Cost		
Report Settlements	(3,244,957)	(541,435)
Total Provisions for Contractual		
Adjustments	<u>1,489,871,717</u>	<u>1,396,295,879</u>
Net Patient Revenues	<u>959,455,240</u>	<u>932,676,871</u>
<u>Less-Provision for Bad Debts</u>	<u>57,364,124</u>	<u>67,120,805</u>
Net Patient Revenues Less Provision for Bad Debts	\$ <u>902,091,116</u>	\$ <u>865,556,066</u>

Patient revenues, net of charity care and contractual adjustments (but before the provision for bad debts), are from the following major payor sources:

Third Party Payors	\$ 907,884,195
Self-Pay	<u>51,571,045</u>
Total	\$ <u>959,455,240</u>

The Medical Center participates in the Medicaid program and administers a charity care policy whereby free or discounted services are available to qualified individuals with limited financial means. During the years ended September 30, 2013 and September 30, 2012, unreimbursed costs for charity care and Medicaid patients provided by the Medical Center are estimated to be \$42,000,000 and \$44,335,000, respectively. These estimates are based on the Medical Center's cost-to-charge ratio calculated using gross charges.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3 - Patient Revenues and Accounts Receivable (Continued)

The Medical Center grants credit without collateral to its patients, most of whom are from the northwest Louisiana vicinity. The mix of receivables from patients and third-party payors at September 30, 2013 and September 30, 2012 is as follows:

	At September 30	
	<u>2013</u>	<u>2012</u>
Medicare	41.8%	41.7%
Medicaid	9.3	8.7
Blue Cross	15.3	16.7
Other Third-Party Payors	23.6	22.9
Self-Pay Patients (Uninsured)	<u>10.0</u>	<u>10.0</u>
	<u>100.0%</u>	<u>100.0%</u>

Net accounts receivable from patient services is comprised as follows:

	At September 30	
	<u>2013</u>	<u>2012</u>
Gross Patient Accounts Receivable	\$ 326,930,525	\$ 319,936,719
<u>Less</u> -Estimated Allowances (Note 30) for:		
Bad Debts	13,933,431	15,960,940
Contractual Adjustments	<u>184,995,354</u>	<u>187,736,452</u>
Net Accounts Receivable from Patient Services	\$ <u>128,001,740</u>	\$ <u>116,239,327</u>

As mentioned at the Accounts Receivable section of Note 1, an allowance for bad debts related to self-pay accounts receivable is maintained. The activity in this allowance for the year ended September 30, 2013 is as follows:

Allowance at Beginning of Year	\$ 15,960,940
Current Year Provision	57,364,124
Uncollectibles Charged Off-Net of Recoveries	(59,391,633)
Allowance at End of Year	\$ <u>13,933,431</u>

The Medical Center's allowance for bad debts for self-pay patients decreased from 53 percent of self-pay accounts receivable at September 30, 2012 to 45 percent of self-pay accounts receivable at September 30, 2013. The primary cause of the decrease stems from the effects of a change in the Medical Center's charity care policy, effective October 1, 2012, that increased the number of individuals qualifying for charity care and which in turn decreased bad debt write offs.

"Accounts Receivable-Other-Net" on the statements of financial position result from the Medical Center providing certain services to physicians and other health care organizations. Accounts Receivable-Other is net of an allowance for doubtful accounts at September 30, 2013 and September 30, 2012 of \$128,828 and \$236,026, respectively. See Note 24 concerning amounts receivable from a related party.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4 - Investments in Debt Securities

A summary of investments in debt securities at September 30, 2013 follows:

	<u>Amortized Cost</u>	<u>Fair Value</u>
<u>Undesignated</u>		
Treasury Notes, \$179,985,000 Face	\$180,003,891	\$180,231,579
<u>Depreciation Fund (Note 6)</u>		
Treasury Notes, \$18,074,000 Face	18,058,792	18,088,887
<u>Development Fund (Note 7)</u>		
Treasury Notes, \$1,650,000 Face	1,645,486	1,648,491
<u>Bond Funds (Note 8)</u>		
Treasury Notes, \$18,339,000 Face	18,833,315	18,868,332
<u>Malpractice and General Liability Claims Fund (Note 9)</u>		
Treasury Notes, \$10,650,000 Face	<u>10,881,211</u>	<u>10,953,624</u>
Total of All Categories	<u>\$229,422,695</u>	<u>\$229,790,913</u>

A summary of investments in debt securities at September 30, 2012 follows:

	<u>Amortized Cost</u>	<u>Fair Value</u>
<u>Undesignated</u>		
Treasury Notes, \$149,485,000 Face	\$149,916,148	\$150,116,253
<u>Depreciation Fund (Note 6)</u>		
Treasury Notes, \$18,149,000 Face	18,156,455	18,188,685
<u>Development Fund (Note 7)</u>		
Treasury Notes, \$1,605,000 Face	1,607,235	1,612,653
<u>Bond Funds (Note 8)</u>		
Treasury Notes, \$18,521,000 Face	18,892,077	19,031,068
<u>Malpractice and General Liability Claims Fund (Note 9)</u>		
Treasury Notes, \$10,725,000 Face	<u>10,941,798</u>	<u>11,272,034</u>
Total of All Categories	<u>\$199,513,713</u>	<u>\$200,220,693</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5 - Notes Receivable

Notes receivable at September 30, 2013 and September 30, 2012 are summarized below:

	At September 30	
	<u>2013</u>	<u>2012</u>
<u>Notes Receivable:</u>		
North Caddo Medical Center (Note 24)	\$ 95,956	\$ 95,956
Springhill Medical Center		500,000
Other Loans	28,726	68,698
Education Loans	<u>1,773,425</u>	<u>1,336,432</u>
	1,898,107	2,001,086
<u>Less-Allowance for Uncollectibles</u>	- 0 -	- 0 -
<u>Less-Current Portion</u>	<u>164,682</u>	<u>708,698</u>
Notes Receivable - Long-Term Portion	<u>\$1,733,425</u>	<u>\$1,292,388</u>

Education loans are unsecured loans to physicians in certain residency programs and to students in nursing programs. The loan agreements call for the physician or nurse, upon completion of the residency or nursing program, to join the staff of the Medical Center for a specified period of time. Once the physician's or nurse's obligation is fulfilled, the loan is discharged. To best match cost with the services acquired, the Medical Center recognizes its expense of discharged loans ratably over the period that the debtors' obligations are fulfilled. Under this methodology an allowance for uncollectibles is considered unnecessary.

The loan to Springhill Medical Center is an interest-free, unsecured loan that was repaid in November 2012.

"Other Loans" listed above are unsecured, bear interest at rates ranging from 7 to 9.5 percent and are due over periods ranging from 1 to 5 years.

None of the above notes receivable are on nonaccrual status. Installments on the note receivable from North Caddo Medical Center are past due as follows:

1 - 30 days past due	\$ 1,321
31 - 90 days past due	2,616
91 - 180 days past due	3,862
Over 180 days past due	<u>64,360</u>
Total	<u>\$ 72,159</u>

There was no activity in the allowance for uncollectible notes receivable for the year ended September 30, 2013 and there was no change in the policy for estimating the allowance for credit losses during the year.

The credit quality indicator the Company uses to monitor its notes receivable is its collection experience. Information about collection experience is current as of September 30, 2013.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6 - Depreciation Fund

Effective September 30, 1975, by resolution of the Board of Trustees, the Medical Center created a depreciation fund.

Composition of the fund at September 30, 2013 and 2012 is as follows:

	At September 30	
	<u>2013</u>	<u>2012</u>
Cash	\$ 4,060,654	\$ 3,878,864
U.S. Government Securities (Note 4)	18,088,887	18,188,685
Accrued Interest	<u>11,166</u>	<u>17,944</u>
	<u>\$22,160,707</u>	<u>\$22,085,493</u>

Withdrawals from this fund are for replacement of depreciated assets or for capital asset acquisition. There were no withdrawals from the fund for the years ended September 30, 2013 and September 30, 2012.

Note 7 - Development Fund

Certain contributions received by the Medical Center have been Board-designated to a development fund consisting of the following segregated assets:

	At September 30	
	<u>2013</u>	<u>2012</u>
Cash	\$ 23,264	\$ 51,542
U.S. Government Securities (Note 4)	1,648,491	1,612,653
Accrued Interest	1,338	2,432
Land	<u>170,000</u>	<u>170,000</u>
	<u>\$ 1,843,093</u>	<u>\$ 1,836,627</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8 - Bond Funds

Bond funds are those assets held by a trustee in accordance with indenture agreements for the bond issues (Note 13) or as agent at the request of the Medical Center's Board. Such funds at September 30, 2013 and September 30, 2012 are presented as follows:

<u>Funds</u>	<u>At September 30</u>	
	<u>2013</u>	<u>2012</u>
Board-Designated General Reserve Fund (Agency)	\$ 920,227	\$ 5,102,372
<u>Series 1993 Bonds:</u>		
Debt Service Reserve Fund (Trust)	4,332,743	4,371,147
Interest Fund (Trust)	183	
Rebate Fund (Trust)	184	184
<u>Series 1995 Bonds:</u>		
Debt Service Reserve Fund (Trust)	5,911,331	5,963,698
Interest Fund (Trust)	1,975	
Rebate Fund (Trust)	50,750	50,750
<u>Series 1997 Bonds:</u>		
Debt Service Reserve Fund (Trust)	8,866,263	8,945,357
Interest Fund (Trust)	781	433
Rebate Fund (Trust)	51,085	51,085
	<u>\$20,135,522</u>	<u>\$24,485,026</u>
<u>Holdings</u>		
U.S. Government Securities (Note 4)	\$18,868,332	\$19,031,068
Cash and Money Market Accounts (Note 29)	1,233,024	5,418,786
Accrued Interest	34,166	35,172
	<u>\$20,135,522</u>	<u>\$24,485,026</u>

The portion of these funds that is required for specific obligations classified as current liabilities is reported in current assets.

Note 9 - Malpractice and General Liability

The Medical Center self-funds the first \$100,000 of each non-physician medical malpractice claim and the first \$2,000,000 per occurrence for general liability claims. Current Louisiana law limits damages payable under a medical malpractice suit to \$500,000 plus future medical costs per claimant. The Medical Center has purchased insurance to cover the remaining \$400,000 of non-physician medical malpractice exposure.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9 - Malpractice and General Liability (Continued)

The Medical Center has also purchased \$10,000,000 of insurance to cover general liability claims in excess of \$2,000,000. At September 30, 2013 and September 30, 2012, management estimates its liability claims for unpaid asserted or unasserted general liability claims to be \$885,000 and \$932,000, respectively, portions of which are classified as current liabilities. See Note 30. The provision for general liability claims expense for the years ended September 30, 2013 and September 30, 2012 is \$554,994 and \$23,332, respectively.

At September 30, 2013 and September 30, 2012, management estimates its gross liability for claims losses for unpaid asserted or unasserted medical malpractice claims to be \$14,987,000 and \$15,909,000, respectively, portions of which are classified as current liabilities. At September 30, 2013 and September 30, 2012, management estimates its receivable from related insurance recoveries to be \$5,876,000 and \$6,189,000, respectively, portions of which are classified as current assets. The provision for medical malpractice claims expense for the years ended September 30, 2013 and September 30, 2012 is \$484,135 and \$1,683,567, respectively. See Note 30.

As required by the Loan Agreements for the Series 1995 and 1997 Bonds (Note 13), the Medical Center has deposited with a trustee funds to pay actuarially estimated medical malpractice and general liability claims. Composition of the fund at September 30, 2013 and September 30, 2012 is as follows:

	At September 30	
	<u>2013</u>	<u>2012</u>
Cash and Money Market Accounts (Note 29)	\$ 246,634	\$ 190,845
U.S. Government Securities (Note 4)	10,953,624	11,272,034
Accrued Interest	<u>63,618</u>	<u>77,670</u>
	<u>\$11,263,876</u>	<u>\$11,540,549</u>

The estimated portion of these funds that will be used to pay current claims is reported in current assets.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10- Assets Not In Service

Assets in this category consist of the following:

	At September 30	
	<u>2013</u>	<u>2012</u>
<u>Projects Under Development:</u> (Note 25)		
WK South Pediatric Center	\$ 206,459	
WKS Physicians Center Suite Renovations	272,303	
WK Hybrid OR		\$ 1,877,609
WK South Suite Addition		722,130
Portico MRI		361,097
WK Emergency Room	763,973	
WK Bossier Hyperbaric Suite	448,698	
WK Pierremont Emergency Room		3,869,637
WK Pierremont Orthopedic Group	184,083	
Proton Beam Therapy Addition	36,951,862	18,097,578
Savannah at The Oaks		3,040,309
WK Bossier Innovation Center	10,019,629	1,516,263
WK Bossier Innovation Center Equipment	870,045	
WKHS Clinical Software	12,737,124	11,448,690
Various Other Projects	<u>788,237</u>	<u>283,949</u>
Total Projects Under Development	63,242,413	41,217,262
<u>Other Assets Not in Service:</u>		
WK Bossier 1513-B Doctors Drive Building	236,479	236,479
Greenwood Road Building	80,039	80,039
Various Other Equipment	<u>388,986</u>	<u>447,219</u>
Total Other Assets Not in Service	<u>705,504</u>	<u>763,737</u>
Total Assets Not in Service	<u>\$63,947,917</u>	<u>\$41,980,999</u>

Note 11- Sundry Assets

Sundry assets consist of the following:

	At September 30	
	<u>2013</u>	<u>2012</u>
Equity Investments (Note 12)	\$ 14,594	\$ 14,781
Trust Funds	15,092	14,766
Museum Assets	662,578	662,578
Unamortized Bond Issuance Costs	1,421,756	1,625,815
Unamortized Cost of Virginia Hall Certificate of Need and Trade Name	151,972	164,476
Other Assets	<u>38,468</u>	<u>49,548</u>
	<u>\$ 2,304,460</u>	<u>\$ 2,531,964</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12- Equity Investments

The Medical Center has a 50 percent ownership in Willis-Knighton Physician/Hospital Organization, Inc. that is accounted for on the equity method, under which the investment in the entity is increased or decreased based on the net income or loss of the entity. Willis-Knighton Physician/Hospital Organization, Inc. is inactive and has no liabilities. Its only asset is cash which totals approximately \$29,000.

Note 13- Bonds Payable

The Louisiana Public Facilities Authority (LPFA) has made the following loans to the Medical Center totaling \$260,000,000:

Series 1993 Bonds

\$60,000,000 on September 1, 1993 from the proceeds of the "Louisiana Public Facilities Authority Hospital Revenue and Refunding Bonds (Willis-Knighton Medical Center Project) Series 1993" issued in the aggregate principal amount of \$60,000,000 under a Trust Indenture dated September 1, 1993 from LPFA to The Bank of New York Trust Company, N.A., as Trustee thereunder. The bonds were issued for the purpose of (i) financing the costs of acquisition, construction, renovation, installation, and equipping of the Medical Center complex, (ii) refunding the remaining debt of the Willis-Knighton Medical Center Series 1985A hospital revenue bonds, (iii) funding the debt service reserve fund (Note 8), and (iv) paying certain costs associated with the issuance, liquidity for, and insurance on the bonds. In a loan agreement with the LPFA, the Medical Center has agreed to make all principal and interest payments on the bonds.

Series 1995 Bonds

\$75,000,000 on December 19, 1995 from the proceeds of the "Louisiana Public Facilities Authority Hospital Revenue Bonds (Willis-Knighton Medical Center Project) Series 1995" issued in the aggregate principal amount of \$75,000,000 under a Trust Indenture dated December 1, 1995 from LPFA to The Bank of New York Trust Company, N.A., as Trustee thereunder. The bonds were issued for the purpose of (i) financing the costs of acquisition, construction, installation, and renovation of certain additions and improvements to the existing facilities, located in Shreveport, Louisiana and the construction and equipping of WK Bossier Health Center, located in Bossier City, Louisiana, (ii) funding the debt service reserve fund (Note 8), and (iii) paying certain costs associated with the issuance, liquidity for, and insurance on the bonds. In a loan agreement with the LPFA, the Medical Center has agreed to make all principal and interest payments on the bonds.

Series 1997 Bonds

\$125,000,000 on December 23, 1997 from the proceeds of the "Louisiana Public Facilities Authority Hospital Revenue Bonds (Willis-Knighton Medical Center Project) Series 1997" issued in the aggregate principal amount of \$125,000,000 under a Trust Indenture dated December 1, 1997 from LPFA to The Bank of New York Trust Company, N.A., as Trustee thereunder. The bonds were issued to (a) finance or reimburse a portion of the costs of (i) constructing and equipping WK Pierremont Health Center, (ii) expanding, renovating, and equipping the emergency room at the existing Willis-Knighton Medical Center facility, (iii) constructing and equipping a Cardiology Institute, and (iv) acquiring and installing various equipment, including medical, diagnostic, and related equipment at each health care facility operated by the Medical Center; (b) fund a debt service reserve fund (Note 8), and (c) pay the necessary costs in connection with the issuance of the Bonds. In a loan agreement with the LPFA, the Medical Center has agreed to make all principal and interest payments on the bonds.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 13- Bonds Payable (Continued)

Payments under each of the loan agreements described above are secured equally and ratably by the Medical Center's assignment unto the Trustee for the bonds a first lien on all its present and future gross receipts and its pledge of its interest in the funds held in trust in accordance with indenture agreements (Note 8). The Medical Center has made certain covenants in connection with the above-described LPFA loans that are contained in the Loan Agreements and Tax Regulatory Agreements with the LPFA and Trustee. Among those covenants are requirements that certain measures of financial performance be satisfied, that no action be permitted that could cause the bonds to be arbitrage bonds or that could cause the interest on the bonds to be taxable to the owners of the bonds, that the debt service reserve funds held by the Trustee be kept at balances not less than as required by the Trust Indenture, and that additional debt be incurred only in accordance with certain rules described in the Loan Agreements. Payments of principal and interest on the Series 1993, Series 1995, and Series 1997 bonds are insured under municipal bond insurance policies.

Stated maturity dates are September 1, 2023 for the Series 1993 Bonds, September 1, 2025 for the Series 1995 Bonds, and September 1, 2027 for the Series 1997 Bonds. However, provided certain conditions are met, the bonds are subject to optional redemption, in whole or in part, at the direction of the Medical Center. The remaining mandatory redemptions prior to the stated maturity dates are required as follows:

Redemption Date (September 1 or Next Interest Payment Date)	Principal Amount			Total
	Series 1993 Bonds	Series 1995 Bonds	Series 1997 Bonds	
2014	\$ 2,500,000	\$ 2,900,000	\$ 4,300,000	\$ 9,700,000
2015	2,600,000	3,100,000	4,550,000	10,250,000
2016	2,800,000	3,200,000	4,800,000	10,800,000
2017	2,900,000	3,300,000	5,050,000	11,250,000
2018	3,100,000	3,500,000	5,300,000	11,900,000
2019	3,300,000	3,700,000	5,600,000	12,600,000
2020	3,400,000	3,900,000	5,900,000	13,200,000
2021	3,650,000	4,000,000	6,200,000	13,850,000
2022	3,850,000	4,200,000	6,500,000	14,550,000
2023	4,050,000	4,400,000	6,900,000	15,350,000
2024		4,700,000	7,250,000	11,950,000
2025		4,900,000	7,650,000	12,550,000
2026			8,050,000	8,050,000
2027			8,400,000	8,400,000
	<u>\$ 32,150,000</u>	<u>\$ 45,800,000</u>	<u>\$ 86,450,000</u>	<u>\$164,400,000</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 13- Bonds Payable (Continued)

On March 6, 2002, the Medical Center converted the interest rate mode for the Bonds from a weekly rate to an auction rate. The initial auction rate interest periods began April 9, 2002 for the Series 1993 Bonds, April 16, 2002 for the Series 1995 Bonds, and April 23, 2002 for the Series 1997 Bonds. Interest on the bonds is payable every 35 days at an auctioned rate that is subject to a maximum of 12 percent per annum. If the auction does not produce sufficient bids, the auction is considered to have failed and the default rate of interest is implemented. The default rate of interest is the lesser of (i) an applicable percentage (175 percent when the prevailing credit rating on the bonds is A or better) of the Kenny Index or (ii) 12 percent. Alternate interest rate modes, including fixed rate, may be elected by the Medical Center in accordance with the Trust Indenture. The effective interest rate during the years ended September 30, 2013 and September 30, 2012 is 0.38 percent and 0.54 percent, respectively.

The bonds described above are designed to yield tax-exempt (for Federal income tax purposes) interest income to their holders. The bonds would lose their tax-exempt nature if they were allowed to become "arbitrage bonds." Generally, an arbitrage bond is any bond that is part of an issue where any portion of the proceeds of that issue are invested to yield earnings in excess of the interest paid on those bonds. Section 148 of the Internal Revenue Code allows certain excess earnings (i.e. arbitrage) to occur without consequences to the bonds' nature if such arbitrage is rebated to the federal government. A rebate installment payment is due every five years. At September 30, 2013 and September 30, 2012, there is no estimated arbitrage rebate liability. Due to recent "negative" arbitrage which has offset earlier arbitrage rebate payments, the Medical Center is entitled to a recovery of a portion of these payments which, at September 30, 2013 and September 30, 2012, totals \$24,861 and \$250,152, respectively.

Long-term borrowings at September 30, 2013, mature as follows:

<u>For the Year Ended</u> <u>September 30</u>	<u>Bonds</u> <u>(All Series)</u>	<u>Capital</u> <u>Leases</u>	<u>Total</u>
2014	\$ 9,700,000	\$ 819,037	\$ 10,519,037
2015	10,250,000	719,080	10,969,080
2016	7,600,000	290,217	7,890,217
2017	14,450,000	266,031	14,716,031
2018	8,800,000		8,800,000
Thereafter	<u>113,600,000</u>		<u>113,600,000</u>
	<u>\$164,400,000</u>	<u>\$ 2,094,365</u>	<u>\$166,494,365</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14- Unrestricted Net Assets

Unrestricted net assets are those net assets on which there are no donor-imposed restrictions and include assets whose use is limited. Changes in unrestricted net assets for the years ended September 30, 2013 and September 30, 2012 are summarized as follows:

	<u>Unrestricted Net Assets</u>			
	<u>Board Designated</u>	<u>Contractually Designated</u>	<u>Undesignated</u>	<u>Total</u>
<u>Balances at October 1, 2012</u>	\$ 29,024,492	\$ 30,923,203	\$ 520,131,142	\$ 580,078,837
Increase (Decrease) in Unrestricted Net Assets for the Period (Exhibit B)	(417,429)	(2,829,519)	148,833,478	145,586,530
Bond Principal Payments	(13,200,000)		13,200,000	- 0 -
Transfer to Malpractice and General Liability Claims Fund (Note 9)		1,902,451	(1,902,451)	- 0 -
Transfers to Bond Funds (Note 8)	10,000,000		(10,000,000)	- 0 -
Other Transfers	(483,036)	483,036		- 0 -
<u>Balances at September 30, 2013</u>	\$ <u>24,924,027</u>	\$ <u>30,479,171</u>	\$ <u>670,262,169</u>	\$ <u>725,665,367</u>

Specific Asset Groups Comprising
Designated Net Assets at September 30,
2013:

Depreciation Fund (Note 6)	\$ 22,160,707	\$
Development Fund (Note 7)	1,843,093	
Bond Funds (Note 8)	920,227	19,215,295
Malpractice and General Liability Claims Fund (Note 9)		<u>11,263,876</u>
	\$ <u>24,924,027</u>	\$ <u>30,479,171</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14- Unrestricted Net Assets (Continued)

	<u>Unrestricted Net Assets</u>			
	<u>Board Designated</u>	<u>Contractually Designated</u>	<u>Undesignated</u>	<u>Total</u>
<u>Balances at October 1, 2011</u>	\$ 27,034,420	\$ 31,901,639	\$ 465,269,299	\$ 524,205,358
Increase (Decrease) in Unrestricted Net Assets for the Period (Exhibit B)	(463,338)	(2,365,715)	58,702,532	55,873,479
Bond Principal Payments	(6,900,000)		6,900,000	- 0 -
Transfer to Malpractice and General Liability Claims Fund (Note 9)		1,740,689	(1,740,689)	- 0 -
Transfers to Bond Funds (Note 8)	10,000,000		(10,000,000)	- 0 -
Other Transfers	(646,590)	(353,410)	1,000,000	- 0 -
<u>Balances at September 30, 2012</u>	<u>\$ 29,024,492</u>	<u>\$ 30,923,203</u>	<u>\$ 520,131,142</u>	<u>\$ 580,078,837</u>
Specific Asset Groups Comprising Designated Net Assets at September 30, 2012:				
Depreciation Fund (Note 6)	\$ 22,085,493	\$		
Development Fund (Note 7)	1,836,627			
Bond Funds (Note 8)	5,102,372	19,382,654		
Malpractice and General Liability Claims Fund (Note 9)		11,540,549		
	<u>\$ 29,024,492</u>	<u>\$ 30,923,203</u>		

Note 15- Pension Plan

General

During the fiscal year ended September 30, 1973, the Medical Center established a defined benefit pension plan that covers all full-time employees with at least one year of service. The benefits are based on years of service and the employees' compensation during the last five years of participation.

Pension expense for the years ended September 30, 2013 and September 30, 2012 is \$22,519,959 and \$21,693,749, respectively.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 15- Pension Plan (Continued)

Liability for Pension Costs

The following table sets forth the plan's funded status at September 30, 2013 and September 30, 2012:

	Fiscal Year Ended September 30	
	<u>2013</u>	<u>2012</u>
Fair Value of Plan Assets at Beginning of Year	\$ 206,073,373	\$ 148,210,933
Investment Return on Plan Assets	19,977,900	16,709,538
Employer Contribution	29,400,000	45,400,000
Benefits Paid	(4,974,989)	(4,247,098)
Fair Value of Plan Assets at End of Year	250,476,284	206,073,373
Projected Benefit Obligation at End of Year	<u>269,219,164</u>	<u>303,555,771</u>
Net (Liability) for Pension Benefits	\$ (18,742,880)	\$ (97,482,398)

Accounting standards require the Medical Center to recognize the underfunded status of its defined benefit pension plan as a liability on its statement of financial position. Changes in the liability for pension benefits at September 30, 2013 and September 30, 2012 are as follow:

	At September 30	
	<u>2013</u>	<u>2012</u>
Liability for Pension Benefits at Beginning of Year	\$ 97,482,398	\$ 94,006,284
Cash Contribution to the Plan During the Year	(29,400,000)	(45,400,000)
Net Periodic Pension Cost	22,519,959	21,693,749
Pension-Related Changes Other than Net Periodic Pension Cost	(71,859,477)	<u>27,182,365</u>
Liability for Pension Benefits Included in the Statements of Financial Position	<u>\$ 18,742,880</u>	<u>\$ 97,482,398</u>

The Pension-Related Changes Other than Net Periodic Pension Cost are primarily attributable to the effects of changes in financial markets on both invested plan assets and assumed discount rates used in the calculation of the plan's funded status.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 15- Pension Plan (Continued)

Actuary Computation of Net Periodic Pension Cost

The actuarially computed components of net pension cost for the years ended September 30, 2013 and September 30, 2012 are estimated as follows:

	<u>Year Ended September 30</u>	
	<u>2013</u>	<u>2012</u>
Service Cost-Benefits Earned During the Period	\$ 15,593,936	\$ 13,164,426
Interest Cost on the Projected Benefit Obligation	12,553,517	12,089,932
Return on Plan Assets (assumed at 6.25 percent)	(12,978,872)	(9,462,944)
Amortization of Prior Service Costs	(1,767,465)	(1,767,465)
Amortization of Unrecognized Loss	<u>9,118,843</u>	<u>7,669,800</u>
Net Periodic Pension Cost	<u>\$ 22,519,959</u>	<u>\$ 21,693,749</u>

	<u>Year Ended September 30</u>	
	<u>2013</u>	<u>2012</u>
Weighted-Average Assumptions Used to Determine Benefit Obligations are as follows:		
Discount Rate	5.25%	4.25%
Rate of Increase in Future Compensation Levels	3.50%	3.50%

Weighted-Average Assumptions Used in Calculating Funded Status and Net Pension Cost are as follows:		
Discount Rate	4.25%	5.00%
Expected Long-Term Rate of Return on Assets	6.25%	6.25%
Rate of Increase in Future Compensation Levels	3.50%	3.50%

The overall expected long-term rate of return on assets is based on the actual average annual rate of return on plan assets for the 25-year period beginning October 1, 1987 and ending September 30, 2012.

The Medical Center's pension plan asset allocations at September 30, 2013 and September 30, 2012, are as follows:

	<u>Plan Assets at September 30</u>			
	<u>2013</u>		<u>2012</u>	
<u>Asset Category</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Equity Securities	\$ 136,106,448	55%	\$ 76,973,830	37%
Debt Securities	105,980,796	42%	117,042,672	57%
Other-Cash and Accrued Income	<u>8,389,040</u>	<u>3%</u>	<u>12,056,871</u>	<u>6%</u>
Total	<u>\$ 250,476,284</u>	<u>100%</u>	<u>\$ 206,073,373</u>	<u>100%</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 15- Pension Plan (Continued)

The Medical Center's investment policy targets 65 percent of the plan assets to equity securities and 35 percent to debt securities. With regards to debt securities, the Medical Center typically purchases U.S. Treasury securities with maturities ranging from one to seven years so that approximately 15 percent of the holdings will mature each year.

The Medical Center expects to make at least the minimum contribution, estimated to be approximately \$23,000,000, to its pension plan on or about June 15, 2014.

The expected future pension benefit payments, which reflect expected future service, as appropriate, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Pension</u> <u>Benefits</u>
2014	\$ 6,243,000
2015	7,216,000
2016	8,291,000
2017	9,784,000
2018	10,894,000
Years 2019-2023	75,434,000

Note 16- Interest Expense

Interest expense included in the statements of operations is summarized below:

	<u>Year Ended September 30</u>	
	<u>2013</u>	<u>2012</u>
Interest Incurred on Bonds (Note 13)	\$ 656,954	\$ 976,695
Other Interest Incurred	<u>170,164</u>	<u>134,785</u>
Total Interest Incurred	827,118	1,111,480
<u>Less-Amount Capitalized to Fixed</u> Assets Constructed	<u>116,803</u>	<u>57,762</u>
Interest Expense	<u>\$ 710,315</u>	<u>\$ 1,053,718</u>

Note 17- Bad Debts

As mentioned at the Accounts Receivable section of Note 1, the Medical Center maintains an allowance for bad debts on self-pay patient accounts receivable. As management determines the collection of specific patient accounts to be doubtful, such accounts are written off against the allowance. Based on this analysis, bad debts as a percentage of gross patient billings (excluding Medicare charges, Medicaid charges, and charity care) are 5.8 percent and 6.9 percent for the years ended September 30, 2013 and September 30, 2012, respectively. See Note 30.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 18- Depreciation

Depreciation expense and the estimated useful lives of the major categories of fixed assets are as follows:

	Year Ended September 30	
	<u>2013</u>	<u>2012</u>
Parking Lots, Buildings and Improvements (10 - 47 Years) (Including Leased Property, Note 22)	\$27,731,340	\$26,732,987
Equipment and Furniture (3 - 15 Years)	<u>22,142,266</u>	<u>22,046,060</u>
	<u>\$49,873,606</u>	<u>\$48,779,047</u>

Note 19- Income Taxes

The Medical Center did not incur any income taxes for the years ended September 30, 2013 and September 30, 2012.

See Note 25 concerning income tax returns subject to examination by the taxing authorities.

Note 20- Advertising

Advertising costs for the years ended September 30, 2013 and September 30, 2012 are approximately \$2,577,000 and \$2,651,000, respectively.

Note 21- Leases

Operating Leases

The Medical Center leases medstations and supply stations from Pyxis Corporation under various leases with five-year terms expiring at various dates through March 31, 2018. Total monthly lease payments range from \$3,503 to \$25,746 per month.

The Medical Center leases office space for several of its health care clinics under leases with terms ranging from month-to-month to 10 years that expire at various times through July 31, 2018. Lease payments range from \$28 to \$24,689 per month.

Minimum future rental payments under these noncancelable operating leases are as follows:

	Year Ending September 30				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Medstation and Supply Station Leases	\$ 1,352,112	\$ 1,352,112	\$ 1,292,172	\$ 1,112,352	\$ 834,264
Health Care Clinic Leases	<u>571,897</u>	<u>348,875</u>	<u>223,603</u>	<u>1,401</u>	<u>1,168</u>
Total	<u>\$ 1,924,009</u>	<u>\$ 1,700,987</u>	<u>\$ 1,515,775</u>	<u>\$ 1,113,753</u>	<u>\$ 835,432</u>

Total rental expense on all operating leases for the years ended September 30, 2013 and September 30, 2012 is approximately \$3,324,000 and \$2,960,000, respectively.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 21- Leases (Continued)

Capital Leases

A summary of the Medical Center's capital lease arrangements follows:

<u>Year Ending September 30</u>	<u>Lab Equipment</u>	<u>Cardiology Equipment</u>	<u>Other</u>	<u>Total</u>
2014	\$ 539,904	\$ 290,217	\$ 29,952	\$ 860,073
2015	422,611	290,217		712,828
2016		290,217		290,217
2017		266,032		266,032
<u>Less-Amount Representing Interest</u>	<u>34,785</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>34,785</u>
<u>Net Present Value of Minimum Lease Payments</u>	<u>\$ 927,730</u>	<u>\$1,136,683</u>	<u>\$ 29,952</u>	<u>\$2,094,365</u>
<u>Imputed Rate of Interest</u>	<u>2.82%</u>	<u>0.00%</u>	<u>0.00%</u>	

Following is a summary of the property held under capital leases at September 30, 2013 and September 30, 2012:

	<u>Year Ended September 30</u>	
	<u>2013</u>	<u>2012</u>
Lab Equipment	\$1,994,591	\$1,994,591
Cardiology Equipment	1,160,868	370,074
Other	<u>199,750</u>	<u>130,000</u>
	3,355,209	2,494,665
<u>Less-Accumulated Depreciation</u>	<u>1,028,825</u>	<u>876,298</u>
	<u>\$2,326,384</u>	<u>\$1,618,367</u>

Note 22- Rental Income

See Note 34 concerning apartment rentals included in resident services activities.

The Medical Center leases medical office space to physicians and office and retail space and equipment to other businesses under commercial operating leases with terms ranging from month-to-month to 15 years. A summary of rental income for the years ended September 30, 2013 and September 30, 2012 follows:

	<u>Year Ended September 30</u>	
	<u>2013</u>	<u>2012</u>
Commercial Rental Income	\$ 5,310,876	\$ 5,310,432
Commercial Rental Expenses:		
Depreciation	(2,405,707)	(2,136,356)
Other	<u>(1,595,672)</u>	<u>(2,014,989)</u>
Net Rental Income	<u>\$ 1,309,497</u>	<u>\$ 1,159,087</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 22- Rental Income (Continued)

Following is a summary of property leased to commercial users:

	At September 30	
	<u>2013</u>	<u>2012</u>
Land, Buildings and Improvements, and Equipment	\$ 49,323,197	\$ 44,092,911
<u>Less-Accumulated Depreciation</u>	<u>21,443,500</u>	<u>19,314,858</u>
	<u>\$ 27,879,697</u>	<u>\$ 24,778,053</u>

See Note 24 concerning commercial leases with related parties.

Minimum future rentals from noncancelable commercial leases by property are as follows:

	Year Ending September 30				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
WK Medical Arts Building	\$ 112,024	\$ 5,348	\$	\$	\$
820 Jordan Building	230,781	116,224	57,143		
Diagnostic & Surgical Building	72,203	20,862	15,646		
Bicknell Fair Building	15,272				
Healthpark West	12,100				
2915 Missouri Avenue	84,000	84,000	84,000	38,500	
Extended Care Building	596,472				
Claiborne Parish Regional Health Center	49,438				
WK Heart Institute	205,592	205,592	205,592	205,592	205,592
6821 Pines Road Building	11,326				
Canterbury Square Shopping Center	116,123	74,154			
WK Physicians Center	129,805	49,423			
WK Bossier Medical Office Building	177,162				
WK Bossier Medical Office Building II	86,248	13,546			
WK Bossier Pavilion	58,416	58,416	58,416	53,548	
WK Pierremont Medical Office Building	1,089,415	21,136			
Youree Center	41,952				
WK Medical Arts Building	264,287	32,670	8,168		
Portico Shopping Center	264,931	247,431	64,977		
Total	<u>\$ 3,617,547</u>	<u>\$ 928,802</u>	<u>\$ 493,942</u>	<u>\$ 297,640</u>	<u>\$ 205,592</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 23- Interest Income

Interest income for the years ended September 30, 2013 and September 30, 2012 is comprised as follows:

	Year Ended September 30	
	<u>2013</u>	<u>2012</u>
Interest Income from Assets Whose Use is Limited:		
Board-Designated General Reserve Bond Funds (Note 8)	\$ 3	\$ 11
Contractually Designated Bond Funds (Note 8)	149,253	191,502
Contractually Designated Malpractice and General Liability Claims Funds (Note 9)	198,391	232,169
Board-Designated Depreciation Fund (Note 6)	77,349	128,886
Board-Designated Development Fund (Note 7)	8,880	9,674
Interest Income from Other Sources (Note 5)	<u>475,293</u>	<u>893,555</u>
Total	909,169	1,455,797
Increase in Arbitrage Rebate Recovery	<u> </u>	<u>250,152</u>
Total Interest Income	\$ <u>909,169</u>	\$ <u>1,705,949</u>

The effective yield on investments for the years ended September 30, 2013 and September 30, 2012 is 0.47 percent and 0.67 percent, respectively.

Note 24- Related Party Transactions

The Medical Center entered into a purchased services agreement in May 1999 with LifeCare Hospitals, Inc. (LifeCare). A physician who serves on the Medical Center's Board of Trustees is the Medical Director of LifeCare. Under this agreement the Medical Center has agreed to provide certain ancillary and other services to LifeCare at varying rates. Net revenues under this purchased services agreement for the years ended September 30, 2013 and September 30, 2012 total approximately \$4,226,000 and \$3,993,000, respectively. At September 30, 2013 and September 30, 2012, LifeCare owes the Medical Center \$1,181,598 and \$695,955, respectively, for the above services.

The Medical Center leases approximately 15,000 square feet and furnishings for 20 patient rooms in WK Pierremont Health Center to LifeCare. The lease terms provide for month-to-month rentals of \$60,788. Rental income under this leasing arrangement for each of the years ended September 30, 2013 and September 30, 2012 totaled \$729,450.

The Medical Center also leases to LifeCare approximately 17,140 square feet of the WK Extended Care Center (Center). The lease terms provide for monthly rentals of \$49,706. Rental income under this leasing arrangement for each of the years ended September 30, 2013 and September 30, 2012 is \$596,472.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 24- Related Party Transactions (Continued)

On April 24, 2000, the Medical Center entered into a management contract with North Caddo Medical Center (NCMC). NCMC is a 25-bed hospital located in Vivian, Louisiana. Under this contract, the Medical Center has agreed to manage the operation of NCMC and to provide NCMC with a qualified administrator. The administrator is an employee of the Medical Center and acts on behalf of the Medical Center in NCMC's best interest. The contract is on a month-to-month term and requires NCMC to reimburse the Medical Center for the salary and benefits of the administrator. Additionally, NCMC incurs telephone charges, laundry services and various patient services, all of which are reimbursable to the Medical Center. During the years ended September 30, 2013 and September 30, 2012, NCMC incurred \$261,069 and \$299,403, respectively, for these charges.

On February 21, 2008, the Medical Center sold the Vivian, Louisiana Medical and Surgical Clinic (excluding the clinic building) to NCMC. The transaction involved NCMC purchasing the clinic's receivables for \$248,891 and NCMC issuing a \$95,956 promissory note to the Medical Center for the purchase of the clinic's equipment and furnishings. The equipment and furnishings note is secured by the equipment and furnishings purchased, bears interest at 8 percent per annum, and is payable monthly over a seven-year period ending February 25, 2015. See Note 5.

The Medical Center leases the Vivian, Louisiana Medical and Surgical Clinic building to NCMC under an operating lease. The lease terms provide for monthly rentals of \$6,420 for five years through January 31, 2013 with an automatic one-year renewal. Rental income under this lease for each of the years ended September 30, 2013 and September 30, 2012 totals \$77,038.

At September 30, 2013 and September 30, 2012, NCMC owes the Medical Center \$205,541 and \$380,723, respectively, for the administrator's salary and benefits, and various services and charges all of which are included in Accounts Receivable-Other.

Note 25- Commitments and Contingent Liabilities

At September 30, 2013 the following amounts are committed for the purchase, construction or completion of the named projects:

<u>Project</u>	<u>Approximate Amount</u>
Proton Beam Therapy Addition	\$ 8,900,000
WK Innovation Center Renovation	1,641,000
Various Small Projects	2,429,000
WK South Pediatric Tower Addition	44,792,000
WK Pierremont Portico 2 nd Floor	1,293,000
WK Pierremont Medical Arts Building 3 rd Floor	820,000
Various Equipment	<u>6,932,000</u>
	<u>\$66,807,000</u>

The Medical Center and its subsidiaries annual information returns, unrelated business income tax returns, and income tax returns for the years ended September 30, 2010 through September 30, 2013, which are subject to examination by the taxing authorities, have not been examined.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 25- Commitments and Contingent Liabilities (Continued)

The healthcare industry is subject to numerous laws and regulations which include, among other things, matters such as government healthcare participation requirements, various licensure and accreditations, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government action has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse and false claims statutes and/or regulations by healthcare providers. Providers that are found to have violated these laws and regulations might be excluded from participating in government healthcare programs, subjected to fines or penalties, or required to repay amounts received from the government for previously billed patient services. While the management of the Medical Center believes that its policies, procedures, and practices comply with governmental regulations, no assurance can be given that the Medical Center will not be subjected to governmental inquiries or actions.

The Medical Center is a defendant in a lawsuit filed by former patients of the Medical Center who allege that they were charged unreasonable fees for services rendered. The plaintiffs contend that the Medical Center acted unreasonably in filing hospital liens pursuant to Louisiana Revised Statute 9:4752 et seq. against insurance settlement proceeds received by the plaintiffs from third-party liability insurers. The plaintiffs allege that the Medical Center is seeking to recover from the plaintiffs full charges for medical services, which are in excess of the rates charged to some managed care health plans for those same services. The named plaintiffs are attempting to certify a class action, in which they would represent the interests of all similarly situated individuals against whose settlements the Medical Center has filed hospital liens. The trial court has not yet ruled on this issue. The Medical Center believes that it has good defenses to these lawsuits and intends to vigorously defend its position. At this stage of litigation, it is not possible to estimate an amount or range of the amount of judgment, if any, that might ultimately result.

At September 30, 2013 there are approximately 200 professional and general liability claims pending against the Medical Center. Management believes that the liabilities that have been accrued for malpractice and general liability claims (Note 9), together with its excess liability insurance coverage, are adequate to cover any liabilities that might result from these pending claims.

See Note 3 regarding contingencies concerning the Medical Center's Medicare and Medicaid cost reports.

See Note 9 regarding self-funded medical malpractice and general liability claims.

See Note 13 regarding the variable interest rate on the bonds payable.

See Note 15 regarding contributions to the employee pension plan.

See Note 21 regarding lease commitments.

See Note 26 regarding self-funded employee health benefit claims.

See Note 28 regarding self-funded worker's compensation claims.

See Note 32 regarding self-funded unemployment claims.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 26- Employees' Health Benefits

The Medical Center provides its employees the opportunity to participate in a group health care benefits plan. The Medical Center self-funds its employees' health benefit claims. Management estimates its liability under the self-funded plan for unpaid asserted and unasserted claims at September 30, 2013 and September 30, 2012 to be \$5,600,000 and \$5,200,000, respectively. See Note 30. The Medical Center measures its cost of health care services provided in its own facilities to participating employees based on the net foregone revenues from those services using a discount schedule that is comparable to those included in payment agreements with third-party insurers. The cost of providing this plan is included in general and administrative expenses and for the years ended September 30, 2013 and September 30, 2012 is as follows:

	Year Ended September 30	
	<u>2013</u>	<u>2012</u>
Net Foregone Revenues for Services Provided to the Medical Center's Employee Participants in its Facilities	\$ 29,453,453	\$ 26,965,515
Costs of Medical Services Incurred by Employee Participants with Outside Providers and Other Expenses	23,455,311	20,982,286
Amount Paid by Employee Participants for Plan Coverage	(9,715,676)	(9,034,977)
Net Cost	<u>\$ 43,193,088</u>	<u>\$ 38,912,824</u>

Note 27- Electronic Health Records Incentive Payments

The Medicare and Medicaid programs offer incentive payments to providers whose implementation of electronic health records (EHR) meet certain criteria. Providers can earn incentives for satisfying the requirements of one or more of the three stages of EHR implementation defined by the Centers for Medicare and Medicaid Services. The more stages that are completed, the greater the amount of the incentive payments. The incentive payments are initially tentative with final settlement determined after submission of annual cost reports and audits thereof by the fiscal intermediaries. The Medical Center recognizes revenue from EHR incentives only after completion of all the requirements for a particular stage of implementation. Revenues from EHR incentives for the year ended September 30, 2013 are \$1,812,501.

Note 28- Self-Funded Worker's Compensation Claims

The Medical Center self-funds its worker's compensation claims. Stop-loss insurance purchased by the Medical Center limits its loss exposure to \$350,000 per claim and to \$1,000,000 in the aggregate. At September 30, 2013 and September 30, 2012, management estimates its liability under the self-funded plan for unpaid asserted and unasserted claims to be \$4,001,000 and \$3,775,000, respectively, portions of which are classified as current liabilities. The provision for worker's compensation claims expense for the years ended September 30, 2013 and September 30, 2012 is \$1,204,268 and \$1,648,110, respectively. See Note 30.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 29- Concentrations of Credit Risk

At September 30, 2013 and September 30, 2012, cash in banks, excluding the repo accounts described below, is in excess of FDIC insurance limits by approximately \$18,435,000 and \$4,046,000, respectively.

The Medical Center has entered into contracts with various banks under which the bank account balances, based on what the banks consider to be the "collected balance," are transferred each day to overnight repurchase agreement accounts (repo account). The funds that are held in a repo account are not bank deposits and are not insured by the FDIC. However, the bank collateralizes the repo account balances with assignments of U.S. Government Securities. The repo account balances at September 30, 2013 and September 30, 2012 are \$34,833,023 and \$36,992,828, respectively. The repo account balances are included in cash on the statements of financial position.

At September 30, 2013 and September 30, 2012, \$1,233,024 and \$5,418,786, respectively, of the Medical Center's bond funds (Note 8) are invested in JPM U.S. Treasury Plus Money Market Fund. This fund invests in a diversified portfolio of U.S. Treasury instruments. The investment in this money market fund is not insured or guaranteed by the U.S. Government.

At September 30, 2013 and September 30, 2012, \$240,484 and \$228,593, respectively, of the Medical Center's malpractice and liability claims funds (Note 9) are invested in the Fidelity Institutional Money Market Treasury Portfolio Class I. This fund invests in a diversified portfolio of U.S. Treasury instruments. The balance in this money market fund is not insured or guaranteed by the U.S. Government.

See Note 3 concerning patient accounts receivable concentrations.

See Note 5 concerning notes receivable concentrations.

Note 30- Significant Estimates

As described at Note 3, estimated allowances from accounts receivable for bad debts and contractual discounts and settlements have been provided as well as estimates for settlements with third party payors. Due to uncertainties inherent in the estimation of such amounts, it is at least reasonably possible that actual bad debts and contractual discounts and settlements that materialize in the near term could differ materially from the estimates.

Due to the uncertainties inherent in estimation of the following assets and liabilities, it is at least reasonably possible that actual amounts that materialize in the near term could differ materially from the estimates at September 30, 2013 and September 30, 2012:

	Estimates At September 30	
	<u>2013</u>	<u>2012</u>
Accrued Employee Health Benefit Claims	\$ 5,600,000	\$ 5,200,000
Accrued Worker's Compensation Claims	4,001,000	3,775,000
Accrued General Liability Claims	885,000	932,000
Accrued Medical Malpractice Claims	14,987,000	15,909,000
Liability for Pension Benefits	18,742,880	97,482,398
Insurance Recoveries Receivable	5,876,000	6,189,000

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 31- Fair Values of Financial Instruments

Accounting standards establish a framework for measuring fair value reported in financial statements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Medical Center has the ability to access (observe).

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair values of assets and liabilities measured on a recurring basis are estimated as described in the preceding section and are summarized as follows:

Financial Instruments Included in These Statements of Financial Position Items	At September 30			
	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Assets</u>				
<u>Level 1 Valuation Inputs</u>				
Cash and Cash Equivalents	\$ 42,754,928	\$ 42,754,928	\$ 42,062,409	\$ 42,062,409
Certificates of Deposit	890,752	890,752	1,987,603	1,987,603
Investments in Debt Securities	180,231,579	180,231,579	150,116,253	150,116,253
Assets Whose Use is Limited	<u>55,233,198</u>	<u>55,233,198</u>	<u>59,777,695</u>	<u>59,777,695</u>
	279,110,457	279,110,457	253,943,960	253,943,960
<u>(Not Practicable to Estimate Fair Value)</u>				
Notes Receivable	1,898,107		2,001,086	
Sundry Assets-Nonmarketable Equity Investments	14,594		14,781	
<u>Liabilities</u>				
<u>Level 2 Valuation Inputs</u>				
Bonds Payable	164,265,868	164,265,868	177,443,951	177,443,951

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 31- Fair Values of Financial Instruments (Continued)

The following methods and assumptions were used by the Medical Center to estimate the fair value of its financial instruments:

Cash and Cash Equivalents:

The carrying amounts reported in the statement of financial position for cash and cash equivalents approximate fair value because these assets are highly liquid.

Certificates of Deposit:

The carrying amounts reported in the statements of financial position for certificates of deposit approximate fair value because these assets are highly liquid.

Investments in Debt Securities:

The fair values are estimated based on quoted market prices for those investments in an active market. See Notes 1 and 4.

Assets Whose Use is Limited:

This category is comprised of investments in debt securities whose fair values are estimated based on quoted market prices for those investments in an active market. See Notes 1, 6, 7, 8 and 9.

Notes Receivable:

A reasonable estimate of fair value for notes receivable could not be made without incurring excessive costs. See Note 5.

Nonmarketable Equity Investments:

A reasonable estimate of the fair value of nonmarketable equity investments could not be made without incurring excessive costs. See Note 12.

Bonds Payable:

The carrying amounts reported in the statements of financial position for the Medical Center's bonds approximate fair value because the bonds bear interest at rates adjusted every 35 days to market. See Note 13.

Note 32- Self-Funded Unemployment Claims

The Medical Center is self-funded with respect to unemployment claims. As a self-funded employer, the Medical Center must reimburse the Louisiana Department of Labor on a dollar-for-dollar basis for unemployment benefits paid to former employees. For the years ended September 30, 2013 and September 30, 2012, the Medical Center reimbursed the Louisiana Department of Labor \$143,423 and \$158,129, respectively, for claims paid on behalf of the Medical Center.

Management does not believe that any significant contingent liabilities exist under this arrangement at September 30, 2013 and September 30, 2012.

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 33- Noncash Investing and Financing Transactions

During the year ended September 30, 2013, the Medical Center entered into two capital leases that resulted in capitalizing cardiology equipment of \$1,360,618.

Note 34- Resident Services-Net Income (Loss)

The Medical Center operates two independent-living complexes, one at The Oaks of Louisiana and one at Live Oak Retirement Community (Note 2), and an assisted living facility at Savannah at The Oaks. A summary of the operations of these complexes for the years ended September 30, 2013 and September 30, 2012 follows:

	Years Ended September 30	
	<u>2013</u>	<u>2012</u>
Resident Services Income (Primarily Rentals)	\$ 6,620,700	\$ 5,891,681
Resident Services Expenses:		
Depreciation	(4,349,057)	(4,234,182)
Other	(8,009,563)	(6,773,249)
Net Income (Loss)	\$(<u>5,737,920</u>)	\$(<u>5,115,750</u>)

A summary of property leased is as follows:

	September 30	
	<u>2013</u>	<u>2012</u>
Land, Buildings, Improvements and Equipment	\$ 76,684,389	\$ 72,758,079
<u>Less-Accumulated Depreciation</u>	<u>13,488,014</u>	<u>8,935,525</u>
	<u>\$ 63,196,375</u>	<u>\$ 63,822,554</u>

Note 35- Change in Accounting Principle

Effective September 30, 2013, the Medical Center adopted the Accounting Standards Update (ASU) 2011-07, *Healthcare Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities*, which requires certain healthcare entities to present the provision for doubtful accounts relating to patient service revenue as a deduction from patient service revenue in the statements of operations rather than as an operating expense.

This change in accounting had no effect on the change in net assets for the year ended September 30, 2012 nor did it have any cumulative effect on net assets prior to its effective date.

Note 36- Subsequent Events

Management has evaluated subsequent events through January 22, 2014, the date the financial statements were available to be issued, and determined that no events occurred subsequent to September 30, 2013 that would require adjustment to, or disclosure in, the financial statements.

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION

Board of Trustees
Willis-Knighton Medical Center
Shreveport, Louisiana

We have audited the consolidated financial statements of the Willis-Knighton Medical Center and its Subsidiaries (the Medical Center) as of and for the years ended September 30, 2013 and 2012, and our report thereon dated January 22, 2014, which expressed an unmodified opinion on those consolidated financial statements appears on pages 1 and 2. Our audits were conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 43 through 45 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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.

Postlethwaite : Netterville

Baton Rouge, Louisiana
January 22, 2014

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PATIENT REVENUES AND DIRECT DEPARTMENTAL EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

Function	Year Ended September 30, 2013			Year Ended September 30, 2012		
	Patient Revenues	Direct Departmental Expenses	Net Departmental Income	Patient Revenues	Direct Departmental Expenses	Net Departmental Income
Anesthesiology	87,922,375	14,884,184	73,038,191	68,769,055	11,454,057	57,314,998
Behavioral Medicine	10,245,784	3,447,129	6,798,655	10,955,990	3,325,409	7,630,581
Cancer Treatment Center	41,520,945	6,751,695	34,769,250	39,414,465	5,953,423	33,461,042
Cardiology	157,282,193	37,358,307	119,923,886	150,988,553	35,047,889	115,940,664
Central Supply	22,409,739	2,412,650	19,997,089	25,295,471	2,485,687	22,809,784
Chemical Dependency Unit	405,482	262,467	143,015	556,084	262,951	293,133
Coronary Care	4,014,716	1,667,882	2,346,834	3,752,986	1,592,948	2,160,038
CT Scanner	115,350,000	4,408,620	110,941,380	114,829,798	4,608,475	110,221,323
Delivery Room	18,533,355	6,077,959	12,455,396	19,867,557	6,127,211	13,740,346
Dialysis	11,879,624	3,136,395	8,743,229	11,649,897	3,077,035	8,572,862
Dietary	13,847,736	16,941,037	(3,093,301)	16,046,108	16,499,646	(453,538)
EEG-ENG	17,573,971	1,221,573	16,352,398	17,841,661	1,315,940	16,525,721
Emergency Room	145,443,289	35,422,557	110,020,732	135,132,105	33,058,376	102,073,729
Emergency Transportation	639,578	1,096,495	(456,917)	548,669	972,130	(423,461)
Eye Surgery	13,311,164	2,963,216	10,347,948	10,193,174	2,588,262	7,604,912
Gastroenterology	27,867,783	5,083,385	22,784,398	24,080,004	4,647,108	19,432,896
Health Care Clinics	276,217,977	149,113,433	127,104,544	253,370,332	133,633,167	119,737,165
Home Health Services	5,360,379	3,669,465	1,690,914	5,833,349	3,774,472	2,058,877
Hyperbaric Chamber	6,440,711	724,514	5,716,197	4,856,500	684,563	4,171,937
Inpatient Routine Care	110,244,369	61,635,967	48,608,402	104,979,317	59,091,460	45,887,857
Intensive Care	32,536,261	12,806,681	19,729,580	32,418,664	13,179,773	19,238,891
Lab	318,556,846	32,123,611	286,433,235	285,719,941	30,833,579	254,886,362
MRI	36,054,855	1,744,567	34,310,288	37,581,121	1,984,579	35,596,542
NCV-EMG	229,010	78,280	150,730	641,951	83,055	558,896
Nuclear Medicine	42,684,454	4,749,447	37,935,007	42,810,981	5,026,703	37,784,278
Nursery	16,783,711	6,664,766	10,118,945	18,089,034	6,651,650	11,437,384
Operating Room	241,976,996	66,843,663	175,133,333	224,418,481	63,631,024	160,787,457
Organ Transplant	1,051,276	3,550,898	(2,499,622)	1,975,959	4,487,342	(2,511,383)
Pharmacy	384,231,481	44,755,288	339,476,193	381,658,277	44,690,928	336,967,349
Physical Therapy	31,391,325	8,173,825	23,217,500	29,086,473	7,839,761	21,246,712
Radiology	116,539,945	14,640,709	101,899,236	111,556,319	14,727,460	96,828,859
Recovery Room	25,891,369	5,339,341	20,552,028	23,654,644	5,039,313	18,615,331
Rehabilitation Therapy	15,262,377	5,030,178	10,232,199	13,807,618	4,784,711	9,022,907
Respiratory Therapy	127,554,499	7,797,588	119,756,911	118,544,482	7,498,147	111,046,335
Skilled Nursing-ECC	9,067,686	2,242,541	6,825,145	8,197,268	2,079,326	6,117,942
Skilled Nursing-PCC	6,369,391	5,881,556	487,835	5,967,631	5,617,364	350,267
Skilled Nursing-Live Oak	9,922,894	10,939,813	(1,016,919)	8,469,091	9,717,070	(1,247,979)
Other Functions	4,586,602	4,909,061	(322,459)	4,665,043	4,721,370	(56,327)
Medicare Discounts	(790,149,540)		(790,149,540)	(711,934,350)		(711,934,350)
Medicaid Discounts	(178,951,257)		(178,951,257)	(183,179,238)		(183,179,238)
Other Discounts and Allowances	(520,770,920)		(520,770,920)	(501,182,292)		(501,182,292)
Free Services	(57,875,191)		(57,875,191)	(39,251,302)		(39,251,302)
Totals	<u>959,455,240</u>	<u>596,550,743</u>	<u>362,904,497</u>	<u>932,676,871</u>	<u>562,793,364</u>	<u>369,883,507</u>

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
RESULTS OF OPERATIONS-NATURAL CLASSIFICATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

	<u>Year Ended September 30, 2013</u>			<u>Year Ended September 30, 2012</u>		
	<u>Revenues and Expenses</u>	<u>Percent of Net Patient Revenues</u>	<u>Percent of Total Operating Expenses**</u>	<u>Revenues and Expenses</u>	<u>Percent of Net Patient Revenues</u>	<u>Percent of Total Operating Expenses**</u>
<u>Patient Revenues:</u>						
Inpatient Revenues	1,187,342,866	47.67*		1,152,450,795	48.96*	
Outpatient Revenues	<u>1,303,566,997</u>	<u>52.33*</u>		<u>1,201,335,689</u>	<u>51.04*</u>	
Total Patient Revenues	2,490,909,863	100.00*		2,353,786,484	100.00*	
<u>Deductions from Revenues:</u>						
Medicare Contractual Discounts	789,335,848	31.69*		711,442,631	30.23*	
Medicaid Contractual Discounts	178,951,257	7.18*		183,179,238	7.78*	
Other Discounts	520,770,920	20.91*		501,182,292	21.29*	
Bad Debts	57,364,124	2.30*		67,120,805	2.85*	
Free Services	<u>57,875,192</u>	<u>2.32*</u>		<u>39,251,302</u>	<u>1.67*</u>	
Total Deductions from Revenues	<u>1,604,297,341</u>	<u>64.40*</u>		<u>1,502,176,268</u>	<u>63.82*</u>	
<u>Net Patient Revenues</u>	886,612,522	100.00		851,610,216	100.00	
<u>Other Revenues:</u>						
Interest Income	907,278	0.10		1,698,272	0.20	
Miscellaneous	<u>11,516,814</u>	<u>1.30</u>		<u>9,085,775</u>	<u>1.07</u>	
Total Other Revenues	<u>12,424,092</u>	<u>1.40</u>		<u>10,784,047</u>	<u>1.27</u>	
Total Revenues	899,036,614	101.40		862,394,263	101.27	
<u>Expenses (Excluding Depreciation and Interest Expense)</u>						
Physician Salaries and Fees	112,117,837	12.65	14.44	99,038,178	11.63	13.54
Other Salaries and Benefits	375,297,774	42.33	48.33	354,077,797	41.58	48.39
Insurance	11,674,713	1.32	1.50	12,124,718	1.42	1.66
Utilities	12,074,740	1.36	1.56	11,108,465	1.30	1.52
Other Expenses	<u>265,288,828</u>	<u>29.92</u>	<u>34.17</u>	<u>255,209,177</u>	<u>29.97</u>	<u>34.89</u>
Total	<u>776,453,892</u>	<u>87.58</u>	<u>100.00</u>	<u>731,558,335</u>	<u>85.90</u>	<u>100.00</u>
<u>Excess Revenues Over Expenses Before Depreciation, Interest Expense, Pension- Related Changes Other than Net Periodic Pension Cost, and Income (Loss) of Subsidiaries</u>	122,582,722	13.82		130,835,928	15.37	
<u>Depreciation, Interest Expense and Pension- Related Changes Other than Net Periodic Pension Cost:</u>						
Depreciation	47,728,241	5.38		46,564,128	5.47	
Pension Related Changes Other than Net Periodic Pension Cost	(71,859,477)	(8.10)		27,182,365	3.19	
Interest Expense	<u>710,315</u>	<u>0.08</u>		<u>1,053,718</u>	<u>0.12</u>	
Total Depreciation, Interest Expense and Pension Related Changes Other than Net Periodic Pension Cost	(23,420,921)	(2.64)		<u>74,800,211</u>	<u>8.78</u>	

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIES
RESULTS OF OPERATIONS-NATURAL CLASSIFICATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

	<u>Year Ended September 30, 2013</u>			<u>Year Ended September 30, 2012</u>		
	<u>Revenues and Expenses</u>	<u>Percent of Net Patient Revenues</u>	<u>Percent of Total Operating Expenses**</u>	<u>Revenues and Expenses</u>	<u>Percent of Net Patient Revenues</u>	<u>Percent of Total Operating Expenses**</u>
<u>Excess Revenues Before Income (Loss)</u> <u>of Subsidiaries</u>	146,003,643	16.46		56,035,717	6.59	
<u>Income (Loss) of Subsidiaries:</u>						
Virginia Hall Nursing Home-Net	(434,968)	(0.05)		(250,564)	(0.03)	
South Shreveport Pharmacy, Inc -Net	(953)			846		
Health Plus of Louisiana, Inc.-Net	69,559	0.01		272,314	0.03	
Live Oak Retirement Community-Net	(50,751)	(0.01)		(184,834)	(0.02)	
Total Income (Loss) of Subsidiaries	(417,113)	(0.05)		(162,238)	(0.02)	
Increase in Net Assets	<u>145,586,530</u>	<u>16.41</u>		<u>55,873,479</u>	<u>6.57</u>	

* Percent to Total Patient Revenues

** Excluding Depreciation and Interest Expense

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION

Board of Trustees
Willis-Knighton Medical Center
Shreveport, Louisiana

We have audited the consolidated financial statements of the Willis-Knighton Medical Center and its Subsidiaries (the Medical Center) as of and for the years ended September 30, 2013 and 2012, and our report thereon dated January 22, 2014, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The nonstatistical data included on page 47, as well as the financial data for years ended prior to September 30, 2012, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of these consolidated financial statements and, accordingly, we do not express an opinion on provide any assurance on it.

Postlethwaite : Netterville

Baton Rouge, Louisiana
January 22, 2014

WILLIS-KNIGHTON MEDICAL CENTER AND SUBSIDIARIESSUMMARY OF OPERATING RESULTS

	Fiscal Year Ended September 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Patient Revenue at Established Rates	2,490,909,863	2,353,786,484	2,237,126,545	2,110,376,950	1,999,962,265
Deductions from Revenues	<u>1,604,297,341</u>	<u>1,502,176,268</u>	<u>(1,429,984,494)</u>	<u>(1,346,793,713)</u>	<u>(1,277,083,335)</u>
Net Patient Revenues	886,612,522	851,610,216	807,142,051	763,583,237	722,878,930
Other Revenues	12,424,092	10,784,047	8,647,482	6,075,401	4,870,646
Costs and Expenses	<u>(824,892,448)</u>	<u>(779,176,181)</u>	<u>(742,067,092)</u>	<u>(716,204,156)</u>	<u>(679,491,405)⁽¹⁾</u>
Income Excluding Subsidiaries, Rescission of Contribution for Children's Hospital and Pension- Related Changes Other than Net Periodic Pension Cost	74,144,166	83,218,082	73,722,441	53,454,482	48,258,171
Income (Loss) of Subsidiaries	<u>(417,113)</u>	<u>(162,238)</u>	<u>2,212,208</u>	<u>(5,038,722)</u>	<u>(7,176,571)</u>
	73,727,053	83,055,844	75,934,649	48,415,760	41,081,600
Rescission of Contribution for Children's Hospital	—	—	—	—	<u>5,000,000</u>
Increase in Net Assets Before Pension-Related Changes Other than Net Periodic Pension Cost	73,727,053	83,055,844	75,934,649	48,415,760	46,081,600
Pension-Related Changes Other than Net Periodic Pension Cost	<u>71,859,477</u>	<u>(27,182,365)</u>	<u>(27,257,252)</u>	<u>(2,520,050)</u>	<u>(41,101,517)</u>
Increase in Net Assets	<u>145,586,530</u>	<u>55,873,479</u>	<u>48,677,397</u>	<u>45,895,710</u>	<u>4,980,083</u>
Increase in Net Assets Before Depreciation, Interest Expense, and Pension-Related Changes Other than Net Periodic Pension Cost	<u>124,310,974</u>	<u>132,888,609</u>	<u>125,367,957</u>	<u>94,998,518</u>	<u>95,174,262</u>
Total Hospital Patient Days (Including Observations)	202,918	203,603	206,940	207,552	205,821
Admissions and Observation Stays	50,997	51,343	51,109	50,417	50,274
Births	3,291	3,897	3,962	3,952	4,056
Inpatient Revenue:					
per Admission ⁽²⁾	30,481	28,077	27,131	26,571	25,255
per Patient Day ⁽²⁾	6,221	5,962	5,781	5,766	5,599
as a Percent of Total Patient Revenue	47.67%	48.96%	51.17%	54.81%	55.95%
Increase in Net Assets per Patient Day	717	274	235	221	24
Increase in Net Assets as a Percent of Net Patient Revenues	16.41%	6.56%	6.03%	6.00%	0.69%
Number of Days Net Patient Revenues (Before Bad Debts) in Net Patient Receivables	48.11	44.99	43.04	44.59	45.96
Net Bad Debts as a Percent of Patient Revenues (Excluding Medicare, Medicaid and Free Services)	5.83%	6.88%	6.16%	6.13%	5.48%
Average Length of Patient Stay in Days ⁽²⁾	4.90	4.71	4.69	4.61	4.51

⁽¹⁾ Excludes the effects of the \$5,000,000 contribution rescission for children's hospital⁽²⁾ Excludes Observations