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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 <div> <div>2012</div> <div>Open to Public Inspection</div> </div> |
| | ▶ 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 12-01-2012 , 2012, and ending 11-30-2013 | | | | | | | | | |
| B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization Jennings American Legion Hospital Inc | | | | | D Employer identification number 72-0445607 | | | |
| | Doing Business As | | | | | | | | |
| | Number and street (or P O box if mail is not delivered to street address) 1634 Elton Road | | | | Room/suite | E Telephone number (337) 616-7100 | | | |
| | City or town, state or country, and ZIP + 4 Jennings, LA 70546 | | | | | | | | |
| | | | | | | G Gross receipts \$ 40,654,137 | | | |
| F Name and address of principal officer | | | | | H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | |
| | | | | | H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list (see instructions) | | | | |
| I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀(Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | | | | H(c) Group exemption number ▶ | | | | |
| J Website: ▶ N/A | | | | | | | | | |
| K Form of organization <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input checked="" type="checkbox"/> Other ▶ | | | | | L Year of formation 1952 | | M State of legal domicile LA | | |

| Part I | | Summary | |
|--|--|---|-----------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities Healthcare services | | |
| | | | |
| | | | |
| | 2 Check this box <input type="checkbox"/> 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 | 17 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 14 |
| | 5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) | 5 | 533 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 62 |
| 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0 | |
| 7b Net unrelated business taxable income from Form 990-T, line 34 | 7b | | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year 11,000 | Current Year 8,500 |
| | 9 Program service revenue (Part VIII, line 2g) | 38,240,744 | 40,508,739 |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 202,682 | 136,898 |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | | 0 |
| | 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 38,454,426 | 40,654,137 |
| | Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) | |
| 14 Benefits paid to or for members (Part IX, column (A), line 4) | | | 0 |
| 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | | 18,149,994 | 18,692,561 |
| 16a Professional fundraising fees (Part IX, column (A), line 11e) | | | 0 |
| b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0 | | | |
| 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) | | 18,585,076 | 21,372,037 |
| 18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) | | 36,735,070 | 40,064,598 |
| 19 Revenue less expenses Subtract line 18 from line 12 | | 1,719,356 | 589,539 |
| Net Assets or Fund Balances | | Beginning of Current Year | |
| | 20 Total assets (Part X, line 16) | 39,292,473 | 39,237,514 |
| | 21 Total liabilities (Part X, line 26) | 11,426,432 | 10,781,934 |
| | 22 Net assets or fund balances Subtract line 21 from line 20 | 27,866,041 | 28,455,580 |

| | |
|--|------------------------|
| Part II | Signature Block |
| <p>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.</p> | |

| | | | | | |
|-------------------------------|---|--|----------------------|---|-------------------|
| Sign Here | ***** Signature of officer | | | 2014-07-15 Date | |
| | Dana D Williams CEO Type or print name and title | | | | |
| Paid Preparer Use Only | Prnt/Type preparer's name Robert G Miller | | Preparer's signature | | Date |
| | Firm's name ▶ Lester Miller & Wells | | | Check <input type="checkbox"/> if self-employed | PTIN P00523509 |
| | Firm's address ▶ 3600 Bayou Rapides Alexandria, LA 71303 | | | Phone no (318) 487-1450 | |

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

Healthcare services

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 \$ 17,973,287 including grants of \$) (Revenue \$ 40,654,137)

Jennings AMERICAN LEGION HOSPITALS (JALH) OPERATES A 60 BED ACUTE CARE HOSPITAL JALH PROVIDES INPATIENT AND OUTPATIENT SERVICES, AND OPERATES A 24-HOUR EMERGENCY ROOM JALH PROVIDES THESE SERVICES REGARDLESS OF RACE, COLOR, CREED, RELIGION, GENDER, NATIONAL ORIGIN, DISABILITY, AGE, OR ABILITY TO PAY THE HOSPITAL PROVIDED THE FOLLOWING INPATIENT DAYS OF CARE DURING FY 2013 MEDICARE MEDICAID TOTALACUTE 5,713 1,306 11,964JALH IS VERY ACTIVE IN THE COMMUNITY JALH HOSTS A NUMBER OF HEALTH FAIRS FOR THE COMMUNITY THE HEALTH FAIRS OFFER THE COMMUNITY ACCESS TO A NUMBER OF FREE HEALTH SCREENINGS AND ACCESS TO VENDORS FOR THEIR HEALTH JALH DISTRIBUTES A QUARTERLY COMMUNITY NEWSLETTER THIS NEWSLETTER INCLUDES TIMELY HEALTHCARE TOPICS INCLUDING SMOKING CESSATION, DIABETIC AWARENESS, CONTROLLING BLOOD PRESSURE, ETC JALH PARTICIPATES IN THE MEDICAID PROGRAM AND ADMINISTERS A CHARITY CARE POLICY WHEREBY FREE OR DISCOUNTED SERVICES ARE AVAILABLE TO QUALIFIED FINANCIALLY TROUBLED INDIVIDUALS JALH FOREGONE \$2,103,588 OF CHARGES FOR THE YEAR ENDED NOVEMBER 30, 2013

4b

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

4c

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

4d

Other program services (Describe in Schedule O)


















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

4e

Total program service expenses 17,973,287

Part IV

Checklist of Required Schedules

| | Yes | No |
|---|---------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A  | 1 Yes | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?  | 2 Yes | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | 3 | No |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II | 4 | No |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III | 5 | No |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I  | 6 | No |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II  | 7 Yes | |
| 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 Yes | |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X  | 11e | No |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X  | 11f | 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 | No |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional  | 12b | No |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 13 | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | 14a | No |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV | 14b | No |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV | 15 | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV | 16 | No |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) | 17 | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | 18 | No |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | 19 | No |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H  | 20a Yes | |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?  | 20b Yes | |

Part IV

Checklist of Required Schedules (continued)

| | | | | |
|-----|--|-----|-----|----|
| 21 | Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | 21 | | No |
| 22 | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | 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? <i>If "Yes," complete Schedule J</i> | 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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> | 24a | | No |
| b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | | No |
| c | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | | No |
| d | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | 24d | | No |
| 25a | Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i> | 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? <i>If "Yes," complete Schedule L, Part III</i> | 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? <i>If "Yes," complete Schedule L, Part IV</i> | 28a | | No |
| b | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | 28b | | No |
| c | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | 28c | | No |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | 29 | | No |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | 30 | | No |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | 31 | | No |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | 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? <i>If "Yes," complete Schedule R, Part I</i> | 33 | | No |
| 34 | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | 34 | | No |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a | | No |
| 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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 35b | | No |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 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? <i>If "Yes," complete Schedule R, Part VI</i> | 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 | | No |

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. | 88 | |
| 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? | 1c | No |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. | 2a | 533 |
| b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions). | 2b | Yes |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | No |
| b | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O. | 3b | No |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a | No |
| b | If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | No |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | No |
| c | If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | 5c | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | 6a | No |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6b | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | | |
| a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | No |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | No |
| d | If "Yes," indicate the number of Forms 8282 filed during the year. | 7d | 0 |
| 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 | No |
| 9 | Sponsoring organizations maintaining donor advised funds. | | |
| a | Did the organization make any taxable distributions under section 4966? | 9a | No |
| b | Did the organization make a distribution to a donor, donor advisor, or related person? | 9b | No |
| 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 | No |
| 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 | No |
| 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 | 17 | |
| 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 | 14 | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | No |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3 | No |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | No |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | 5 | No |
| 6 | Did the organization have members or stockholders? | 6 | No |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | 7a | Yes |
| 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 | No |
| 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 | No |
| If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions) | | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | No |
| 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 | |

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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input type="checkbox"/> Upon request <input type="checkbox"/> 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 Chris Kohlenberg CFO 1634 Elton Road Jennings, LA (337) 616-7032 |

Part VII

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|------------------------|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) RONNIE PETREE | 0 00 | | | | | | | 6,000 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (2) KEVIN BERKEN | 0 00 | | | | | | | 5,800 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (3) CARL BENOIT | 0 00 | | | | | | | 5,900 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (4) JULIE BERRY | 0 00 | | | | | | | 5,400 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (5) GORDON HAYES | 0 00 | | | | | | | 5,900 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (6) LARRY BENOIT | 0 00 | | | | | | | 6,000 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (7) JOHN LOUVIERE JR | 0 00 | | | | | | | 6,000 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (8) ARTHUR D MATTE CPA | 0 00 | | | | | | | 8,400 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (9) RICHARD ARCENEUX | 0 00 | | | | | | | 7,800 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (10) JAMES RICHERT JR | 0 00 | | | | | | | 6,000 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (11) DARRELL LANDRY | 0 00 | | | | | | | 6,000 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (12) ALLEN MEDUS | 0 00 | | | | | | | 8,400 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (13) ELLA DARTEZ | 0 00 | | | | | | | 5,600 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (14) MICHAEL BENOIT | 0 00 | | | | | | | 4,900 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (15) DALE LANDRY | 0 00 | | | | | | | 6,000 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (16) CHRISTOPHER ACHEE | 0 00 | | | | | | | 5,000 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (17) TED COX | 0 00 | | | | | | | 900 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |

Part VII

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) Dr James McNally | 0 00 | | | | | | | 500 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (19) Richard Oustalet | 0 00 | | | | | | | 5,700 | 0 | 0 |
| Director | 0 00 | | | | | | | | | |
| (20) GEORGE BAILEY | 40 00 | | | | | X | | 246,258 | 0 | 0 |
| DOCTOR | 0 00 | | | | | | | | | |
| (21) DANA D WILLIAMS | 40 00 | | | | | X | | 245,847 | 0 | 0 |
| CEO | 0 00 | | | | | | | | | |
| (22) PAMELA PRIMEAUX | 40 00 | | | | | X | | 180,934 | 0 | 0 |
| CFO | 0 00 | | | | | | | | | |
| (23) KEITH SIMPSON | 40 00 | | | | | X | | 139,652 | 0 | 0 |
| COO | 0 00 | | | | | | | | | |
| (24) THERESA WOODS | 40 00 | | | | | X | | 133,505 | 0 | 0 |
| CNO | 0 00 | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1b Sub-Total | | | | | | | | | | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | | | |
| d Total (add lines 1b and 1c) | | | | | | | | 1,052,396 | | |

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶103

| | | 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> | | 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> | 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> | | 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 |
| | MEDLINE INDUSTRIES INC PO BOX 121080 DALLAS TX 753121080 | MEDICAL SUPPLIES | 1,024,303 |
| | ENTERGY PO BOX 8103 BATON ROUGE LA 70891 | UTILITIES | 434,036 |
| | DUPUY ORTHOPAEDICS INC PO BOX 406663 ATLANTA GA 303846663 | MEDICAL SUPPLIES | 762,725 |
| | CPS Inc PO Box 638316 CINCINNATI OH 452638316 | PHARMACY MGMT FEE | 2,639,554 |
| | BlueCross BlueShield PO BOX 261798 BATON ROUGE LA 708261798 | HEALTH INSURANCE | 2,536,264 |
| 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 ▶35 | | |

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 | 8,500 | | | | |
| | g | Noncash contributions included in lines 1a-1f \$ | | | | | | |
| | h | Total. Add lines 1a-1f | | 8,500 | | | | |
| Program Service Revenue | | | Business Code | | | | | |
| | 2a | OTHER OPERATING REVENUE | | 2,903,269 | 2,903,269 | | | |
| | b | NET PATIENT SERVICE REV | | 37,605,470 | 37,605,470 | | | |
| | c | COMPREHENSIVE INCOME | | | | | | |
| | d | | | | | | | |
| | e | | | | | | | |
| | f | All other program service revenue | | | | | | |
| | g | Total. Add lines 2a-2f | | 40,508,739 | | | | |
| Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | | 136,898 | 136,898 | | | |
| | 4 | Income from investment of tax-exempt bond proceeds | | 0 | | | | |
| | 5 | Royalties | | 0 | | | | |
| | 6a | Gross rents | (i) Real | (ii) Personal | | | | |
| | | b | Less rental expenses | | | | | |
| | | c | Rental income or (loss) | | | | | |
| | | d | Net rental income or (loss) | | | | | 0 |
| | 7a | Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | | |
| | | b | Less cost or other basis and sales expenses | | | | | |
| | | c | Gain or (loss) | | | | | |
| | | d | Net gain or (loss) | | | | | 0 |
| | 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 | | 0 | | | | |
| | 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 | | 0 | | | | |
| | 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 | | | | | 0 |
| | Miscellaneous Revenue | | Business Code | | | | | |
| | 11a | | | | | | | |
| | b | | | | | | | |
| c | | | | | | | | |
| d | All other revenue | | | | | | | |
| e | Total. Add lines 11a-11d | | | 0 | | | | |
| 12 | Total revenue. See Instructions | | | 40,654,137 | 40,645,637 | | | |

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. | 0 | | | |
| 2 | Grants and other assistance to individuals in the United States. See Part IV, line 22. | 0 | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16. | 0 | | | |
| 4 | Benefits paid to or for members. | 0 | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees. | 106,200 | | 106,200 | |
| 6 | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). | 0 | | | |
| 7 | Other salaries and wages. | 15,149,590 | 6,814,286 | 8,335,304 | |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions). | 376,416 | 169,312 | 207,104 | |
| 9 | Other employee benefits. | 1,990,364 | 895,266 | 1,095,098 | |
| 10 | Payroll taxes. | 1,069,991 | 481,282 | 588,709 | |
| 11 | Fees for services (non-employees): | | | | |
| a | Management. | 0 | | | |
| b | Legal. | 0 | | | |
| c | Accounting. | 0 | | | |
| d | Lobbying. | 0 | | | |
| e | Professional fundraising services. See Part IV, line 17. | 0 | | | |
| f | Investment management fees. | 0 | | | |
| g | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). | 0 | | | |
| 12 | Advertising and promotion. | 56,952 | 25,617 | 31,335 | |
| 13 | Office expenses. | 0 | | | |
| 14 | Information technology. | 0 | | | |
| 15 | Royalties. | 0 | | | |
| 16 | Occupancy. | 0 | | | |
| 17 | Travel. | 46,285 | 20,819 | 25,466 | |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials. | 0 | | | |
| 19 | Conferences, conventions, and meetings. | 18,057 | 8,122 | 9,935 | |
| 20 | Interest. | 280,183 | 126,026 | 154,157 | |
| 21 | Payments to affiliates. | 0 | | | |
| 22 | Depreciation, depletion, and amortization. | 2,068,790 | 930,542 | 1,138,248 | |
| 23 | Insurance. | 616,310 | 277,216 | 339,094 | |
| 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 | REPAIRS AND MAINTENANCE | 1,126,172 | 506,552 | 619,620 | |
| b | BAD DEBTS | 3,855,174 | 1,734,057 | 2,121,117 | |
| c | PURCHASED SERVICES | 5,511,954 | 2,479,277 | 3,032,677 | |
| d | SUPPLIES | 5,746,179 | 2,584,631 | 3,161,548 | |
| e | All other expenses | 2,045,981 | 920,282 | 1,125,699 | |
| 25 | Total functional expenses. Add lines 1 through 24e. | 40,064,598 | 17,973,287 | 22,091,311 | 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 <input type="checkbox"/> 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 | 0 |
| | 2 | Savings and temporary cash investments | | 1,276,334 | 2 | 71,621 |
| | 3 | Pledges and grants receivable, net | | | 3 | 0 |
| | 4 | Accounts receivable, net | | 6,348,777 | 4 | 7,543,063 |
| | 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 | 0 |
| | 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 | 0 |
| | 7 | Notes and loans receivable, net | | | 7 | 0 |
| | 8 | Inventories for sale or use | | 1,138,849 | 8 | 1,242,542 |
| | 9 | Prepaid expenses and deferred charges | | 740,873 | 9 | 778,345 |
| | 10a | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a | 43,386,370 | | |
| | b | Less accumulated depreciation | 10b | 27,725,002 | 16,984,335 | 10c 15,661,368 |
| | 11 | Investments—publicly traded securities | | | 11 | 0 |
| | 12 | Investments—other securities See Part IV, line 11 | | | 12 | 0 |
| | 13 | Investments—program-related See Part IV, line 11 | | | 13 | 0 |
| | 14 | Intangible assets | | | 14 | 0 |
| | 15 | Other assets See Part IV, line 11 | | 12,803,305 | 15 | 13,940,575 |
| | 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | 39,292,473 | 16 | 39,237,514 |
| Liabilities | 17 | Accounts payable and accrued expenses | | 2,257,023 | 17 | 2,687,444 |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | | 19 | |
| | 20 | Tax-exempt bond liabilities | | | 20 | |
| | 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 | | 9,139,509 | 23 | 8,094,490 |
| | 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 | | 29,900 | 25 | |
| | 26 | Total liabilities. Add lines 17 through 25 | | 11,426,432 | 26 | 10,781,934 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | | |
| | 27 | Unrestricted net assets | | | 27 | |
| | 28 | Temporarily restricted net assets | | | 28 | |
| | 29 | Permanently restricted net assets | | | 29 | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> 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 | | 27,866,041 | 32 | 28,455,580 |
| | 33 | Total net assets or fund balances | | 27,866,041 | 33 | 28,455,580 |
| | 34 | Total liabilities and net assets/fund balances | | 39,292,473 | 34 | 39,237,514 |

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 | 40,654,137 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 40,064,598 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 589,539 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 27,866,041 |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 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 | |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 28,455,580 |

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | 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 <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 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 | 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? | | 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 | | |

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
Jennings American Legion Hospital Inc

Employer identification number
72-0445607

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 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 Jennings American Legion Hospital Inc | Employer identification number 72-0445607 |
|---|--|

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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div> | |
| 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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div> | |

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

▶

 \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3

Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

| | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

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

| | | |
|--------|-----|----|
| | Yes | No |
| 3a(i) | | |
| 3a(ii) | | |
| 3b | | |

(ii)

related organizations

b

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

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 | | 1,391,338 | | 1,391,338 |
| b Buildings | | 27,065,199 | 16,644,402 | 10,420,797 |
| c Leasehold improvements | | 689,588 | 505,015 | 184,573 |
| d Equipment | | 14,189,975 | 10,575,585 | 3,614,390 |
| e Other | | 50,270 | | 50,270 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 15,661,368 |

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

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

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

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

Part XIII Supplemental Information

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

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|

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
Jennings American Legion Hospital Inc

Employer identification number
72-0445607

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 <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 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 <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> 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 | 3a | Yes | |
| | | 3b | Yes | |
| 4 | Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? | 4 | Yes | |
| 5a | Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | 5a | Yes | |
| b | If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? | 5b | Yes | |
| c | If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? | 5c | | No |
| 6a | Did the organization prepare a community benefit report during the tax year? | 6a | | No |
| b | If "Yes," did the organization make it available to the public? | 6b | | No |
| | Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H. | | | |

7

Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Financial Assistance at cost (from Worksheet 1) | | | 2,419,800 | 897,828 | 1,521,972 | 4 200 % |
| b Medicaid (from Worksheet 3, column a) | | | 4,454,247 | 4,135,953 | 318,294 | 0 880 % |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total Financial Assistance and Means-Tested Government Programs | | | 6,874,047 | 5,033,781 | 1,840,266 | 5 080 % |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 9,259 | | 9,259 | 0 030 % |
| f Health professions education (from Worksheet 5) | | | 22,000 | | 22,000 | 0 060 % |
| g Subsidized health services (from Worksheet 6) | | | 1,120,081 | 1,310,549 | -190,468 | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 4,336 | | 4,336 | 0 010 % |
| j Total Other Benefits | | | 1,155,676 | 1,310,549 | -154,873 | 0 100 % |
| k Total. Add lines 7d and 7j | | | 8,029,723 | 6,344,330 | 1,685,393 | 5 180 % |

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

3,855,174

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

1,101,423

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

14,003,440

6

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

6

15,953,413

7

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

7

-1,949,973

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.
☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

b

If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.

9b

No

Part IV

Management Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

| (a) Name of entity | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership % | (e) Physicians' profit % or stock ownership % |
|--------------------|---|--|--|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

Name, address, and primary website address

| | | Licensed hospital | General medical & surgical | Children's hospital | Teaching hospital | Critical access hospital | Research facility | ER-24 hours | ER-other | Other (Describe) | Facility reporting group |
|---|---|-------------------|----------------------------|---------------------|-------------------|--------------------------|-------------------|-------------|----------|------------------|--------------------------|
| 1 | jennings american legion 1634 elton road jennings, LA 70546 | X | X | | | | | X | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

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 | No |
| a <input type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input type="checkbox"/> Demographics of the community | | |
| c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input type="checkbox"/> How data was obtained | | |
| e <input type="checkbox"/> The health needs of the community | | |
| f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs | | |
| j <input type="checkbox"/> Other (describe in Part VI) | | |
| 2 Indicate the tax year the hospital facility last conducted a CHNA 20 ____ | | |
| 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 | |
| 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 | |
| 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 | |
| a <input type="checkbox"/> Hospital facility's website | | |
| b <input type="checkbox"/> Available upon request from the hospital facility | | |
| c <input type="checkbox"/> 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 <input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA | | |
| b <input type="checkbox"/> Execution of the implementation strategy | | |
| c <input type="checkbox"/> Participation in the development of a community-wide plan | | |
| d <input type="checkbox"/> Participation in the execution of a community-wide plan | | |
| e <input type="checkbox"/> Inclusion of a community benefit section in operational plans | | |
| f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA | | |
| g <input type="checkbox"/> Prioritization of health needs in its community | | |
| h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community | | |
| i <input type="checkbox"/> 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 | |
| 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 | |
| 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 0000</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>300 0000</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 <input checked="" type="checkbox"/> Income level | | | |
| b <input checked="" type="checkbox"/> Asset level | | | |
| c <input checked="" type="checkbox"/> Medical indigency | | | |
| d <input checked="" type="checkbox"/> Insurance status | | | |
| e <input checked="" type="checkbox"/> Uninsured discount | | | |
| f <input checked="" type="checkbox"/> Medicaid/Medicare | | | |
| g <input type="checkbox"/> State regulation | | | |
| h <input type="checkbox"/> Other (describe in Part VI) | | | |
| 13 Explained the method for applying for financial assistance? | | 13 | No |
| 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 <input type="checkbox"/> The policy was posted on the hospital facility's website | | | |
| b <input type="checkbox"/> The policy was attached to billing invoices | | | |
| c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms | | | |
| d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices | | | |
| e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility | | | |
| f <input checked="" type="checkbox"/> The policy was available upon request | | | |
| g <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Reporting to credit agency | | | |
| b <input type="checkbox"/> Lawsuits | | | |
| c <input type="checkbox"/> Liens on residences | | | |
| d <input type="checkbox"/> Body attachments | | | |
| e <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Reporting to credit agency | | | |
| b <input type="checkbox"/> Lawsuits | | | |
| c <input type="checkbox"/> Liens on residences | | | |
| d <input type="checkbox"/> Body attachments | | | |
| e <input type="checkbox"/> 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 | <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions | | |
| b | <input type="checkbox"/> The hospital facility's policy was not in writing | | |
| c | <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI) | | |
| d | <input type="checkbox"/> 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 | <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged | | |
| b | <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged | | |
| c | <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged | | |
| d | <input checked="" type="checkbox"/> 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?

| Name and address | Type of Facility (describe) |
|------------------|-----------------------------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |
| 6 | |
| 7 | |
| 8 | |
| 9 | |
| 10 | |

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

| Identifier | ReturnReference | Explanation |
|------------|---|--|
| | Part VI - Community Information | Jennings American Legion Hospital is currently licensed to operate 60 beds and is accredited by The Joint Commission For fiscal year 2013, patient volumes included more then 3,167 admissions and 15,698 emergency department visits JENNINGS, is a small town of approximately 10,986 located on Interstate 10 about halfway between two major cities in Louisiana, Lafayette and Lake Charles It is also halfway between Houston Texas and New Orleans Louisiana Jennings is the seat of Jefferson Davis Parish Jennings American Legion Hospital services all of Jefferson Davis Parish, parts of Allen Parish, Acadia Parish, Calcasieu Parish and Evangeline Parish Jefferson Davis Parish population was 31,097 in 2009 The average income in 2008 in Jefferson Davis Parish was \$38,577 The percentage of Jefferson Davis Parish residents living in poverty in 2008 was 16.7% In the city of Jennings the percentage of residents living in poverty in 2009 was 22.8% (15.4% for White Non-hispanic, 37.0% for black residents, 73.9% for Hispanic or Latino, 50.6% for other race residents, and 43.0% for two or more race residents) Jennings American Legion Hospital is the only hospital to serve Jefferson Davis Parish The number of people in Jefferson Davis Parish with a disability is 6,539 The percentage of the population who were female in 2009 was 51.6% The population classified as white was 80.8%, black 17.2%, Asian 3%, two or more races 1.2% and Hispanic or Latino 1.5% In 2009 35.1% of the population is less than eighteen years old and 13.7% of the residents were over the age of sixty-five |
| | Part VI - Patient Education of Eligibility for Assistance | Jennings American Legion Hospital is committed to patients first As part of this commitment, Jennings American Legion Hospital's vision is to provide the highest quality healthcare at the lowest possible cost to all people in the hospital's service area The hospital's charity care program supports patients who have demonstrated financial need and require medically necessary medical services Jennings American Legion's Financial Counselor visits with all physicians on staff and keeps her business cards in their offices for patients that need assistance On a daily basis the Financial Counselor runs reports of all private pay patients She then visits all the private pay patients that are Inpatient to screen for assistance For the patients that have been through outpatient departments, including the ER the Financial Counselor mails a financial assistance package Follow-up phone calls are also made by the financial counselor to aide in return packets The Financial Counselor obtains the following information to determine a patient's need for charity care household income, family size, assets, and availability of alternative sources of payments Finally, a thorough review is completed and the following services are provided - Assist patients with a governmental assistance application when applicable - Help patients determine if a third party is liable - Provide medical services at reduced rates or at no cost - Provide individualized plans based on the patient's ability to pay - Use fair and consistent collection practices |

| Identifier | ReturnReference | Explanation |
|---------------------------------|---|--|
| Number of Hospital Facility - 1 | Part V, Line 20d - Other Billing Determination of Individuals Without Insurance | BY FEDERAL POVERTY GUIDELINES |
| Number of Hospital Facility - 1 | Part V, Line 16e - Other Collection Actions Against a Patient | LIENS FILED ON THIRD-PARTY AUTO LIABILITY PLANS ONLY |

| Identifier | ReturnReference | Explanation |
|---------------------------------|---|---|
| Number of Hospital Faciltiy - 1 | Part V, Line 14g - Other Means Hospital Facility Publicized the Policy | MAILED LETTER AND APPLICATION TO OUTPATIENT ER PRIVATE PAY PATIENTS |
| | Part III, Line 8 - Explanation Of Shortfall As Community Benefit | THE HOSPITAL CONTENTS THAT THE MAJORITY, IF NOT ALL, OF THE SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT THE HOSPITAL OFFERS QUALITY HEALTHCARE TO ALL PATIENTS REGARDLESS OF PAYMENT OR REIMBURSEMENT EXPECTATION RESOURCES FOR MEDICARE PATIENTS VERSUS ALL OTHER PATIENTS ARE IDENTICAL BASED ON TREATMENT |

| Identifier | ReturnReference | Explanation |
|------------|---|--|
| | Part III, Line 3 - Methodology of Estimated Amount & Rationale for Including in Community Benefit | THE HOSPITAL ESTIMATES APPROXIMATELY 28.57% OF THE AMOUNTS WRITTEN OFF TO BAD DEBTS ARE RELATED TO PATIENTS WHO COULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY. THIS ESTIMATE IS BASED ON A REVIEW MADE MONTHLY ON THE LIST OF PATIENTS TURNED OVER TO COLLECTIONS. THE HOSPITAL DETERMINES THIS BASED ON THE PATIENT'S BILLING ADDRESS, SUCH AS A PATIENT LIVING IN A LOW-INCOME HOUSING LOCATION OR PATIENT PROVIDING A FALSE ADDRESS. ANOTHER DETERMINING FACTOR IS WHETHER A PATIENT EVENTUALLY QUALIFIES FOR MEDICAID COVERAGE UNDER THE MEDICAID SPEND-DOWN PROGRAM DUE TO LARGE MEDICAL BILLS. |
| | Part I, Line 3c - Charity Care Eligibility Criteria (FPG Is Not Used) | DISCOUNTED CARE IS DETERMINED BY 300% OF FPG - FREE CARE IS AT 200%. |

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
Jennings American Legion Hospital Inc

Employer identification number
72-0445607

Part I

Questions Regarding Compensation

| | Yes | No |
|--|-----|-----|
| <div>1a</div> <div>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</div> <div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div> | | |
| <div>b</div> <div>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</div> | 1b | |
| <div>2</div> <div>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?</div> | 2 | |
| <div>3</div> <div>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</div> <div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div> | | |
| <div>4</div> <div>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</div> | | |
| <div>a</div> <div>Receive a severance payment or change-of-control payment?</div> | 4a | No |
| <div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div> | 4b | No |
| <div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div> | 4c | No |
| <div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div> | | |
| <div>5</div> <div>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</div> | | |
| <div>a</div> <div>The organization?</div> | 5a | No |
| <div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 5a or 5b, describe in Part III</div> | 5b | No |
| <div>6</div> <div>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</div> | | |
| <div>a</div> <div>The organization?</div> | 6a | Yes |
| <div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 6a or 6b, describe in Part III</div> | 6b | No |
| <div>7</div> <div>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</div> | 7 | No |
| <div>8</div> <div>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</div> | 8 | No |
| <div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div> | 9 | No |

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 | | | | |
| (1)PAMELA PRIMEAUX | (i) | 180,934 | | | | | 180,934 | |
| CFO | (ii) | | | | | | | |
| (2)GEORGE BAILEY | (i) | 246,258 | | | | | 246,258 | |
| DOCTOR | (ii) | | | | | | | |
| (3)DANA D WILLIAMS | (i) | 245,847 | | | | | 245,847 | |
| CEO | (ii) | | | | | | | |

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 |
|------------|------------------|-------------|
|------------|------------------|-------------|

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
Jennings American Legion Hospital Inc**Employer identification number**

72-0445607

| Identifier | Return Reference | Explanation |
|--------------------------------|---|--|
| Form 990, Part VI, Line 19 | Form 990, Part VI, Line 19 Other Organization Documents Publicly Available | No documents available to the public |
| Form 990, Part VI, Line 15a | Form 990, Part VI, Line 15a Compensation Review & Approval Process - CEO, Top Management | A COMPENSATION COMMITTEE OF THE BOARD REVIEWS AND APPROVES THE CEO'S SALARY ON AN ANNUAL B ASIS THE APPROVAL PROCESS INCLUDES COMPARISON TO COMPENSATION SURVEYS MADE BY THE HOSPITA L ASSOCIATION AND OTHER TRADE ORGANIZATIONS |
| Form 990, Part VI, Line 12c | Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts | BOARD MEMBERS ARE REQUIRED TO ANNUALLY COMPLETE CONFLICT OF INTEREST STATEMENTS WHICH ARE REVIEWED BY THE BOARD WHENEVER CONFLICT EXISTS, THE BOARDMEMBER MUST ABSTAIN FROM VOTING ON ANY MATTERS AFFECTED BY THE CONFLICT |
| Form 990, Part VI, Line 11b | Form 990, Part VI, Line 11b Form 990 Review Process | No review was or will be conducted |

FINANCIAL STATEMENTS
OF THE
JENNINGS AMERICAN LEGION HOSPITAL, INC.
JENNINGS, LOUISIANA
AS OF NOVEMBER 30, 2013 AND NOVEMBER 30, 2012

RICHARD BULLER CPA SERVICES, LLC
742 East Plaquemine Street
Jennings, Louisiana 70546

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Jennings American Legion Hospital, Inc.
Jennings, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Jennings American Legion Hospital, Inc. (a nonprofit organization), which comprise the statement of financial position as of November 30, 2013 and 2012, and the related statements of activities, changes in comprehensive net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jennings American Legion Hospital, Inc. as of November 30, 2013 and 2012, and the 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.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules contained on pages 13-20 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in dark ink, which appears to read "David Edgar".

Richard Buller CPA Services, LLC
Jennings, LA
March 1, 2014

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

| | <u>ASSETS</u> | 2013 | 2012 |
|---|---------------|----------------------|----------------------|
| ASSETS: | | | |
| Cash | | \$ 71,621 | \$ 1,276,334 |
| Patient Accounts Receivable (net of estimated uncollectibles of \$7,267,280 in 2013 and \$7,247,573 in 2012) | | 7,542,963 | 6,348,777 |
| Estimated Third-Party Payor Settlements - Medicare & Medicaid | | 913,272 | 828,902 |
| Other Receivables | | 1,422,608 | 486,080 |
| Inventories | | 1,242,542 | 1,138,849 |
| Prepaid Expenses | | 778,345 | 740,873 |
| Total Current Assets | | <u>11,971,351</u> | <u>10,819,815</u> |
| ASSETS WHOSE USE IS LIMITED: | | | |
| Deferred Charges | | 1,614,539 | 1,769,023 |
| By Board of Trustees for Capital Improvements and Expansion | | 9,942,311 | 10,500,357 |
| By Board for Key Employee Retention | | 47,845 | 47,845 |
| Total Assets Whose Use is Limited | | <u>11,604,695</u> | <u>12,317,225</u> |
| PROPERTY, PLANT AND EQUIPMENT: | | | |
| Land and Improvements | | 2,080,927 | 2,074,434 |
| Buildings and Improvements | | 27,065,199 | 26,944,122 |
| Moveable Equipment | | 14,189,975 | 13,585,658 |
| Construction in Progress | | 50,270 | 59,167 |
| Total Cost | | 43,386,371 | 42,663,381 |
| Less: Accumulated Depreciation | | (27,724,903) | (25,679,046) |
| Total Property, Plant and Equipment | | <u>15,661,468</u> | <u>16,984,335</u> |
| TOTAL ASSETS | | <u>\$ 39,237,514</u> | <u>\$ 40,121,375</u> |
| <u>LIABILITIES AND COMPREHENSIVE NET ASSETS</u> | | | |
| CURRENT LIABILITIES: | | | |
| Accounts Payable | | \$ 2,060,789 | \$ 1,652,288 |
| Accrued Liabilities | | 626,655 | 604,734 |
| Current Portion of Long-Term Debt | | 1,072,500 | 1,017,500 |
| Total Current Liabilities | | <u>3,759,944</u> | <u>3,274,522</u> |
| LONG TERM DEBT | | <u>7,021,990</u> | <u>8,122,009</u> |
| OTHER LIABILITIES AND CONTINGENCIES | | | |
| Provision For Possible Overpayments | | - | 858,802 |
| Total Other Liabilities and Contingencies | | <u>-</u> | <u>858,802</u> |
| TOTAL LIABILITIES AND CONTINGENCIES | | 10,781,934 | 12,255,333 |
| COMPREHENSIVE NET ASSETS - UNRESTRICTED | | <u>28,455,580</u> | <u>27,866,042</u> |
| TOTAL LIABILITIES & COMPREHENSIVE NET ASSETS | | <u>\$ 39,237,514</u> | <u>\$ 40,121,375</u> |

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

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

| | <u>2013</u> | <u>2012</u> |
|--|-------------------|---------------------|
| UNRESTRICTED REVENUES, GAINS and OTHER SUPPORT: | | |
| Net Patient Service Revenue | \$ 37,605,470 | \$ 34,619,057 |
| Other Revenue | <u>2,903,269</u> | <u>3,621,687</u> |
| Total Revenues, Gains and Other Support | <u>40,508,739</u> | <u>38,240,744</u> |
| EXPENSES: | | |
| Salaries and Wages | 15,149,591 | 14,846,728 |
| Employee Benefits | 3,436,771 | 3,184,616 |
| Supplies | 5,746,179 | 4,995,642 |
| Purchased Services | 5,511,954 | 4,574,624 |
| Bad Debt Expense | 3,855,174 | 2,987,418 |
| Depreciation Expense | 2,068,790 | 2,168,255 |
| Interest Expense | 280,183 | 241,529 |
| Insurance Expense | 616,310 | 545,433 |
| Other Expenses | <u>3,399,647</u> | <u>3,190,825</u> |
| Total Expenses | <u>40,064,599</u> | <u>36,735,070</u> |
| Operating Income | <u>444,140</u> | <u>1,505,674</u> |
| OTHER INCOME (EXPENSE): | | |
| Unrestricted Donated Income | 8,500 | 11,000 |
| Income on Investments Whose Use is Limited by Board: | | |
| For Capital Improvements and Expansions | <u>136,898</u> | <u>202,682</u> |
| Non-Operating Gains | 145,398 | 213,682 |
| INCREASE IN UNRESTRICTED ASSETS BEFORE COMPREHENSIVE INCOME | <u>589,538</u> | <u>1,719,356</u> |
| INCREASE IN COMPREHENSIVE UNRESTRICTED ASSETS | <u>\$ 589,538</u> | <u>\$ 1,719,356</u> |

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

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

STATEMENT OF CHANGES IN COMPREHENSIVE NET ASSETS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

| | <u>UNRESTRICTED NET ASSETS</u> | <u>ACCUMULATED COMPREHENSIV INCOME (LOSS)</u> | <u>TOTAL UNRESTRICTED COMPREHENSIV NET ASSETS</u> |
|----------------------------------|------------------------------------|---|---|
| BALANCE AT NOVEMBER 30, 2011 | \$ 26,001,593 | \$ 145,093 | \$ 26,146,686 |
| Excess of Revenues Over Expenses | 1,719,356 | - | 1,719,356 |
| Comprehensive Income (Loss) | <u>-</u> | <u>-</u> | <u>-</u> |
| BALANCE AT NOVEMBER 30, 2012 | 27,720,949 | 145,093 | 27,866,042 |
| Excess of Revenues Over Expenses | 589,538 | - | 589,538 |
| Comprehensive Income (Loss) | <u>-</u> | <u>-</u> | <u>-</u> |
| BALANCE AT NOVEMBER 30, 2013 | <u>\$ 28,310,487</u> | <u>\$ 145,093</u> | <u>\$ 28,455,580</u> |

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

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

| | <u>2013</u> | <u>2012</u> |
|---|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in Net Assets | \$ 589,538 | \$ 1,719,356 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities | | (36,405) |
| Depreciation | 2,045,857 | 2,168,255 |
| (Increase) Decrease in Patient Accounts Receivable | (1,194,186) | (1,092,128) |
| (Increase) Decrease in Net Amounts Due from Third-Party Payors | (84,370) | (814,634) |
| (Increase) Decrease in Inventory and Other Current Assets | (1,077,693) | (465,831) |
| Increase (Decrease) in Other Liabilities and Contingencies | (450,301) | 193,518 |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | <u>76,921</u> | <u>(327,452)</u> |
| Net Cash (used for) Provided By Operating Activities and Gains and Losses | <u>(94,234)</u> | <u>1,344,679</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of Property and Equipment | (722,990) | (724,162) |
| Cash Invested in Assets Whose Use is Limited | <u>712,531</u> | <u>851,582</u> |
| Net Cash (Used by) Provided by Investing Activities | <u>(10,459)</u> | <u>127,420</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of Long-Term Debt | <u>(1,100,019)</u> | <u>(1,071,197)</u> |
| Net Cash Used by Financing Activities | <u>(1,100,019)</u> | <u>(1,071,197)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,204,712) | 400,902 |
| BEGINNING CASH AND CASH EQUIVALENTS | <u>1,276,334</u> | <u>875,432</u> |
| ENDING CASH AND CASH EQUIVALENTS | <u>\$ 71,622</u> | <u>\$ 1,276,334</u> |

SUPPLEMENTAL DISCLOSURES:

1. Accounting Policies: Cash Equivalents - the Hospital considers only unrestricted cash deposits to be cash and cash equivalents.
2. Interest Paid: During 2013 and 2012 the Hospital paid interest of \$280,182 and \$241,529 respectively.
3. Income Taxes: The Hospital is a Tax Exempt Organization under the rules of Section 501 (c)3 of the 1954 IRC.
4. Acquisitions: During 2013 and 2012 the Hospital invested in property and equipment.

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

NOTES TO THE FINANCIAL STATEMENTS

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NATURE OF OPERATIONS:

Jennings American Legion Hospital, Inc. is a not for profit hospital which provides inpatient, outpatient, and emergency care services to the general public. The Hospital is located in Jennings, Louisiana and provides services primarily for residents of Southwestern Louisiana. Admitting physicians are primarily practitioners in the local area.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Accounting - The records of the hospital is maintained on the accrual basis of accounting in accordance with American Hospital Association recommendations.
- B. Allowance for uncollectibles - Estimated uncollectible patient accounts receivable are based on the hospitals prior experience with bad debts and estimated contractual allowances and managed care discounts in account receivable balances.
- C. Inventories - Inventories are valued at the lower of cost or market (on the first-in, first out method).
- D. Property, Plant and Equipment - These assets are stated at cost. The plant and equipment are depreciated on the straight-line method over their estimated useful lives. Capital expenditures above \$ 1,000 are capitalized. The following is a schedule of activity in the major classifications:
- | | <u>11-30-12</u> | <u>Additions</u> | <u>Deletions</u> | <u>11-30-13</u> |
|--------------------------|-----------------|------------------|------------------|-----------------|
| Land | \$ 1,391,339 | \$ - | \$ - | \$ 1,391,339 |
| Land Improvements | 683,095 | 6,493 | - | 689,588 |
| Buildings & Improvements | 26,944,122 | 121,077 | - | 27,065,199 |
| Equipment | 13,585,658 | 627,760 | 23,443 | 14,189,975 |
| Construction in progress | 59,167 | 40,470 | 49,367 | 50,270 |
- E. Use of estimates - The preparation of Jennings American Legion Hospital's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- F. Investments are carried at fair market value.

2. RECEIVABLES

- A. Patient Accounts Receivable - Patient accounts receivable reflect total amounts due from individuals and third parties.
Trade receivables are normally written off when they are commercial insurance accounts over 120 days or are considered non active private pay status and over 120 days old.
- B. Estimated third-party payor settlements (Medicare and Medicaid) - During the billing cycle Medicare and Medicaid patients are billed at normal rates. Each month an estimate is made as to the actual amounts due from the third party based on expected Medicare and Medicaid reimbursements. As payments are received patient accounts are credited and adjustments to amounts in allowance for uncollectibles are recorded. After current cost reports are completed and pay schedules updated, differences in estimates are settled. Amounts in this asset account reflect estimated settlement due to the hospital.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

3. NOTES PAYABLE

Notes payable due Argent Trust Company consist of the following at November 30, 2013 and 2012:

| | 2013 | 2012 |
|---|---------------------|---------------------|
| Notes 1 dated 6-1-00 is payable monthly at 2.45% maturing 6-1-20 | 3,888,111 | 4,368,119 |
| Note 2 dated 3-22-07 is payable monthly at 3.25% maturing 6-1-17 | 1,423,608 | 1,788,615 |
| Note 3 dated 4-09-09 is payable monthly at 3.95% maturing 6-1-24 | 2,702,487 | 2,894,991 |
| Retirement Annuity | 43,125 | 50,625 |
| Life Insurance | 37,159 | 37,159 |
| Less: Current portion | (1,072,500) | (1,017,500) |
| Notes are collateralized by all assets and assigned revenues | <u>\$ 7,021,990</u> | <u>\$ 8,122,009</u> |
| | <u>2011</u> | <u>2011</u> |
| Notes 1 dated 6-1-00 is payable monthly at variable rates maturing 6-1-20 | 4,820,618 | 4,820,618 |
| Note 2 dated 3-22-07 is payable monthly at 5.4% maturing 6-1-17 | 2,133,617 | 2,133,617 |
| Note 3 dated 4-09-09 is payable monthly at 4.19% maturing 6-1-24 | 3,079,993 | 3,079,993 |
| Retirement Annuity | 58,125 | 58,125 |
| Life Insurance | 22,952 | 22,952 |
| Less: Current portion | (962,500) | (962,500) |
| Notes are collateralized by all assets and assigned revenues | <u>\$ 9,152,805</u> | <u>\$ 9,152,805</u> |

The annual requirements to amortize all debt outstanding at November 30, 2013 and 2012, for the next five years are as follows:

| November 30, 2013 | | | | | |
|-------------------|-------------|---------------|---------------|---------------|----------------|
| | <u>YEAR</u> | <u>Note 1</u> | <u>Note 2</u> | <u>Note 3</u> | <u>Annuity</u> |
| Annual Maturities | 2014 | 495,000 | 375,000 | 195,000 | 7,500 |
| | 2015 | 525,000 | 395,000 | 205,000 | 7,500 |
| | 2016 | 555,000 | 415,000 | 220,000 | 7,500 |
| | 2017 | 585,000 | 238,608 | 230,000 | 7,500 |
| | 2018 | 625,000 | | 240,000 | 7,500 |
| 5 Year Maturities | 2019-2022 | 1,103,111 | - | 1,390,000 | 5,625 |
| | 2023-2024 | - | - | 222,487 | - |
| November 30, 2012 | | | | | |
| | <u>YEAR</u> | <u>Note 1</u> | <u>Note 2</u> | <u>Note 3</u> | <u>Annuity</u> |
| Annual Maturities | 2013 | 465,000 | 355,000 | 190,000 | 7,500 |
| | 2014 | 495,000 | 375,000 | 195,000 | 7,500 |
| | 2015 | 525,000 | 395,000 | 205,000 | 7,500 |
| | 2016 | 555,000 | 415,000 | 220,000 | 7,500 |
| | 2017 | 585,000 | 428,615 | 230,000 | 7,500 |
| 5 Year Maturities | 2018-2021 | 1,743,119 | - | 1,325,000 | 13,125 |
| | 2022-2024 | - | - | 529,991 | - |

4. CAPITAL

The hospital is a non-profit corporation, organized under the laws of the State of Louisiana, without any capital stock.

5. INCOME TAXES

The hospital is exempt from Federal Income Tax under Section 501(c) 3 of the 1954 Internal Revenue Code.

6. CUSTODIAL RISK

Deposits and investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Hospital's name are considered to have custodial risk.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

COSTODIAL RISK (Continued):

| <u>At November 30, 2013</u> | All Investments And Deposits | Subject to Custodial Risk | Fair Value |
|--------------------------------------|---------------------------------|------------------------------|----------------------|
| Deposits and Certificates of Deposit | \$ 3,080,407 | \$ - | \$ 3,080,407 |
| U.S. Instrumentality Securities | - | 6,887,875 | 6,887,875 |
| Jeff Davis Bank Stock | 44,400 | - | 44,400 |
| Cash Value | 47,845 | - | 47,845 |
| Total | <u>\$ 3,172,652</u> | <u>\$ 6,887,875</u> | <u>\$ 10,060,527</u> |

| <u>At November 30, 2012</u> | All Investments And Deposits | Subject to Custodial Risk | Fair Value |
|--------------------------------------|---------------------------------|------------------------------|----------------------|
| Deposits and Certificates of Deposit | \$ 6,553,271 | \$ - | \$ 6,553,271 |
| U.S. Instrumentality Securities | - | 5,178,020 | 5,178,020 |
| Jeff Davis Bank Stock | 44,400 | - | 44,400 |
| Cash Value | 47,845 | - | 47,845 |
| Total | <u>\$ 6,645,516</u> | <u>\$ 5,178,020</u> | <u>\$ 11,823,536</u> |

The Hospital also had deposits in excess of FDIC insurance limits in the amount of \$581,650 at November 30, 2013 and \$ 2,300,364 at November 30, 2012.

7. COMPENSATED ABSENCES

Vested paid time off time is accrued at current pay rates. The amount accrued at November 30, 2013 and November 30, 2012 respectively was \$626,656 and \$ 604,734.

8. NET PATIENT REVENUE

Patient revenues on the financial statements at November 30, 2013 and November 30, 2012 are stated net of estimated third party contractual adjustments and other discounts and allowances.

9. EMPLOYEE BENEFITS

The hospital offers its employees a cafeteria plan under IRC section 125 and purchased annuities under reduced salary agreements under IRC section 403(b). The Hospital has a safe harbor 401K plan for which it matches 100% of the first 3 % of deferred compensation plus 50% of the next 2% of deferred compensation. The 401k matching contribution expense for the year ended November 30, 2013 and November 30, 2012 respectively was \$359,938 and \$348,177.

10. ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS

MEDICARE & MEDICAID

Estimated third-party payor settlements (Medicare and Medicaid) - During the billing cycle Medicare and Medicaid patients are billed at normal rates. Each month an estimate is made as to the actual amounts due from the third party based on expected Medicare and Medicaid reimbursements. As payments are received patient accounts are credited and adjustments to amounts in allowance for uncollectibles are recorded. After current cost reports are completed and pay schedules updated, differences in estimates are settled. Amounts in the resulting asset or liability account reflect estimated settlement due to/from the hospital. The amounts of these estimates are significant and it is possible that actual results could differ from those estimated in the near future.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

11. CONCENTRATIONS OF CREDIT RISK

The Hospital is located in Jennings, Louisiana. The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer agreements.

As disclosed in note 6 the Hospital had deposits in major financial institutions that exceeded Federal Depository Insurance limits. These financial institutions have a strong credit rating and management believes that credit risk related to these deposits is minimal.

12. SCHOLARSHIPS

At November 30, 2013 the hospital projected its scholarship commitment for future years as follows:

| <u>Year Ended</u> <u>November 30</u> | |
|---|-----------|
| 2014 | \$ 19,300 |
| 2015 | \$ 34,000 |

13. FUTURE INCOME GUARANTEES

As part of its physician recruiting practice, the hospital sometimes offers certain physician's incentives in the form of guaranteed minimum income for such physicians for a period of time. The amounts of such payments are not determinable because they are directly affected by the physicians medical practice receipts. The maximum amount which may be paid in the future under such contracts was calculated at November 30, 2013 to be:

| <u>Year Ended November 30</u> | <u>Amount</u> |
|-------------------------------|---------------|
| 2014 | \$ 675,000 |
| 2015 | 675,000 |
| 2016 | 675,000 |
| 2017 | 420,000 |

14. RELATED PARTY TRANSACTIONS

During the fiscal year ended 11/30/13 there were no Related Party Transactions.

15. LEASES

Operating equipment lease expense for the year ended November 30, 2013 and 2012 was \$459,048 and \$457,531. Future minimum lease payments on non-cancelable equipment leases are as follows:

| | |
|---|-----------|
| For the Fiscal Year Ended November 30, 2014 | \$505,168 |
|---|-----------|

16. ASSETS WHOSE USE IS LIMITED

| | <u>2013</u> | <u>2012</u> |
|--|----------------------|----------------------|
| Cash Accounts | \$ 3,010,036 | \$ 4,712,938 |
| Cash Surrender Value of Life Insurance | 47,845 | 47,845 |
| Common Stock | 44,400 | 44,400 |
| U.S. Instrumentality Securities | 6,733,391 | 5,743,019 |
| Deferred Charges | 1,769,023 | 1,769,023 |
| Total | <u>\$ 11,604,695</u> | <u>\$ 12,317,225</u> |

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

17. FUNCTIONAL EXPENSES

| | <u>2013</u> | <u>2012</u> |
|----------------------------|----------------------|----------------------|
| Health care services | \$ 23,255,426 | \$ 21,420,236 |
| General and administrative | <u>16,811,173</u> | <u>15,314,834</u> |
| Total | <u>\$ 40,066,599</u> | <u>\$ 36,735,070</u> |

18. OTHER OFF BALANCE SHEET RISK

The hospital purchases commercial insurance to reduce the risk of loss due to liability claims and loss due to physical damage to fixed assets should they occur.

19. LITIGATION

Jennings American Legion Hospital, Inc. has been named in several medical malpractice claims. Management believes that these claims, if found to be valid, will fall completely under the coverage of their insurance.

20. CHARITY CARE

Jennings American Legion Hospital, Inc. provides services to patients who meet the criteria of its charity care policy at amounts less than its established rates. The criteria for charity care consider family income, family size, and other sources of expected payments. Patient accounts were reduced by \$2,103,588 in 2013 and \$1,807,075 in 2012 for charges for services identified as charity care. Current policy requires patients to apply and provide information to enable the Hospital to determine charity status, or they may qualify if they are eligible for the Medicaid spends down program. In this case they will automatically be moved to the charity program.

21. KEY EMPLOYEE INSURANCE

The Hospital maintains key employee insurance on executive officers in the approximate amount of \$ 500,000. The cash surrender values of this policy is reported as dedicated funds.

22. DEFERRED CHARGES

The deferred charges included in Assets Whose Use Is Limited are expenses for retaining physicians which are associated future hospital revenues. They will be amortized over the applicable contract periods.

23. SUBSEQUENT EVENTS

The Hospital evaluated its records as of March 1, 2014 for subsequent events through this date and the Hospital is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

SCHEDULE OF ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

| | <u>2013</u> | <u>2012</u> |
|---|-------------------|-------------------|
| THIRD-PARTY PAYOR RECEIVABLES: | | |
| Medicare | \$ 359,741 | \$ 418,130 |
| Medicaid | <u>927,696</u> | <u>726,882</u> |
| Total Third-Party Payor Receivables | 1,287,437 | 1,145,012 |
| THIRD-PARTY PAYOR LIABILITIES: | | |
| Medicare | (374,165) | (316,110) |
| Medicaid | <u>-0-</u> | <u>-0-</u> |
| Total Third-Party Payor Liabilities | <u>(374,165)</u> | <u>(316,110)</u> |
| NET ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS | <u>\$ 913,272</u> | <u>\$ 828,902</u> |

See Independent Auditor's Report on Other Financial Reporting.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

SCHEDULE OF ASSETS WHOSE USE IS LIMITED
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

| | <u>2013</u> | <u>2012</u> |
|---|----------------------|----------------------|
| ASSETS WHOSE USE IS LIMITED: | | |
| Deferred Charges | \$ 1,614,539 | \$ 1,769,023 |
| Restricted by Board of Trustees For Capital Improvements and Expansions: | | |
| Funded Depreciation - Certificate of Deposit | 1,887,405 | 2,382,430 |
| Funded Depreciation - CDAR | 382,024 | 747,145 |
| Funded Depreciation - Federated US Government | <u>1,188,312</u> | <u>295,289</u> |
| Total Restricted by Board of Trustees for Capital Improvements and Expansions | 3,457,741 | 3,424,864 |
| Restricted by Board for Key Employee Retention: | | |
| Cash Value of Life Insurance Policies | 47,845 | 47,845 |
| Retirement Annuity | <u>36,946</u> | <u>43,372</u> |
| Total Restricted by Board for Key Employee Retention | 84,791 | 91,217 |
| Non-Restricted: | | |
| Funded Depreciation - Asset Acquisition Account | 49,964 | 41,958 |
| Funded Depreciation - Certificate of Deposit | 2,763,437 | 2,895,506 |
| Funded Depreciation - Jeff Davis Bank Stock | 44,400 | 44,400 |
| Funded Depreciation - CDAR | 1,077,556 | 2,092,292 |
| Funded Depreciation - Federated US Government | 1,718,759 | 1,947,756 |
| Funded Depreciation - Interest Bearing Account | 539,921 | 10,209 |
| Funded Depreciation - Money Market Account | <u>253,587</u> | <u>-</u> |
| Total Non-Restricted | <u>6,447,624</u> | <u>7,032,121</u> |
| TOTAL ASSETS WHOSE USE IS LIMITED | <u>\$ 11,604,695</u> | <u>\$ 12,317,225</u> |

See Independent Auditor's Report on Other Financial Reporting.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

SCHEDULE OF PATIENT SERVICES REVENUES BY PATIENT TYPE AND PAYOR
FOR THE YEAR ENDED NOVEMBER 30, 2013

| | Medicare | Medicaid | Other | Total |
|-----------------------|------------|-----------|------------|------------|
| INPATIENT: | | | | |
| Intensive care unit | 1,548,525 | 333,894 | 419,846 | 2,302,265 |
| OB/GYN | 6,876 | 972,683 | 438,042 | 1,417,601 |
| Nursery | - | 367,059 | 135,830 | 502,889 |
| Tower 1 | 6,193,415 | 1,324,281 | 2,626,476 | 10,144,172 |
| Surgery | 1,740,273 | 1,085,340 | 1,615,060 | 4,440,673 |
| Recovery | 155,834 | 101,974 | 176,488 | 434,296 |
| Anesthesia | 212,002 | 115,447 | 206,000 | 533,449 |
| Orthopedics | 2,436,448 | 131,951 | 1,608,668 | 4,177,067 |
| Emergency room | 1,616,712 | 399,726 | 710,184 | 2,726,622 |
| Outpatient | 21,717 | 5,532 | 18,179 | 45,428 |
| Cath lab | 372,462 | 25,222 | 167,835 | 565,519 |
| Dialysis | 110,630 | 10,166 | 21,528 | 142,324 |
| Laboratory | 4,683,489 | 1,062,856 | 1,724,316 | 7,470,661 |
| EKG | 198,940 | 19,256 | 63,913 | 282,109 |
| Treadmill | 8,128 | 508 | 6,096 | 14,732 |
| EEG | 5,415 | 1,805 | 2,527 | 9,747 |
| Radiology | 1,662,187 | 248,303 | 552,511 | 2,463,001 |
| Nuclear medicine | 166,904 | 23,544 | 104,608 | 295,056 |
| MRI | 15,913 | 8,309 | 24,789 | 49,011 |
| Pharmacy | 7,411,247 | 1,601,068 | 3,050,632 | 12,062,947 |
| Respiratory therapy | 3,086,332 | 644,712 | 824,089 | 4,555,133 |
| Speech therapy | 33,410 | 2,335 | 2,544 | 38,289 |
| Physical therapy | 441,273 | 70,822 | 96,117 | 608,212 |
| Dietary | 438 | - | 166 | - |
| Total Inpatient | 32,128,570 | 8,556,793 | 14,596,444 | 55,281,203 |
| SWING BED: | | | | |
| Tower 1 | 676,713 | - | 14,638 | 691,351 |
| Surgery | 26,634 | - | - | 26,634 |
| Emergency room | - | - | - | - |
| Outpatient | - | - | - | - |
| Cath lab | - | - | 5,152 | 5,152 |
| Dialysis | 4,186 | - | 598 | 4,784 |
| Laboratory | 193,895 | - | 5,114 | 199,009 |
| Treadmill | - | - | - | - |
| EKG | 928 | - | - | 928 |
| EEG | - | - | - | - |
| Radiology | 36,864 | - | 363 | 37,227 |
| Nuclear medicine | 2,226 | - | - | 2,226 |
| Pharmacy | 725,729 | - | 20,857 | 746,586 |
| Respiratory therapy | 309,599 | - | 8,170 | 317,769 |
| Speech therapy | 3,568 | - | 123 | 3,691 |
| Physical therapy | 64,967 | - | 2,429 | 67,396 |
| Dietary | - | - | 115 | 115 |
| Total Skilled Nursing | 2,045,309 | - | 57,559 | 2,102,868 |

See Independent Auditor's Report on Other Financial Reporting.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

SCHEDULE OF PATIENT SERVICES REVENUES BY PATIENT TYPE AND PAYOR (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2013

| OUTPATIENT: | Medicare | Medicaid | Other | Total |
|------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| Intensive care unit | 11,248 | (454) | (191) | 10,603 |
| OB/GYN | 1,107 | 94,714 | 43,278 | 139,099 |
| Nursery | - | - | 468 | 468 |
| Medsurg | 1,436,158 | 578,450 | 1,480,065 | 3,494,673 |
| Surgery | 1,602,865 | 1,683,350 | 4,071,413 | 7,357,628 |
| Recovery | 101,820 | 137,868 | 377,442 | 617,130 |
| Anesthesia | 147,612 | 161,059 | 509,409 | 818,080 |
| Orthopedics | 694,054 | 101,792 | 1,858,912 | 2,654,758 |
| Emergency room | 1,663,714 | 2,228,150 | 3,697,645 | 7,589,509 |
| Outpatient | 106,263 | 46,855 | 151,028 | 304,146 |
| Cath lab | 2,254,465 | 7,217 | 1,272,678 | 3,534,360 |
| Cardiac rehab | 91,636 | - | 70,690 | 162,326 |
| OB clinic | 90,099 | 469,294 | 973,123 | 1,532,516 |
| Oncology clinic | 1,100 | - | - | 1,100 |
| Laboratory | 4,085,411 | 1,838,328 | 4,479,223 | 10,402,962 |
| EKG | 169,369 | 51,388 | 189,666 | 410,423 |
| Treadmill | 99,568 | 6,096 | 89,916 | 195,580 |
| EEG | 3,971 | 5,776 | 6,137 | 15,884 |
| Radiology | 951,528 | 618,100 | 1,623,445 | 3,193,073 |
| Nuclear medicine | 849,629 | 112,195 | 663,930 | 1,625,754 |
| MRI | 23,152 | 1,222 | 13,850 | 38,224 |
| OP Pharmacy | 32,215 | 42,596 | 78,620 | 153,431 |
| Pharmacy | 1,415,146 | 609,542 | 1,640,795 | 3,665,483 |
| Respiratory therapy | 214,177 | 84,373 | 143,850 | 442,400 |
| Speech therapy | 509 | 383 | 636 | 1,528 |
| Physical therapy | 5,930 | 609 | 2,868 | 9,407 |
| Dietary | 1,898 | 390 | 849 | 3,137 |
| Total Outpatient | <u>16,057,060</u> | <u>8,879,293</u> | <u>23,439,745</u> | <u>48,376,098</u> |
| Gross Patient Revenues | <u>50,230,939</u> | <u>17,436,086</u> | <u>38,093,748</u> | <u>105,760,773</u> |
| ALLOWANCES: | | | | |
| Contractual Adjustments | | | | (48,500,551) |
| Other Discounts & Allowances | | | | <u>(19,654,752)</u> |
| NET PATIENT SERVICE REVENUES | | | | <u><u>37,605,470</u></u> |

See Independent Auditor's Report on Other Financial Reporting.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

SCHEDULE OF OTHER OPERATING REVENUE
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

| | <u>2013</u> | <u>2012</u> |
|------------------------------------|---------------------|---------------------|
| OTHER OPERATING REVENUE: | | |
| Sale of Medical Records | \$ 1,950 | \$ 2,565 |
| Employee Meals | 99,313 | 115,392 |
| Visitor Meals | 2,106 | 2,375 |
| Miscellaneous Revenue | 748,444 | 1,492,932 |
| Disproportionate Share Payment | 1,236,390 | 1,384,770 |
| Operating Interest Income | 1,179 | 1,872 |
| Purchase Discount | 17,637 | 18,572 |
| Lab Service Revenue/Agency Billing | 2,500 | 3,500 |
| Gain/Loss on Fixed Assets | (511) | (1,087) |
| Sale of Scrap | - | 826 |
| Rehab Services | 174,056 | 177,576 |
| OP Pharmacy-employee | 185,240 | - |
| Service Revenue | 4,119 | 4,937 |
| V. A. Clinic Revenue | 112,913 | 112,586 |
| Medical Office Building Rental | <u>317,933</u> | <u>304,871</u> |
| TOTAL OTHER OPERATING REVENUE | <u>\$ 2,903,269</u> | <u>\$ 3,621,687</u> |

See Independent Auditor's Report on Other Financial Reporting.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT AND CATEGORY
FOR THE YEAR ENDED NOVEMBER 30, 2013

| | Salaries | Supplies | Purchased Svc | Other | TOTAL |
|------------------------|------------|-----------|---------------|-----------|------------|
| PATIENT SERVICES | | | | | |
| Nursing administration | 410,219 | 2,406 | 300 | 49,683 | 462,608 |
| Intensive care unit | 761,164 | 64,394 | 479 | 90,963 | 917,000 |
| NSG education | 72,658 | 215 | - | 2,218 | 75,091 |
| OB/GYN | 617,204 | 33,204 | - | 57,632 | 708,040 |
| Nursery | 233,601 | 14,350 | - | 11,581 | 259,532 |
| Infection control | 135,352 | 9,562 | 20 | 2,917 | 147,851 |
| Tower 1 | 1,070,568 | 106,294 | 1,630 | 57,923 | 1,236,415 |
| Tower 2 | 1,095,476 | 94,851 | 461 | 43,543 | 1,234,331 |
| Tower 3 | 1,105,468 | 92,267 | - | 46,033 | 1,243,768 |
| Surgery | 819,759 | 982,101 | - | 281,100 | 2,082,960 |
| Recovery | - | - | - | 1,024 | 1,024 |
| Anesthesia | 36,500 | 39,240 | - | 55,836 | 131,576 |
| Orthopedics | - | 1,237,123 | - | 73,391 | 1,310,514 |
| Emergency room | 1,226,580 | 130,211 | 331,741 | 34,334 | 1,722,866 |
| Outpatient | 322,521 | 61,636 | - | 14,753 | 398,910 |
| Cath lab | 308,797 | 426,296 | - | 374,284 | 1,109,377 |
| Cardiac rehab | 105,620 | 1,970 | 775 | 4,436 | 112,801 |
| Dialysis | - | - | 87,130 | - | 87,130 |
| OB clinic | 455,777 | 16,242 | 169,678 | 166,697 | 808,394 |
| Oncology clinic | - | 274 | 2,000 | 346 | 2,620 |
| Material Management | 155,210 | 94,741 | - | 15,834 | 265,785 |
| Laboratory | 1,032,243 | 734,885 | 617,638 | 108,643 | 2,493,409 |
| EKG | - | 533 | 192 | - | 725 |
| Treadmill | - | 1,745 | - | - | 1,745 |
| EEG | - | 462 | 7,481 | 62 | 8,005 |
| Radiology | 387,834 | 21,642 | 3,900 | 266,331 | 679,707 |
| Nuclear medicine | 126,653 | 108,305 | - | 67,474 | 302,432 |
| CAT scan | 33,309 | 488 | - | - | 33,797 |
| Ultrasound | 219,272 | (698) | - | - | 218,574 |
| M.R.I. | 77,881 | 854 | - | 61 | 78,796 |
| Mammon | 43,656 | (1,347) | - | - | 42,309 |
| Outpatient pharmacy | - | 206,502 | 246,646 | 13,068 | 466,216 |
| Pharmacy | - | 583,671 | 1,633,511 | 29,486 | 2,246,668 |
| Respiratory therapy | 651,301 | 77,724 | - | 54,909 | 783,934 |
| Speech therapy | - | - | 4,392 | - | 4,392 |
| Physical therapy | - | - | 121,200 | - | 121,200 |
| Medical records | 242,800 | 3,962 | 327,552 | 62,602 | 636,916 |
| Case management | 315,392 | 2,347 | 236,187 | 26,221 | 580,147 |
| Risk MGMT/QC | 142,141 | 1,557 | 11,097 | 61,217 | 216,012 |
| V.A. clinic | - | - | 801 | 20,048 | 20,849 |
| Total Patient Services | 12,204,956 | 5,150,009 | 3,804,811 | 2,094,650 | 23,254,426 |

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT AND CATEGORY (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2013

| | Salaries | Supplies | Purchased Svc | Other | TOTAL |
|--------------------------|-------------------|------------------|------------------|-------------------|-------------------|
| GENERAL SERVICES: | | | | | |
| Dietary | 387,993 | 327,712 | - | 68,740 | 784,445 |
| Maintenance | 173,607 | 54,852 | 101,430 | 719,394 | 1,049,283 |
| Environmental Services | 491,048 | 158,194 | 95,917 | 15,504 | 760,663 |
| Laundry & Linen | | 19,667 | 210,879 | 8,014 | 238,560 |
| Total General Services | <u>1,052,648</u> | <u>560,425</u> | <u>408,226</u> | <u>811,652</u> | <u>2,832,951</u> |
| | Salaries | Supplies | Purchased Svc | Other | TOTAL |
| ADMINISTRATIVE | | | | | |
| Marketing | 13,993 | 142 | - | 2,353 | 16,488 |
| Financial service | 49,122 | 372 | - | 1,609 | 51,103 |
| Human Resources | 124,743 | 368 | 14,762 | 11,150 | 151,023 |
| Administration | 514,678 | 3,761 | 1,040,424 | 964,630 | 2,523,493 |
| Accounting | 104,270 | 5,126 | | 9,946 | 119,342 |
| Patient Accounts | 320,374 | 8,021 | 228,411 | 97,918 | 654,724 |
| Data Processing | 374,049 | 1,329 | 8,019 | 339,718 | 723,115 |
| Admin/PBX | 371,060 | 16,063 | 6,300 | 8,340 | 401,763 |
| Employee Benefits | - | - | - | 3,436,790 | 3,436,790 |
| Insurance | - | - | - | 556,677 | 556,677 |
| Depreciation | - | - | - | 1,063,995 | 1,063,995 |
| Interest | - | - | - | 280,182 | 280,182 |
| Board | - | - | - | 119,970 | 119,970 |
| Bad debts | - | - | - | 3,855,174 | 3,855,174 |
| Non-operating items | - | - | - | - | -0- |
| Medical office building | - | - | - | 1,651 | 1,651 |
| Rehab/Sr. care/Sick | - | - | - | 160 | 160 |
| Sick daycare | - | - | - | - | -0- |
| Hospital Foundation | 19,698 | 564 | - | 1,310 | 21,572 |
| Total Admin. Services | <u>1,891,987</u> | <u>35,746</u> | <u>1,297,916</u> | <u>10,751,573</u> | <u>13,977,222</u> |
| Total Operating Expenses | <u>15,149,591</u> | <u>5,746,180</u> | <u>5,510,953</u> | <u>13,657,875</u> | <u>40,064,599</u> |

See Independent Auditor's Report on Other Financial Reporting.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
Jennings, Louisiana

SCHEDULE OF OTHER OPERATING EXPENSE BY CATEGORY
FOR THE YEARS ENDED NOVEMBER 30, 2013 AND 2012

| | <u>2013</u> | <u>2012</u> |
|--------------------------------|---------------------|---------------------|
| OTHER OPERATING EXPENSES: | | |
| Repairs Expense | \$ 1,126,172 | \$ 1,099,327 |
| Rental/Lease Expense | 459,048 | 457,531 |
| Utilities Expense | 617,182 | 526,278 |
| Travel Expense | 46,285 | 42,290 |
| Seminars Expense | 18,057 | 21,737 |
| Postage Expense | 13,698 | 10,906 |
| Freight Expense | 54,999 | 46,296 |
| Dues and Subscriptions | 120,952 | 155,004 |
| Board Expense | 119,970 | 125,203 |
| Licenses Expense | 55,249 | 26,805 |
| Promotion and Advertising | 56,952 | 40,513 |
| Bank Charges | 25,282 | 17,706 |
| Sales & Use Taxes | 594,270 | 531,986 |
| Miscellaneous | 34,908 | 19,890 |
| Property Taxes | 10,023 | 28,969 |
| Scholarship Expense | <u>46,600</u> | <u>40,384</u> |
| TOTAL OTHER OPERATING EXPENSES | <u>\$ 3,399,647</u> | <u>\$ 3,190,825</u> |