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Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2013

Open to Public Inspection

Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.
 Information about Form 990 and its instructions is at www.irs.gov/form990

A For the 2013 calendar year, or tax year beginning 01-01-2013, 2013, and ending 12-31-2013

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 MAGEE BENEVOLENT ASSOCIATION	D Employer identification number 64-0324402
	Doing Business As MAGEE GENERAL HOSPITAL	E Telephone number (601) 849-5070
	Number and street (or P O box if mail is not delivered to street address) Room/suite 300 THIRD AVENUE SE	
City or town, state or province, country, and ZIP or foreign postal code MAGEE, MS 39111		G Gross receipts \$ 24,690,192

F Name and address of principal officer AMY TOLLIVER 300 THIRD AVENUE SE MAGEE, MS 39111	H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number
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I Tax-exempt status: 501(c)(3) 501(c) () (Insert no) 4947(a)(1) or 527

J Website: WWW.MGHOSP.ORG

K Form of organization: Corporation Trust Association Other **L** Year of formation: 1942 **M** State of legal domicile: MS

Part I Summary

1 Briefly describe the organization's mission or most significant activities
 MAGEE GENERAL HOSPITAL SHALL CONTINUE TO PROVIDE QUALITY HEALTHCARE TO THOSE THAT PRESENT THEMSELVES FOR OUR SERVICES WE ARE DEDICATED TO MEET THE CHALLENGES OF THE FUTURE TO ASSURE THAT PEOPLE OF THIS COMMUNITY RECEIVE QUALITY HEALTHCARE AT A REASONABLE COST WE ARE COMMITTED TO MAINTAIN PATIENT CONFIDENTIALITY AND TO COMFORT AND RESPECT PATIENTS, FAMILIES AND FRIENDS

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

3 Number of voting members of the governing body (Part VI, line 1a)	3	8
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	4
5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	358
6 Total number of volunteers (estimate if necessary)	6	15
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	27,360	28,000
9	Program service revenue (Part VIII, line 2g)	24,535,584	23,249,779
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-36,193	30,135
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	548,811	1,381,462
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	25,075,562	24,689,376

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	51,377	32,400
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	11,128,453	11,392,804
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) \rightarrow 0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	15,596,822	15,307,345
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	26,776,652	26,732,549
19	Revenue less expenses Subtract line 18 from line 12	-1,701,090	-2,043,173

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	27,496,631	24,233,756
21	Total liabilities (Part X, line 26)	12,152,797	10,920,763
22	Net assets or fund balances Subtract line 21 from line 20	15,343,834	13,312,993

Part II Signature Block

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

Sign Here	***** Signature of officer	2014-11-14 Date
	AMY TOLLIVER CURRENT CEO Type or print name and title	

Paid Preparer Use Only	Pnnt/Type preparer's name AMIE T WHITTINGTON CPA	Preparer's signature	Date 2014-11-14	Check <input type="checkbox"/> if self-employed	PTIN P01082167
	Firm's name \rightarrow HORNE LLP	Firm's EIN \rightarrow 20-1941244		Phone no (601) 326-1000	
	Firm's address \rightarrow 1020 HIGHLAND COLONY PKWY STE 400 RIDGELAND, MS 39157				

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III Yes No

1 Briefly describe the organization's mission
MAGEE GENERAL HOSPITAL SHALL CONTINUE TO PROVIDE QUALITY HEALTHCARE TO THOSE THAT PRESENT THEMSELVES FOR OUR SERVICES WE ARE DEDICATED TO MEET THE CHALLENGES OF THE FUTURE TO ASSURE THAT PEOPLE OF THIS COMMUNITY RECEIVE QUALITY HEALTHCARE AT A REASONABLE COST WE ARE COMMITTED TO MAINTAIN PATIENT CONFIDENTIALITY AND TO COMFORT AND RESPECT PATIENTS, FAMILIES, AND FRIENDS

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 \$ 21,579,811 including grants of \$ 32,400) (Revenue \$ 24,630,425)
MAGEE GENERAL HOSPITAL OFFERS A VARIETY OF MEDICAL SERVICES THAT ARE DESIGNED TO MEET HEALTHCARE NEEDS OF THE SURROUNDING COMMUNITY THIS SERVICE IS ACCOMPLISHED THROUGH THE OPERATION OF A FULL SERVICE INPATIENT, OUTPATIENT, AND EMERGENCY CARE FACILITY

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 21,579,811

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)? <i>If "Yes," complete Schedule A</i>	Yes	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		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? <i>If "Yes," complete Schedule C, Part II</i>	Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		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? <i>If "Yes," complete Schedule D, Part I</i>		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? <i>If "Yes," complete Schedule D, Part II</i>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		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? <i>If "Yes," complete Schedule D, Part IV</i>		No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>	Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		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? <i>If "Yes," complete Schedule D, Part IX</i>		No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		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? <i>If "Yes," complete Schedule G, Part II</i>		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	Yes	

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or 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 25a</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	Yes	
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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	Yes	
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	Yes	
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	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
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	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1a 76		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1b 0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2a 358		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year. 7d		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12. 10a		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10b		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders. 11a		
11b	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?		
12b	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.		
13a	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		
13b	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		
13c	Enter the amount of reserves on hand. 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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 or note to any line 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		
	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		
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?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?		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?		No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	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	Yes	
15b	Other officers or key employees of the organization		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?	Yes	
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		No

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 AMY TOLLIVER 300 3RD AVENUE SE
 MAGEE, MS 39111 (601) 849-5070

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

Check if Schedule O contains a response or note to any line 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) CHARLES PRUITT III MD BOARD CHAIRMAN/PRESIDENT	1 00	X					250	0	0	
(2) JOE STEPHENS DIRECTOR	1 00	X					250	0	0	
(3) ALTHEA H CRUMPTON CEO/SECRETARY/TREASURER	40 00	X		X			95,014	0	31,365	
(4) LYN LAMPHERE DIRECTOR	1 00	X					250	0	0	
(5) RS RUNNELS SR MD BOARD VICE-PRESIDENT	1 00	X					13,827	0	0	
(6) BETTY C WADE RN DIRECTOR	1 00	X					250	0	0	
(7) PJ PASCO DO DIRECTOR	1 00	X					250	0	0	
(8) KELLI SMITH MD DIRECTOR	1 00	X					250	0	0	
(9) AMY TOLLIVER CHIEF COMPLIANCE OFFICER	40 00			X			70,000	0	1,436	
(10) SHARON SCRUGGS NURSE PRACTIONER	40 00					X	144,907	0	2,934	
(11) I KAMELMAZ PHYSICIAN	20 00					X	230,000	0	4,282	
(12) MARTHA SMITH NURSE PRACTIONER	40 00					X	205,941	0	4,155	
(13) JOHN HARPER MD PHYSICIAN	24 00					X	155,000	0	36	
(14) JUANITA TURNER PHARMACIST	40 00					X	115,960	0	2,355	

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns 1a _____					
	b Membership dues 1b _____					
	c Fundraising events 1c _____					
	d Related organizations 1d _____ 28,000					
	e Government grants (contributions) 1e _____					
	f All other contributions, gifts, grants, and similar amounts not included above 1f _____					
	g Noncash contributions included in lines 1a-1f \$ _____					
	h Total. Add lines 1a-1f h _____		28,000			
Program Service Revenue	2a PATIENT SERVICE REVENUE _____					
	b _____					
	c _____					
	d _____					
	e _____					
	f All other program service revenue _____					
	g Total. Add lines 2a-2f g _____		23,249,779			
	Business Code					
	621990	23,249,779	23,249,779			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) 3 _____	30,951			30,951	
	4 Income from investment of tax-exempt bond proceeds 4 _____					
	5 Royalties 5 _____					
	6a Gross rents _____	(i) Real				
		(ii) Personal				
		b Less rental expenses _____				
		c Rental income or (loss) _____				
	d Net rental income or (loss) d _____					
	7a Gross amount from sales of assets other than inventory _____	(i) Securities				
		(ii) Other				
		b Less cost or other basis and sales expenses _____ 816				
		c Gain or (loss) _____ -816				
	d Net gain or (loss) d _____		-816	-816		
	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 c _____				
	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 c _____				
	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 c _____						
Miscellaneous Revenue	Business Code					
11a OTHER HOSPITAL SERVICES _____	621990	1,381,462	1,381,462			
b _____						
c _____						
d All other revenue d _____						
e Total. Add lines 11a-11d e _____		1,381,462				
12 Total revenue. See Instructions 12 _____		24,689,376	24,630,425	0	30,951	

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 or note to any line 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	32,400	32,400		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	180,341		180,341	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	9,414,716	7,334,450	2,080,266	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	120,532	87,040	33,492	
9	Other employee benefits	993,296	759,275	234,021	
10	Payroll taxes	683,919	509,419	174,500	
11	Fees for services (non-employees)				
a	Management				
b	Legal	117,484		117,484	
c	Accounting	78,901		78,901	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12	Advertising and promotion	22,803	22,803		
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy	323,766	16,480	307,286	
17	Travel	37,680	6,991	30,689	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	436,544	436,544		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,825,589	1,825,589		
23	Insurance	52,433	52,433		
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	FEES	4,703,245	4,503,469	199,776	
b	BAD DEBTS	2,665,360	2,665,360		
c	SUPPLIES	2,529,608	2,089,534	440,074	
d	EQUIPMENT RENTAL & MAIN	1,783,287	1,031,914	751,373	
e	All other expenses	730,645	206,110	524,535	
25	Total functional expenses. Add lines 1 through 24e	26,732,549	21,579,811	5,152,738	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 or note to any line in this Part X

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash-non-interest-bearing	2,231	1	2,249
	2 Savings and temporary cash investments	1,706,362	2	648,243
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	3,900,225	4	2,987,319
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	524,527	5	524,527
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	393,374	8	323,097
	9 Prepaid expenses and deferred charges	173,264	9	101,790
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 30,577,636		
	b Less accumulated depreciation	10b 17,470,474	14,591,246	10c 13,107,162
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11	5,899,620	12	6,084,767
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	305,782	15	454,602
16 Total assets. Add lines 1 through 15 (must equal line 34)	27,496,631	16	24,233,756	
Liabilities	17 Accounts payable and accrued expenses	1,638,085	17	1,437,070
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	6,234,516	20	5,887,372
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	4,280,196	25	3,596,321
	26 Total liabilities. Add lines 17 through 25	12,152,797	26	10,920,763
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	15,343,834	27	13,312,993
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input 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		32	
33 Total net assets or fund balances	15,343,834	33	13,312,993	
34 Total liabilities and net assets/fund balances	27,496,631	34	24,233,756	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	24,689,376
2	Total expenses (must equal Part IX, column (A), line 25)	2	26,732,549
3	Revenue less expenses Subtract line 2 from line 1	3	-2,043,173
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	15,343,834
5	Net unrealized gains (losses) on investments	5	37,332
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-25,000
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	13,312,993

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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 type="checkbox"/> Separate basis <input checked="" 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

2013

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.
- ▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization
MAGEE BENEVOLENT ASSOCIATION

Employer identification number
64-0324402

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 - a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (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?

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

(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)

(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	
15 Public support percentage for 2012 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2013. 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 <input type="checkbox"/>		
b 33 1/3% support test—2012. 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 <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2013. 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 <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2012. 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 <input type="checkbox"/>		
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 <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	

- 19a 33 1/3% support tests—2013.** 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—2012.** 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.** 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

Return Reference

Explanation

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

2013

Open to Public Inspection

For Organizations Exempt From Income Tax Under section 501(c) and section 527
Complete if the organization is described below. Attach to Form 990 or Form 990-EZ.
See separate instructions. Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Department of the Treasury Internal Revenue Service

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

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

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

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

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

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

Table with 2 columns: Name of the organization (MAGEE BENEVOLENT ASSOCIATION) and Employer identification number (64-0324402)

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures
3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955
2 Enter the amount of any excise tax incurred by organization managers under section 4955
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?
4a Was a correction made?
b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
4 Did the filing organization file Form 1120-POL for this year?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization

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

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a If zero or less, enter -0-														
i Subtract line 1f from line 1c If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities?	Yes		2,545
j Total Add lines 1c through 1i			2,545
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
PART II-B, LINE 1	THE ORGANIZATION PAYS AN ANNUAL MEMBERSHIP FEE TO BE A MEMBER OF THE MISSISSIPPI HOSPITAL ASSOCIATION (MHA) THE ORGANIZATION WAS NOTIFIED BY MHA THAT 11 62% OF THE FYE 4/30/13 MEMBERSHIP FEE AND 24 63% OF THE FYE 4/30/14 MEMBERSHIP FEE WAS RELATED TO MHA'S LOBBYING ACTIVITIES THIS AVERAGES TO 20 293% FOR CALENDAR YEAR 2013, IN WHICH \$12,542 IN DUES WERE PAID BY THE HOSPITAL TO MHA THIS MAKES THE LOBBYING PERCENTAGE OF THOSE DUES \$2,545 FOR CALENDAR YEAR 2013

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions. Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization: MAGEE BENEVOLENT ASSOCIATION

Employer identification number: 64-0324402

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.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Form for Part II Conservation Easements, including questions 1-9 and a table for 'Held at the End of the Year' with rows 2a, 2b, 2c, 2d.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets, including questions 1a, 1b, 2, and 2a, 2b.

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

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f 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.

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 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

Table with 3 columns: Description, Yes, No. Rows: 3a(i) unrelated organizations, 3a(ii) related organizations, 3b 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. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Table with 5 columns: Description of property, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other, Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)

Part VII Investments—Other Securities. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) TRUSTMARK FINANCIAL SERVICES	2,440,857	F
(B) MHA INVESTMENT POOL	1,295,731	F
(C) BOND COVENANT CD	932,166	F
(D) INVESTMENT IN TUSCAN TOWERS	1,416,013	C
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)	6,084,767	

Part VIII Investments—Program Related. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col (B) line 13)		

Part IX Other Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. (Column (b) must equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
OBLIGATIONS UNDER CAPITAL LEASE	1,882,066
LINE OF CREDIT	1,714,255
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	3,596,321

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

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

Return Reference	Explanation
PART X, LINE 2	THE HOSPITAL IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (THE "CODE") AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE FASB ASC TOPIC 740 ("ASC 740") CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN A COMPANY'S FINANCIAL STATEMENTS AND PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN INCLUDING THE ENTITY'S STATUS AS A PASS-THROUGH ENTITY ADDITIONALLY, ASC 740 PROVIDES GUIDANCE ON DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE AND TRANSITION THE HOSPITAL HAD NO SIGNIFICANT UNCERTAIN TAX POSITIONS AT DECEMBER 31, 2013 TAX PERIODS FOR ALL FISCAL YEARS AFTER 2009 REMAIN OPEN TO EXAMINATION BY THE FEDERAL TAXING JURISDICTIONS TO WHICH THE HOSPITAL IS SUBJECT

SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2013

Complete if the organization answered "Yes" to Form 990, Part IV, question 20. Attach to Form 990. See separate instructions. Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

Open to Public Inspection

Name of the organization: MAGEE BENEVOLENT ASSOCIATION

Employer identification number: 64-0324402

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? 1b If "Yes," was it a written policy? 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy... 3a Did the organization use Federal Poverty Guidelines (FPG) as a factor... 3b Did the organization use FPG as a factor... 4 Did the organization's financial assistance policy... 5a Did the organization budget amounts... 5b If "Yes," did the organization's financial assistance expenses... 5c If "Yes" to line 5b... 6a Did the organization prepare a community benefit report... 6b If "Yes," did the organization make it available to the public?

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (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. Rows include Financial Assistance and Means-Tested Government Programs, and Other Benefits.

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

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	Yes	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	2		
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		
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	5,405,491
6 Enter Medicare allowable costs of care relating to payments on line 5	6	6,264,975
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-859,484
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 MEDICAL TOWERS AT TUSCAN COURT	MEDICAL OFFICE RENTAL PROPERTY	50 000 %	50 000 %	
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, primary website address, and state license number

Name, address, primary website address, and state license number	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
See Additional Data Table										

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)

MAGEE GENERAL HOSPITAL

Name of hospital facility or facility reporting group _____

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" 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 checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" 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 <u>20 12</u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		No
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>HTTP //WWW.MGHOSP.ORG/DOCS/BU_EXECUTIVE_S</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
d	<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 as of the end of the tax year)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" 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 checked="" 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 checked="" 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	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		No
8b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
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?	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>125 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	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> </u> % If "No," explain in Part VI the criteria the hospital facility used		No
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input checked="" type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	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 checked="" 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		Yes	No
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?	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 individual's eligibility under the facility's FAP		
a	<input 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 Section C)		
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 individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged		No
a	<input 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 Section C)		

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 individuals regarding the individuals' bills
 - d** Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
 - e** Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility's policy was not in writing
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
19	Yes	

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individual 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

22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Part VI

21		No
22		No

Part V Facility Information *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 4

Name and address	Type of Facility (describe)
1 HARPER CLINIC 105 EATON ST TAYLORSVILLE, MS 39168	PHYSICIAN CLINIC
2 MEDICAL PAVILION 234 MAGNOLIA DR RALEIGH, MS 39153	PHYSICIAN CLINIC
3 MGH CLINIC 360 SIMPSON HWY 149 MAGEE, MS 39111	PHYSICIAN CLINIC
4 PEDIATRIC CLINIC OF MAGEE 360 SIMPSON HWY 149 MAGEE, MS 39111	PHYSICIAN CLINIC
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
PART I, LINE 3C	IN ORDER FOR PATIENTS TO QUALIFY FOR CHARITY CARE, THEY MUST MEET THE FOLLOWING CRITERIA PATIENT HAS NO INSURANCE, PATIENT SUBMITS DOCUMENTATION SHOWING THEY EARN LESS THAN 125% OF FEDERAL POVERTY LEVEL, PATIENT MAY QUALIFY IF THEY HAVE EXHAUSTED THEIR MEDICAID DAYS
PART I, LINE 7	COST TO CHARGE RATIO WAS DERIVED FROM WORKSHEET 2

Form and Line Reference	Explanation
PART I, LINE 7G	COSTS ASSOCIATED WITH PHYSICIAN CLINICS INCLUDED IN THE SUBSIDIZED HEALTH COST ARE \$624,783
PART I, LINE 7, COLUMN (F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 2,665,360

Form and Line Reference	Explanation
PART III, LINE 4	<p>BAD DEBT EXPENSE IS REFLECTED AS THE AMOUNT OF BAD DEBT EXPENSE ON THE AUDITED INCOME STATEMENT THE FOOTNOTE IN THE FINANCIAL STATEMENTS REFLECTS- PATIENT ACCOUNTS RECEIVABLE ARE REPORTED AT NET REALIZABLE VALUE IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS HISTORICAL EXPERIENCE AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY) FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE HOSPITAL'S ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR SELF-PAY PATIENTS INCREASED FROM 59.1 PERCENT OF SELF-PAY ACCOUNTS RECEIVABLE AT DECEMBER 31, 2012, TO 61.8 PERCENT OF SELF-PAY ACCOUNTS RECEIVABLE AT DECEMBER 31, 2013 THE HOSPITAL ALSO MAINTAINS ALLOWANCES FOR DOUBTFUL ACCOUNTS FROM THIRD-PARTY GOVERNMENTAL PAYORS THE HOSPITAL'S ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR THIRD-PARTY GOVERNMENT PAYORS INCREASED FROM 3.2 PERCENT OF THIRD-PARTY GOVERNMENT ACCOUNTS RECEIVABLE AT DECEMBER 31, 2012, TO 3.5 PERCENT OF THIRD-PARTY GOVERNMENT ACCOUNTS RECEIVABLE AT DECEMBER 31, 2013 THE HOSPITAL'S ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR THIRD-PARTY COMMERCIAL PAYORS DECREASED FROM 5.6 PERCENT OF THIRD-PARTY COMMERCIAL ACCOUNTS RECEIVABLE AT DECEMBER 31, 2012, TO 2.9 PERCENT OF THIRD-PARTY COMMERCIAL ACCOUNTS RECEIVABLE AT DECEMBER 31, 2013 THE AMOUNT INCLUDED ON LINE 3 IS ZERO THE HOSPITAL ENGAGED A FIRM TO ANALYZE PATIENT ACCOUNTS RECEIVABLE TO DETERMINE WHICH ACCOUNTS QUALIFIED AS CHARITY CARE SO THAT THEY WERE PROPERLY CLASSIFIED</p>
PART III, LINE 9B	<p>MAGEE GENERAL HOSPITAL DOES NOT SEEK COLLECTIONS FROM PATIENTS WHO QUALIFY FOR CHARITY CARE</p>

Form and Line Reference	Explanation
PART VI, LINE 2	MAGEE GENERAL HOSPITAL CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT DURING 2012 THE CHNA CAN BE ACCESSED AT HTTP //WWW MGHOSP ORG/DOCS/BU_EXECUTIVE_SUMMARY PDF?SUB=STATIC
PART VI, LINE 3	PATIENTS WHO MAY QUALIFY FOR CHARITY CARE ASSISTANCE ARE INFORMED BY AN ON-SITE FINANCIAL COUNSELOR OR ANOTHER STAFF MEMBER OF THE AVAILABILITY OF THE PROGRAM

Form and Line Reference	Explanation
PART VI, LINE 4	THE COMMUNITY SERVED BY THE HOSPITAL, INCLUDING GEOGRAPHIC AND DEMOGRAPHIC AREAS, IS ADDRESSED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED DURING 2012. THE CHNA CAN BE ACCESSED AT HTTP://WWW.MGHOSP.ORG/DOCS/BU_EXECUTIVE_SUMMARY.PDF?SUB=STATIC
PART VI, LINE 5	A MAJORITY OF THE ORGANIZATION'S GOVERNING BODY AND DIRECTORS ARE CITIZENS OF SIMPSON OR SURROUNDING COUNTIES. MAGEE GENERAL HOSPITAL IS COMMITTED TO PROVIDE EXCELLENT HEALTHCARE FOR THE AREA BY ENSURING THE BEST QUALITY SERVICES AND CONTINUING TO EXPAND THE PROFESSIONAL SERVICES OF NUMEROUS GENERAL PRACTITIONERS AND SPECIALTY PHYSICIANS. MAGEE GENERAL HOSPITAL HAS RECENTLY EXPANDED TO INCLUDE AN UPDATED LAB, NEW LABOR AND DELIVERY SECTION, AND ADDITIONAL PHYSICIANS AND STAFF. THE NEW MEDICAL TOWERS OF TUSCAN COURT IS NEXT DOOR TO THE HOSPITAL AND INCLUDES MULTIPLE MEDICAL CLINICS AND PROVIDERS. NUMEROUS SERVICES HAVE BEEN ADDED TO SERVE THE COMMUNITY AND SURROUNDING AREAS.

Schedule I (Form 990)

OMB No 1545-0047

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

2013

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

Attach to Form 990

Open to Public Inspection

Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury Internal Revenue Service

Name of the organization MAGEE BENEVOLENT ASSOCIATION

Employer identification number 64-0324402

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Row 1: (1) MAGEE BENEVOLENT FOUNDATION DBA HEALTHTRUST 300 THIRD AVENUE SE MAGEE, MS 39111, EIN 27-0031018, IRC Code 501(C)(3), Amount 32,400, Purpose CHARITABLE SUPPORT - SALARY OF EXECUTIVE DIRECTOR.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 1
3 Enter total number of other organizations listed in the line 1 table 0

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

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

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	MAGEE GENERAL HOSPITAL MAKES A DONATION TO MAGEE BENEVOLENT FOUNDATION (HEALTHTRUST) IN THE AMOUNT OF THE SALARY OF THE HEALTHTRUST'S EXECUTIVE DIRECTOR

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2013

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990. ▶ See separate instructions.**

▶ **Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.**

Department of the Treasury
Internal Revenue Service

Name of the organization
MAGEE BENEVOLENT ASSOCIATION

Employer identification number

64-0324402

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- | | |
|---|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

- a** The organization?
- b** Any related organization?
- If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

- a** The organization?
- b** Any related organization?
- If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) I KAMELMAZ PHYSICIAN	(i)	230,000	0	0	4,246	36	234,282	0
	(ii)	0	0	0	0	0	0	0
(2) MARTHA SMITH NURSE PRACTITIONER	(i)	91,990	113,951	0	4,119	36	210,096	0
	(ii)	0	0	0	0	0	0	0
(3) JOHN HARPER MD PHYSICIAN	(i)	155,000	0	0	0	36	155,036	0
	(ii)	0	0	0	0	0	0	0

Schedule J (Form 990) 2013

Part III Supplemental Information

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.

Return Reference**Explanation**

Schedule J (Form 990) 2013

**Schedule K
(Form 990)**

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2013

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**
 ▶ **Attach to Form 990.** ▶ **See separate instructions.**
 ▶ **Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.**

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
MAGEE BENEVOLENT ASSOCIATION

Employer identification number
64-0324402

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF MAGEE HOSPITAL REVENUE BOND SERIES 2007A	64-6000664		05-29-2007	5,500,000	HOSPITAL CONSTRUCTION AND RENOVATION		X	X			X
B	CITY OF MAGEE HOSPITAL REVENUE BOND SERIES 2007B	64-6000664		05-29-2007	2,000,000	REFINANCING EXISTING HOSPITAL DEBT		X	X			X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	5,500,000		2,000,000					
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	169,149		61,509					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds	1,938,491		1,938,491					
10	Capital expenditures from proceeds	5,330,851							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2009		2007					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6 Total of lines 4 and 5								
7 Does the bond issue meet the private security or payment test?		X		X				
8a Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X				

Part IV Arbitrage

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

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X		X				

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2013

Open to Public Inspection

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

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

Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Department of the Treasury Internal Revenue Service

Name of the organization: MAGEE BENEVOLENT ASSOCIATION

Employer identification number: 64-0324402

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

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

Table with 4 columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958. 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization.

Part II Loans to and/or From Interested Persons.

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

Table with 10 columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 5 columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MED PROPERTIES OF MAGEE LLC	MED PROPERTIES OF MAGEE, LLC IS WHOLLY OWNED BY 3 BOARD MEMBERS	105,186	RENTAL PAYMENTS PAID BY THE ORGANIZATION TO MED PROPERTIES OF MAGEE, LLC MED PROPERTIES OF MAGEE, LLC IS WHOLLY OWNED BY 3 BOARD MEMBERS CHARLES PRUITT, PATRICK PASCO, AND R S RUNNELS		No
(2) MAGEE AFTER HOURS CLINIC	MAGEE AFTER HOURS CLINIC IS WHOLLY OWNED BY 3 BOARD MEMBERS	26,855	PAYMENTS RECEIVED MAGEE AFTER HOURS CLINIC FOR ADMINISTRATIVE ASSISTANCE PROVIDED BY THE ORGANIZATION MAGEE AFTER HOURS CLINIC IS WHOLLY OWNED BY 3 BOARD MEMBERS CHARLES PRUITT, PATRICK PASCO, AND R S RUNNELS		No
(3) MEDICAL AND SURGICAL CLINIC INC	MEDICAL SURGICAL, INC IS WHOLLY OWNED BY 3 BOARD MEMBERS	11,828	RENTAL PAYMENTS PAID BY THE ORGANIZATION TO MEDICAL SURGICAL, INC MEDICAL SURGICAL, INC IS WHOLLY OWNED BY 3 BOARD MEMBERS CHARLES PRUITT, PATRICK PASCO, AND R S RUNNELS		No
(4) MEDICAL TOWERS AT TUSCAN COURT	CHARLES PRUITT IS A 50% OWNER OF MEDICAL TOWERS AT TUSCAN COURT	607,068	RENTAL PAYMENTS PAID BY THE ORGANIZATION TO MEDICAL TOWERS AT TUSCAN COURT CHARLES PRUITT, BOARD CHAIRMAN, IS A 50% OWNER OF MEDICAL TOWERS AT TUSCAN COURT		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

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.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.

OMB No 1545-0047

2013

**Open to Public
Inspection**

Name of the organization
MAGEE BENEVOLENT ASSOCIATION

Employer identification number

64-0324402

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	
FORM 990, PART VI, SECTION A, LINE 2	DR PATRICK PASCO (BOARD MEMBER), AND DR CHARLES FRUITT (BOARD CHAIRMAN) ARE BUSINESS PARTNERS IN MEDICAL SURGICAL, PLLC
FORM 990, PART VI, SECTION A, LINE 2	DR CHARLES FRUITT (BOARD CHAIRMAN) AND LYNN LAMPHERE (BOARD MEMBER) ARE SIBLINGS
FORM 990, PART VI, SECTION B, LINE 11	THE TAX RETURN WILL BE REVIEWED BY THE ORGANIZATION'S CONTROLLER, COMPLIANCE OFFICER AND CHIEF EXECUTIVE OFFICER BEFORE FILING
FORM 990, PART VI, SECTION B, LINE 12C	PRIOR TO ANY GOVERNING BOARD ASSEMBLY DURING WHICH DECIDING VOTES WILL BE CAST REGARDING NEW FINANCIAL RELATIONSHIPS OR ARRANGEMENTS, THE CEO OF THE ORGANIZATION WILL REVIEW AND CONSIDER EACH MEMBER OF THE VOTING ASSEMBLY FOR ANY POTENTIAL CONFLICT OF INTEREST IN RELATION TO THE TRANSACTION OR ARRANGEMENT IN QUESTION THE CEO WILL ASK ANY INDIVIDUAL WHOSE RELATIONSHIP MAY PRESENT A CONFLICT OF INTEREST TO ABSTAIN FROM CASTING A VOTE
FORM 990, PART VI, SECTION B, LINE 15A	THE BOARD OF DIRECTORS OR THE COMPENSATION COMMITTEE APPROVES THE COMPENSATION OF THE ORGANIZATION'S CEO
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST DURING NORMAL BUSINESS HOURS AT THE ADMINISTRATION OFFICES OF THE ORGANIZATION
FORM 990, PART XI, LINE 2C	THE ORGANIZATION DOES HAVE AN AUDIT COMMITTEE AND THE PROCESS FOR SELECTING AND OVERSEEING THE INDEPENDENT AUDITORS HAS NOT CHANGED FROM PRIOR YEAR SERVING ON THIS COMMITTEE DURING 2013 ALTHEA CRUMPTON, CHANDA ROBERTS (CONTROLLER), AND DR CHARLES FRUITT, III, MD

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2013

Open to Public Inspection

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990. ▶ See separate instructions.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization
MAGEE BENEVOLENT ASSOCIATION

Employer identification number

64-0324402

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) MAGEE BENEVOLENT FOUNDATION DBA HEALTHTRUST 300 THIRD AVENUE SE MAGEE, MS 39111 27-0031018	SUPPORT MAGEE GENERAL HOSPITAL	MS	501(C)(3)	509(A)(2)	MAGEE BENEVOLENT ASSOCIATION DBA MAGEE GENERAL HOSPITAL	Yes	

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) THE MEDICAL TOWERS AT TUSCAN COURT LLC 300 THIRD AVENUE SE MAGEE, MS 39111 20-3352577	MEDICAL OFFICE RENTAL	MS	MAGEE BENEVOLENT ASSOCIATION DBA MAGEE GENERAL HOSPITAL	RELATED	142,311	3,391,025		No			No	50.000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

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

	Yes	No
1a		No
1b	Yes	
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m		No
1n		No
1o	Yes	
1p		No
1q	Yes	
1r		No
1s		No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) MAGEE BENEVOLENT FOUNDATION DBA HEALTHTRUST	C	28,000	CASH
(2) MAGEE BENEVOLENT FOUNDATION DBA HEALTHTRUST	Q	3,000	CASH
(3) THE MEDICAL TOWERS AT TUSCAN COURT LLC	K	607,068	CASH
(4) MAGEE BENEVOLENT FOUNDATION DBA HEALTHTRUST	B	32,400	CASH
(5) MAGEE BENEVOLENT FOUNDATION DBA HEALTHTRUST	O	6,000	CASH

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference**Explanation**

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital
and HealthTrust
Magee, Mississippi

Consolidated Financial Statements
Years Ended December 31, 2013 and 2012

NOTE This is a preliminary draft of the financial statements, related notes, and accountant's opinion. This preliminary draft is for review and discussion purposes only and is, therefore, subject to change. This draft copy should be destroyed once such review is completed.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Magee Benevolent Association
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Magee, Mississippi

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of Magee Benevolent Association (A Nonprofit Corporation), d/b/a Magee General Hospital and HealthTrust (the "Hospital"), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Ridgeland, Mississippi
_____, 2014

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MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Consolidated Balance Sheets
December 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 832,943	\$ 1,873,536
Patient accounts receivable, net of allowance for doubtful accounts of \$2,773,318 in 2013 and \$2,749,516 in 2012	3,264,924	3,964,377
Estimated third-party payor settlements	29,545	-
Inventories	323,097	393,374
Prepaid expenses	101,790	173,264
Other current assets	92,987	792,035
Total current assets	4,645,286	7,196,586
Assets limited as to use	4,668,755	4,591,824
Property and equipment, net	13,192,164	14,591,245
Other assets	2,055,224	1,973,954
Total assets	<u>\$ 24,561,429</u>	<u>\$ 28,353,609</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Lines of credit	\$ 1,714,255	\$ 1,989,255
Current maturities of long-term debt and capital lease obligations	787,310	757,926
Accounts payable	707,542	918,682
Accrued salaries and vacation	533,552	562,917
Estimated third-party payor settlements	-	146,382
Other current liabilities	264,945	750,930
Total current liabilities	4,007,604	5,126,092
Long-term debt and capital lease obligations, less current maturities	6,982,128	7,767,530
Total liabilities	<u>10,989,732</u>	<u>12,893,622</u>
Net assets		
Unrestricted net assets	13,511,478	15,389,332
Temporarily restricted net assets	60,219	70,655
Total net assets	<u>13,571,697</u>	<u>15,459,987</u>
Total liabilities and net assets	<u>\$ 24,561,429</u>	<u>\$ 28,353,609</u>

See accompanying notes

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Consolidated Statements of Operations
Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted revenues, gains and other support		
Net patient service revenues (net of contractual allowances and discounts)	\$ 23,249,779	\$ 23,375,516
Provision for bad debts	(2,665,360)	(2,335,496)
Net patient service revenue less provision for bad debts	20,584,419	21,040,020
Other revenue	1,413,655	1,781,316
Total unrestricted revenues, gains and other support	21,998,074	22,821,336
Expenses		
Salaries and wages	9,667,049	9,692,595
Employee benefits	1,808,052	1,789,090
Professional fees	4,159,502	4,371,053
Supplies and other	6,262,176	6,616,086
Depreciation and amortization	1,825,589	1,719,219
Interest	451,289	414,726
Total expenses	24,170,657	24,602,769
Loss from operations	(2,172,583)	(1,781,433)
Other income		
Grant income	21,167	82,752
Investment income (loss)	29,913	(36,394)
Income from equity method investments	108,217	57,796
Deficiency of revenues, gains and other support over expenses	(2,013,286)	(1,677,279)
Change in net unrealized gains on other than trading securities	37,332	130,941
Donated property	85,000	-
Net assets released from restriction	13,100	100,432
Decrease in unrestricted net assets	\$ (1,877,854)	\$ (1,445,906)

See accompanying notes

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2013 and 2012

	2013	2012
Decrease in unrestricted net assets	\$ (1,877,854)	\$ (1,445,906)
Temporarily restricted net assets		
Contributions	500	-
Change in pledge discount	2,164	5,026
Net assets released from restriction	(13,100)	(100,432)
Decrease in temporarily restricted net assets	(10,436)	(95,406)
Decrease in net assets	(1,888,290)	(1,541,312)
Net assets at beginning of year	15,459,987	17,001,299
Net assets at end of year	\$ 13,571,697	\$ 15,459,987

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See accompanying notes

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Consolidated Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Decrease in net assets	\$ (1,888,290)	\$ (1,541,312)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Depreciation and amortization	1,825,589	1,719,219
Amortization of deferred financing costs	14,745	15,745
Net unrealized gain on other than trading securities	(37,332)	(130,941)
Income from equity method investment	(108,217)	(57,796)
Provision for bad debts	2,665,360	2,335,496
Donated property	(85,000)	-
Change in assets and liabilities		
Patient accounts receivable, net	(1,965,907)	(1,907,165)
Other current assets	699,048	(209,549)
Inventories	70,277	(34,251)
Prepaid expenses	71,474	(987)
Other assets	12,202	462,089
Accounts payable	(211,140)	59,765
Accrued salaries and vacation	(29,365)	26,023
Estimated third-party pay or settlements	(175,927)	191,494
Other current liabilities	(485,985)	125,697
Net cash provided by operating activities	<u>371,532</u>	<u>1,053,527</u>
Cash flows from investing activities		
Purchase of assets limited as to use	(39,599)	(112,683)
Purchase of interest in joint venture	-	(500,000)
Capital expenditures	(341,508)	(1,324,845)
Net cash used in investing activities	<u>(381,107)</u>	<u>(1,937,528)</u>
Cash flows from financing activities		
Principal payments on long-term debt and capital lease obligations	(756,018)	(567,206)
Proceeds from long-term debt borrowings	-	864,900
Borrowings (payments) on lines of credit, net	(275,000)	587,474
Net cash provided by (used in) financing activities	<u>(1,031,018)</u>	<u>885,168</u>
Net increase (decrease) in cash and cash equivalents	(1,040,593)	1,167
Cash and cash equivalents, beginning of year	<u>1,873,536</u>	<u>1,872,369</u>
Cash and cash equivalents, end of year	<u>\$ 832,943</u>	<u>\$ 1,873,536</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	<u>\$ 419,039</u>	<u>\$ 387,175</u>
Supplemental disclosures of noncash investing and financing activities		
Acquisition of interest in joint venture through issuance of note payable	<u>\$ -</u>	<u>\$ 750,000</u>

See accompanying notes

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Years Ended December 31, 2013 and 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Magee Benevolent Association (A Nonprofit Corporation), d/b/a Magee General Hospital (the "Hospital"), located in Magee, Mississippi, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient, skilled nursing and emergency care services primarily for local residents and residents of the surrounding areas. The Hospital is incorporated under the laws of the State of Mississippi and is currently licensed to provide 64 inpatient beds.

A summary of the Hospital's significant accounting policies follows.

Principles of Consolidation

The consolidated financial statements include the accounts of the Hospital and Magee Benevolent Foundation, d/b/a HealthTrust (the "Foundation"), a not-for-profit organization created and operated exclusively for the purpose of managing contributions for the Hospital.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

The accounting estimates used in the preparation of the financial statements will change as new events occur, as more experience is acquired and as additional information is obtained. Future events and their effects cannot be predicted with certainty, accordingly, our accounting estimates require the exercise of judgment.

Significant estimates and assumptions are used for, but not limited to contractual discounts under third-party payor arrangements and the allowance for doubtful accounts. In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near term.

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Years Ended December 31, 2013 and 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less which are not limited as to use by the Board of Directors or third parties

Patient Accounts Receivable

Patient accounts receivable are reported at net realizable value. In evaluating the collectability of accounts receivable, the Hospital analyzes its historical experience and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's allowance for doubtful accounts for self-pay patients increased from 59.1 percent of self-pay accounts receivable at December 31, 2012, to 61.8 percent of self-pay accounts receivable at December 31, 2013.

The Hospital also maintains allowances for doubtful accounts from third-party governmental payors. The Hospital's allowance for doubtful accounts for third-party government payors increased from 3.2 percent of third-party government accounts receivable at December 31, 2012, to 3.5 percent of third-party government accounts receivable at December 31, 2013. The Hospital's allowance for doubtful accounts for third-party commercial payors decreased from 5.6 percent of third-party commercial accounts receivable at December 31, 2012, to 2.9 percent of third-party commercial accounts receivable at December 31, 2013.

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Years Ended December 31, 2013 and 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost (first-in first-out method) or replacement market

Prepaid Expenses

Prepaid expenses are amortized over the estimated period of future benefit, generally on a straight-line basis

Investments

Investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss, including realized gains and losses, interest and dividends, is included in the excess of revenues, gains and other support over expenses unless the income or loss is restricted by donor or law

Unrealized gains and losses on investments are excluded from the excess of revenues, gains and other support over expenses unless the change in market value is other than temporary or investments are trading securities. Management has determined that all investments are other than trading securities

Assets Limited As to Use

Assets limited as to use include assets held by trustees under indenture agreements and designated assets set aside by the Board of Directors for future capital replacement and expansion, over which the Board retains control and may at its discretion use for other purposes and assets designated for the Hospital's self-insured health insurance program

Property and Equipment

Property and equipment acquisitions are recorded at cost if purchased or at fair value at the date of the gift, if donated. Depreciation is provided over the estimated useful life ranging from three to twenty years of each class of depreciable asset and is computed using the straight-line method

Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation on the consolidated financial statements

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Years Ended December 31, 2013 and 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

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

Impairment of Long-Lived Assets

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

Cost of Borrowing

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Costs incurred in connection with the obtaining of financing are deferred and are amortized over the period the obligation is outstanding, using the interest method. Bond issuance cost, net of accumulated amortization of \$115,448 and \$100,702, was \$115,210 and \$129,956 at December 31, 2013 and 2012, respectively, and are included in other assets.

Estimated Malpractice Costs

The Hospital considers the need for recording a liability for malpractice claims. When determined to be necessary, the provision for estimated malpractice claims and the costs associated with litigation and settlement includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Compensated Absences

The Hospital's policy is to compensate employees for absences due to earned vacation and sick leave. Accumulated vacation pay is accrued at the balance sheet date because it accumulates and

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Years Ended December 31, 2013 and 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

is payable upon termination of employment. Sick pay accrues but is not reflected as a liability because it is not payable upon termination of employment.

Net Assets

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

At December 31, 2013, temporarily restricted net assets consist of pledges expected to be received over the next 5 years, discounted at a rate of 4 percent, as well as grant amounts restricted for the purchase of equipment, as follows:

2014		\$ 19,333
2015		14,533
2016		12,933
2017		12,933
2018		6,735
		66,467
Less Discount		(6,248)
		\$ 60,219

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

Net Patient Service Revenue

Patient service revenue is reported at estimated net realizable amounts from patients, third-party payors and others, for services rendered and includes estimated retroactive adjustments under reimbursement agreements with third-party payors due to audits, reviews and investigations. Retroactive adjustments are considered in the recognition and accrual of revenue on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The primary third-party programs include Medicare and Medicaid, which account for a significant amount of the Hospital's revenue. The laws and regulations under which Medicare and Medicaid programs operate are complex, and subject to interpretation and frequent changes. As part of

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Years Ended December 31, 2013 and 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Continued

operating under these programs, there is a possibility that government authorities may review the Hospital's compliance with these laws and regulations. Such review may result in adjustments to program reimbursement previously received and subject the Hospital to fines and penalties. Management monitors its compliance with the requirements of these programs.

Charity Care

The Hospital provides medical care without charge or at a reduced charge, to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these charges are not reported as revenue.

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in 2011 for eligible hospitals and professionals that adopt and meaningfully use certified electronic health record ("EHR") technology. The Hospital must attest to certain criteria in order to qualify to receive the incentive payments. The amount of the incentive payments are calculated using predetermined formulas based on available information, primarily related to discharges and patient care. The Hospital recognizes revenues related to Medicare incentive payments ratably over each EHR reporting period (October 1 to September 30) when it has met meaningful use requirements for certified EHR technology for the EHR reporting period. The Hospital recognizes Medicaid incentive payments in the period that it qualifies for the funds based on the provisions of the State of Mississippi Division of Medicaid.

The Hospital recognized \$541,615 and \$717,099 of revenues related to the Medicare incentive program for the years ended December 31, 2013 and 2012, respectively. The Hospital recognized \$100,117 and \$400,469 of revenues related to the Medicaid incentive program for the years ended December 31, 2013 and 2012, respectively. These revenues are reflected in other operating revenues on the accompanying consolidated statements of operations. The Hospital recorded \$71,734 and \$103,987 of receivables related to the Medicare and Medicaid incentive programs for the years ended December 31, 2013 and 2012, respectively. These receivables are reflected in estimated third-party payor settlements on the accompanying consolidated balance sheets. Future incentive payments could vary due to certain factors such as availability of federal funding for both Medicare and Medicaid incentive payments and the Hospital's ability to implement and demonstrate meaningful use of certified EHR technology. The Hospital has and will continue to incur both capital costs and operating expenses in order to implement its certified EHR technology and meet meaningful use requirements in the future. These expenses are ongoing and are projected to continue over all stages of implementation of meaningful use. The timing of recognizing the expenses may not correlate with the receipt of the incentive payments and the recognition of

MAGEE BENEVOLENT ASSOCIATION
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Note 1. Continued

revenues. There can be no assurance that the Hospital will demonstrate meaningful use of certified EHR technology in the future, and the failure to do so could have a material, adverse effect on the results of operations.

As a part of operating this program, there is a possibility that government authorities may make adjustments to amounts previously recorded by the Hospital. The Hospital's attestation of demonstrating meaningful use is also subject to review by the appropriate government authorities. The amount of revenue recognized is based on management's best estimate, which is subject to change. Such changes will be reflected in the period in which the changes occur.

Contributions

Gifts of cash and other assets are presented as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Advertising

Advertising and program costs are charged to expense as incurred. Advertising expense for the years ended December 31, 2013 and 2012 was \$36,271 and \$64,980, respectively.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

FASB ASC Topic 740 ("ASC 740") clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for tax positions taken or expected to be taken on a tax return including the entity's status as a pass-through entity. Additionally, ASC 740 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Hospital had no significant uncertain tax positions at December 31, 2013. Tax periods for all fiscal years after 2009 remain open to examination by the federal taxing jurisdictions to which the Hospital is subject.

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Note 2. Fair Value Measurements

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

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

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

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

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

The following table represents the Hospital's fair value hierarchy for its financial assets, and changes therein, measured at fair value on a recurring basis as of and for the years ended December 31, 2013 and 2012:

Fair Value Measurements at December 31, 2013

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total at December 31, 2013
Assets limited as to use	\$ -	\$ 1,295,731	\$ -	\$ 1,295,731

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Note 2. Continued

Fair Value Measurements at December 31, 2012

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total at December 31, 2012
Assets limited as to use	\$ -	\$ 1,237,610	\$ -	\$ 1,237,610

The Hospital also holds investments in the Mississippi Hospital Investment Pool. The fair value of the Hospital's investment is based on the Hospital's pro rata share of every security that is purchased for the Pool and therefore is considered a Level 2 item.

Note 3. Investments and Assets Limited as to Use

The composition of assets limited as to use at December 31, 2013 and 2012, is set forth in the following table:

Assets limited as to use	2013	2012
Assets designated internally for capital expenditures		
Cash and cash equivalents	\$ 2,010,602	\$ 1,976,293
Certificates of deposit	1,357,221	1,350,634
Mississippi Hospital Association – Pool B	1,295,731	1,237,610
	<u>4,663,554</u>	<u>4,564,537</u>
Assets designated for the self-insurance fund	600	7,600
Assets designated for the medically underserved	5,201	27,287
Total assets limited as to use	<u>4,669,355</u>	<u>4,599,424</u>
Less assets limited as to use required for current liabilities	<u>600</u>	<u>7,600</u>
Total noncurrent assets limited as to use	<u>\$ 4,668,755</u>	<u>\$ 4,591,824</u>

Assets held by trustee and assets internally designated are assets limited as to use held as cash and cash equivalents.

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Note 3. Continued

The composition of net investment income, including investment income on temporarily restricted net assets, follows

	2013	2012
Interest and dividend income	\$ 30,729	\$ 46,593
Realized loss	(816)	(82,987)
Investment income (loss)	\$ 29,913	\$ (36,394)

Information pertaining to investments with gross unrealized losses at December 31, 2013 and 2012 aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows

Description of Securities	2013			
	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
MHA – Pool B	\$ -	\$ -	\$ 120,612	\$ 1,295,731
	\$ -	\$ -	\$ 120,612	\$ 1,295,731
Description of Securities	2012			
	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
MHA – Pool B	\$ -	\$ -	\$ 16,073	\$ 1,237,610
	\$ -	\$ -	\$ 16,073	\$ 1,237,610

Management evaluates securities for other-than-temporary impairment on a periodic basis, more frequently when economic or market conditions warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer and (3) the intent and ability of the Hospital to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

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Note 3. Continued

At December 31, 2013, the gross unrealized losses are primarily the result of changes in market condition considered to be temporary in nature. As the Hospital has the ability to hold the securities for the foreseeable future, no declines are deemed to be other-than-temporary.

Note 4. Property and Equipment

A summary of property and equipment at December 31, 2013 and 2012 follows:

	2013	2012
Land and improvements	3,551,635	\$ 3,551,635
Buildings	9,201,092	8,504,240
Fixed equipment	4,245,557	4,185,357
Major movable equipment	12,762,143	12,443,580
Assets under capital leases	742,042	851,392
	30,502,469	29,536,204
Less accumulated depreciation and amortization	17,470,473	15,644,884
	13,031,996	13,891,320
Donated property	85,000	-
Construction in progress	75,168	699,925
Property and equipment, net	<u>\$ 13,192,164</u>	<u>\$ 14,591,245</u>

Depreciation and amortization expense for the years ended December 31, 2013 and 2012 totaled \$1,825,589 and \$1,719,219, respectively. The cost of assets under capital lease obligations included in equipment totaled \$742,042 and \$851,392 at December 31, 2013 and 2012, respectively. Accumulated amortization for equipment under capital lease obligations totaled \$359,236 and \$336,409 at December 31, 2013 and 2012, respectively.

Construction in progress is principally comprised of expenditures related to the expansion and renovation of Hospital facilities. These projects are scheduled for completion in fiscal year 2014. The primary sources of financing for completion of the projects are expected to be comprised of cash flows from operations and a line of credit with a commercial bank.

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Note 5. Long-Term Debt and Credit Facility

A summary of long-term debt, including capital lease obligations at December 31, 2013 and 2012 follows

	2013	2012
Bond payable with the City of Magee, Mississippi Hospital Revenue Bond, Series 2008A, including interest at an effective rate of 4.51 percent through 2032, collateralized by Hospital revenues	4,746,905	\$ 4,909,062
Bond payable with the City of Magee, Mississippi Hospital Revenue Bond, Series 2008B, including interest at an effective rate of 4.51 percent through 2019, collateralized by Hospital revenues	1,140,467	1,325,453
Note payable for Harper Clinic, due in monthly payments of \$5,261 which includes interest at an effective rate of 5.75 percent, maturing in June 2016, collateralized by property	146,813	199,789
Note payable to Trustmark National Bank, collateralized by property, payable in 60 monthly payments of \$1,852 including interest at an effective rate of 4.00 percent, maturing in June 2016	80,342	100,000
Note payable to Trustmark National Bank, collateralized by property of The Medical Tower at Tuscan Court, LLC, payable in 59 monthly installments of \$5,321 including an effective interest rate of 5.00 percent with an estimated final payment of \$286,784 in July 2017	443,583	483,885
Note payable to The Bulger Family Trust, with a variable interest rate equal to the long-term Applicable Federal Rate compounded quarterly, which was set on January 1, 2013 at 2.29 percent collateralized by property of Medical Tower at Tuscan Court, LLC, payable in 40 quarterly payments of \$18,750 plus interest with a final payment in January 2022	675,000	750,000

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Note 5. Continued

	2013	2012
Note payable to Trustmark National Bank, collateralized by equipment, payable in 48 monthly payments of \$14,889 including an effective interest rate of 3.65 percent with a final payment in May 2016	\$ 412,577	\$ 572,162
Capital lease for equipment, due in monthly payments of \$515 which includes interest at an effective rate of 10 percent, maturing in 2014, collateralized by equipment	4,561	8,951
Capital lease for equipment, at an effective rate of 4.5 percent, matured in February 2013, collateralized by equipment	-	451
Capital lease for equipment, due in monthly payments of \$5,142 which includes interest at an effective rate of 2.85 percent, maturing in February 2016, collateralized by equipment	119,190	175,703
	7,769,438	8,525,456
Less current portion	787,310	757,926
Total	\$ 6,982,128	\$ 7,767,530

Scheduled principal repayments on long-term debt and payments on capital lease obligations are as follows:

Year Ending December 31,	Long-Term Debt	Capital Lease Obligations	Total
2014	\$ 724,227	\$ 66,697	\$ 790,924
2015	752,047	61,704	813,751
2016	645,693	455	646,148
2017	818,282	-	818,282
2018	510,242	-	510,242
Thereafter	4,195,196	-	4,195,196
Total long-term debt	\$ 7,645,687	128,856	7,774,543
Less amount representing interest under capital lease obligations		(5,105)	(5,105)
		\$ 123,751	\$ 7,769,438

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Note 5. Continued

The Hospital maintains a \$1,500,000 line of credit agreement (collateralized by investment securities) with a commercial bank that expires in June 2014. Interest is charged on respective outstanding amounts based on a variable rate of Prime plus .5 percent (3.75 percent at December 31, 2013), with a minimum rate of 3.75 percent. Outstanding borrowings under this Line of Credit were \$1,126,781 and \$1,401,781 at December 31, 2013 and 2012, respectively.

The Hospital maintains a \$750,000 line of credit agreement (collateralized by a certificate of deposit) with a commercial bank that expires in June 2014. Interest is charged on respective outstanding amounts at an interest rate of 2.75 percent at December 31, 2013. Outstanding amounts on the line of credit as of December 31, 2013 and 2012 totaled \$587,474.

NEED UPDATE ON EXTENDED LINE OF CREDIT TERMS

In connection with the aforementioned Hospital revenue bonds, the Hospital has agreed to certain financial covenants including total net assets, day's cash on hand and a ratio of funded debt to EBITDA. At December 31, 2013, the Hospital was not in compliance with the covenant associated with the funded debt to EBITDA ratio.

OPEN FOR RESOLUTION OF COMPLIANCE MATTERS

DRAFT

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Note 6. Pension Plan

The Hospital has established a 403(b) tax-deferred retirement plan for the benefit of all full-time employees. Participants may make salary reduction contributions subject to certain limitations and the Hospital will match 50 percent of each such contribution up to 2 percent of the participant's compensation and a graded vesting schedule. Plan benefits vest beginning at 20 percent for 2 years of service and increasing 20 percent per annum for each of the next 4 years. The Hospital's matching contributions for the years ended December 31, 2013 and 2012 were \$120,533 and \$108,687, respectively.

Note 7. Net Patient Service Revenue

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

Medicare

Substantially all inpatient acute care and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic and other factors.

The Hospital is reimbursed for most reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's cost reports have been settled for all years through December 31, 2010 with the exception of the 2008 cost report, which was settled, but has been reopened and is still in progress.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are generally paid based upon prospective reimbursement methodologies established by the State of Mississippi. The Hospital is reimbursed at a tentative prospective rate which is adjusted annually for prescribed market basket increases. Beginning September 1, 2012, the Medicaid program changed to an APC system for outpatient payments and beginning October 1, 2012, an APR-DRG system for inpatient payments.

The Hospital participates in the Medicaid Disproportionate Share ("DSH") program and the Medicaid Upper Payment Limit ("UPL") program. The Hospital received \$1,276,058 and \$358,694

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Note 7. Continued

in enhanced reimbursement through the DSH program for the years ended December 31, 2013 and 2012, respectively. The Hospital received \$1,293,705 and \$605,150 of UPL funds for 2013 and 2012, respectively. UPL amounts are shown as a reduction of contractual adjustments with related assessments of \$862,574 and \$733,784 for 2013 and 2012, respectively, recorded in operating expenses.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. For the years ended December 31, 2013 and 2012, net patient service revenue increased approximately \$3,900 and \$-0-, respectively, due to adjustments in excess of amounts previously estimated.

Other

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

A summary of gross and net patient service revenue for the years ended December 31, 2013 and 2012 is as follows:

	2013	2012
Gross patient service revenue	\$ 51,802,582	\$ 56,320,544
Less provisions for contractual adjustments under third-party reimbursement programs and other deductions from revenue	28,552,803	32,945,028
Net patient service revenue	<u>\$ 23,249,779</u>	<u>\$ 23,375,516</u>

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, the Hospital recognizes revenue on the basis of discounted rates as provided by its policy. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

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Note 7. Continued

	December 31, 2013			Total All Payors
	Third-Party Government Payors	Third-Party Commercial Payors	Self-Pay	
Patient service revenue (net of contractual allowances and discounts)	\$ 8,924,548	\$ 12,285,322	\$ 2,039,909	\$ 23,249,779
	December 31, 2012			
	Third-Party Government Payors	Third-Party Commercial Payors	Self-Pay	Total All Payors
Patient service revenue (net of contractual allowances and discounts)	\$ 10,411,240	\$ 11,631,405	\$ 1,332,871	\$ 23,375,516

Note 8. Service to the Community

The Hospital is an active, caring member of the community it serves. The Board of Directors has established a policy under which the Hospital provides care to the needy members of its community. Following that policy, the Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. The direct and indirect costs associated with these services cannot be identified to specific charity care patients. Therefore, management estimated the costs of these services by calculating the cost to gross charge ratio and multiplying by the charges associated with services provided to patients meeting the Hospital's charity care guidelines. Charges forgone, based on the cost to charge ratio, were approximately \$684,000 and \$975,000 in 2013 and 2012, respectively.

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Note 9. Functional Expenses

The Hospital provides general healthcare services to residents within its geographic location. Expenses related to providing these services are accumulated by function as follows at December 31, 2013 and 2012:

	2013	2012
Healthcare services	\$ 4,545,366	\$ 14,802,474
General and administrative office	7,348,413	7,666,350
Depreciation and interest	2,276,878	2,133,945
Total	\$ 24,170,657	\$ 24,602,769

Note 10. Concentrations of Credit Risk

Bank Accounts

The Hospital generally maintains cash and cash equivalents on deposit at banks in excess of federally insured amounts. Such amounts totaled approximately \$2,172,300 as of December 31, 2013. The Hospital has not experienced any losses in such accounts.

Accounts Receivable

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The percentage mix of net receivables from patients and third-party payors at December 31, 2013 and 2012, was as follows:

	2013	2012
Medicare	18%	23%
Medicaid	5	8
Blue Cross	12	11
Commercial	13	13
Private pay	52	45
Total	100%	100%

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Note 11. Insurance Programs

Risk Management

The Hospital is exposed to various risks of loss from torts, theft of, damage to and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The Hospital also carries insurance for medical malpractice claims and judgments, as discussed below.

Medical Malpractice Insurance

The Hospital purchases professional and general liability insurance to cover medical malpractice claims. At year-end, the Hospital has not accrued any material losses for malpractice claims or expenses. Nevertheless, the future assertion of claims for occurrences prior to year end is possible and may occur, although not anticipated. In any event, management believes that any such claims would be substantially covered under its insurance program.

Employee Health Insurance

During 2012, the Hospital terminated its self-funded plan and purchased commercial insurance to cover its employees. Previously, a liability for claims reported and not paid and an estimated liability for claims incurred but not reported or paid was included in accrued expenses and operating expenses in the consolidated financial statements. Commercial insurance was purchased for claims in excess of coverage provided by the Hospital to limit the Hospital's liability for losses under its self-insurance program. Accordingly, no liability is recorded at December 31, 2013 and 2012.

Worker's Compensation Coverage

The Hospital is insured for the risk of loss related to workers' compensation for injuries to its employees. Premiums are based upon payroll and adjusted by an experience modification factor. The Hospital is audited for workers' compensation assessments based upon the calendar year. No additional assessments were made for the calendar years ended December 31, 2013 and 2012.

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Note 12. Commitments and Contingencies

The Hospital leases various equipment and facilities under operating leases expiring at various dates through 2020. Total rental expense in 2013 and 2012 for all operating leases was \$797,495 and \$912,994, respectively.

The following is a schedule by year of future minimum lease payments under non-cancelable operating leases as of December 31, 2013 that have initial or remaining terms in excess of one year:

Year Ending December 31,	Amount
2014	\$ 513,222
2015	492,279
2016	492,279
2017	492,279
2018	492,279
Thereafter	<u>779,442</u>
Total	<u>\$ 3,261,780</u>

Note 13. Related Party Transactions

The Hospital has advanced funds to Medical Towers at Tuscan Court, LLC, an affiliate with certain Board members in common with the Hospital. The funds advanced to Medical Towers at Tuscan Court, LLC relate to the construction of a medical office building that is located within close proximity to the Hospital. For each of the years ended December 31, 2013 and 2012, the receivable totaled approximately \$525,000, respectively, and is included in other assets on the consolidated balance sheets.

In connection with this receivable, a promissory note was signed between the Hospital and a Board member on behalf of the Medical Towers at Tuscan Court, LLC. The terms of the promissory note include an interest rate of 5.25 percent and monthly installments of \$6,000 for a period of sixty months beginning July 1, 2011, with a final payment of all principal and accrued but unpaid interest being due on June 30, 2015. The obligation is secured by the Board Member's 50 percent membership interest in Medical Towers at Tuscan Court, LLC.

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Note 13. Continued

The Hospital is a related party with the following entities due to Hospital Board members with ownership in these entities

- Medical and Surgical Clinic, PLLC
- Medical and Surgical Clinic, Inc
- Medproperties of Magee, LLC
- Magee After Hours Clinic, PLLC
- Medical Towers at Tuscan Court

Significant transactions between the Hospital and related parties for 2013 and 2012 are as follows

	2013	2012
Management fees (A)	OPEN \$	56,299
Rental expense (B)	OPEN \$	738,452

(A) The Hospital provides management services to Medical and Surgical Clinic, PLLC and Magee After Hours Clinic, PLLC

(B) The Hospital pays rental expense to Medical and Surgical Clinic, Inc, Medproperties of Magee, LLC, and Medical Towers at Tuscan Court

(C)

NEED RELATED PARTY AMOUNTS FOR MGT FEES AND RENT EXPENSE

Note 14. Equity Method Investments

On July 2, 2012, the Hospital purchased a 50 percent ownership interest in The Medical Towers at Tuscan Court, LLC ("MOB") which provides rental space for physicians and administrative services. The Hospital's investment in the MOB is reflected in other assets on the accompanying consolidated balance sheets. The purchase price amounted to \$1,250,000.

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Note 14. Continued

The following is summarized financial information of the MOB as of and for the years ended December 31, 2013 and 2012

	2013 (unaudited)	2012 (unaudited)
Cash	\$ 11,202	\$ 672,498
Property and equipment, net	6,127,494	6,361,586
Land	100,000	100,000
Intangible, net	156,953	192,313
Total assets	<u>\$ 7,005,649</u>	<u>\$ 7,326,397</u>
Current liabilities	\$ 69,050	\$ 62,140
Long-term liabilities	5,683,727	6,227,821
Membership equity	1,252,872	1,036,436
Total liabilities and membership equity	<u>\$ 7,005,649</u>	<u>\$ 7,326,397</u>
Total revenue	\$ 1,003,974	\$ 525,270
Operating expenses	(787,538)	(409,678)
Net income	<u>\$ 216,436</u>	<u>\$ 115,592</u>

Note 15. Risks and Uncertainties

Current Economic Conditions

The current economic environment continues to present hospitals with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair values of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing. The accompanying financial statements have been prepared using values and information currently available to the Hospital.

Current economic conditions have made it difficult for certain of the Hospital's patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Hospital's future operating results. Further, the effect of economic conditions on the state could have an adverse effect on cash flows related to the Medicaid program.

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Note 15. Continued

Patient Protection and Affordable Care Reconciliation Act

On March 23, 2010, the most sweeping healthcare legislation since the advent of Medicare was signed into law. The law promises to expand insurance coverage to an additional 32 million Americans, reduce the growth of Medicare expenditures, dramatically reform insurance markets and continue the trend toward value-based payment. The Reconciliation Act adds some new provisions that were not included originally. Several legal challenges have been made against the legislation since it was enacted, and uncertainty exists as to the ultimate impact of the legislation on the healthcare delivery system. On June 28, 2012, The United States Supreme Court upheld the constitutionality of components of the Affordable Care Act, allowing the historic overhaul of the healthcare system to continue. Potential impacts of healthcare reform include uncertainty and volatility in Medicare and Medicaid reimbursement, fundamental changes in payment systems, increased regulation and significant required investments in healthcare information technology.

CMS Recovery Audit Contractor Program

The Centers for Medicare and Medicaid Services ("CMS") have implemented a Recovery Audit Contractors ("RAC") program. The purpose of the program is to reduce improper Medicare payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits and they are being compensated on a contingency basis based on the amount of overpayments that are recovered. While management believes that all Medicare billings are proper and adequate support is maintained, certain aspects of Medicare billing, coding and support are subject to interpretation and may be viewed differently by the RAC auditors. At December 31, 2013 and 2012, the Hospital recorded a reserve in estimated third-party payor settlements in the accompanying consolidated balance sheet. The reserve is based on the expected percentage success rate and the total dollar of potential claims that are under audit.

Litigation and Other

In the normal course of business, the Hospital is, from time to time, subject to allegations that may or do result in litigation. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near-term.

MAGEE BENEVOLENT ASSOCIATION
(A Nonprofit Corporation)
D/B/A Magee General Hospital and HealthTrust
Years Ended December 31, 2013 and 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Subsequent Events

In preparing these consolidated financial statements, the Hospital has evaluated events and transactions for potential recognition or disclosure through, _____, 2014, the date the consolidated financial statements were available to be issued

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