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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

▶ 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

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10-01-2013 , 2013, and ending 09-30-2014

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

C Name of organization
Athens Regional Medical Center Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1199 PRINCE AVENUE
Suite

City or town, state or province, country, and ZIP or foreign postal code
ATHENS, GA 30606

D Employer identification number
58-2179986

E Telephone number
(706)475-7000

G Gross receipts $ 361,685,221

F Name and address of principal officer
CHARLES PECK PRESIDENT CEO
1199 PRINCE AVENUE
ATHENS,GA 30606

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW ATHENSHEALTH ORG

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

L Year of formation 1987

M State of legal domicile NC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVISION OF HEALTHCARE SERVICES

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**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	3,454
6	Total number of volunteers (estimate if necessary)	**6**	562
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	365,888,896	347,150,612
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	233,338	300,169
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	10,769,365	14,234,440
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	376,891,599	361,685,221
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
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)	177,943,607	178,134,703
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	206,869,373	201,423,737
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	384,812,980	379,558,440
19	Revenue less expenses Subtract line 18 from line 12	-7,921,381	-17,873,219

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	383,381,285	341,641,539
21	Total liabilities (Part X, line 26)	273,779,951	249,913,424
22	Net assets or fund balances Subtract line 21 from line 20	109,601,334	91,728,115

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

****** | 2015-08-13
Signature of officer | Date

WENDY COOK SR VP & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ALLISON H FRANKLIN				P00448640

Firm's name ▶ KPMG LLP | Firm's EIN ▶

Firm's address ▶ 300 North Greene Street Suite 400
Greensboro, NC 27401

Phone no (706) 475-3563

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 . . . . . ☑

1 Briefly describe the organization's mission

THE MISSION OF ATHENS REGIONAL HEALTH SYSTEM IS TO IMPROVE THE LIVES AND HEALTH OF THOSE WE TOUCH

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 $ 47,285,896 including grants of $ 0) (Revenue $ 94,712,172)

INPATIENT ROUTINE SERVICES ATHENS REGIONAL MEDICAL CENTER INPATIENT ROUTINE SERVICE LINE PROVIDES ACUTE CARE BEDS FOR NORTHEAST GEORGIA DURING THE 2014 FISCAL YEAR WE HAD 18,512 ADMISSIONS AND 87,040 PATIENT DAYS

4b (Code) (Expenses $ 32,137,274 including grants of $ 0) (Revenue $ 152,342,789)

OPERATING ROOM DURING THE 2014 FISCAL YEAR, THE OPERATING ROOM AT ATHENS REGIONAL MEDICAL CENTER PERFORMED MORE THAN 10,460 SCHEDULED AND EMERGENCY SURGERIES

4c (Code) (Expenses $ 16,905,054 including grants of $ 0) (Revenue $ 111,603,286)

LABORATORY LABORATORY AND REGIONAL LAB OUTREACH SERVICES AT ATHENS REGIONAL MEDICAL CENTER PERFORMED 1,340,052 BILLABLE TESTS DURING THE 2014 FISCAL YEAR THE SERVICE LINE CONSISTS OF CHEMISTRY, MICROBIOLOGY, BLOOD BANK AND PHLEBOTOMY

(Code) (Expenses $ 147,255,075 including grants of $ 0) (Revenue $ 0)

OTHER HEALTH CARE SERVICES

4d Other program services (Describe in Schedule O)

(Expenses $ 147,255,075 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ 243,583,299

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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	137		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,454		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response 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	**1a**	11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

Section B. Policies (*This Section B requests information about policies not required by the Internal Revenue Code.*)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ 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

▶ WENDY COOK 1199 PRINCE AVENUE
ATHENS, GA 30606 (706) 475-3463

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) Robert E Hoyt PHD Chair	6 0 9 0	X								
(2) Thomas Kias MD Trustee	3 0 6 0	X								
(3) W C Bolton Trustee	3 0 9 0	X								
(4) Charles A Peck TRUSTEE	3 0 52 0	X								
(5) Phillip L Williams PhD Trustee	3 0 0 0	X								
(6) Allen R Green Trustee	3 0 6 0	X								
(7) Henry L Dewitt MD Trustee	3 0 0 0	X								
(8) Margaret Wagner Dahl Chair	3 0 3 0	X								
(9) Gene J Mays Sr Trustee	3 0 3 0	X								
(10) Tracey Worthington Stice Trustee	3 0 3 0	X								
(11) Samuel K Thomason DMD Trustee	3 0 0 0	X								
(12) WENDY COOK SECRETARY	3 0 52 0			X				0	453,499	18,154
(13) JAMES G THAW OFFICER	3 0 52 0			X				0	964,571	11,591
(14) James Moore MD VP & CMO	40 0 0 0			X				487,601		11,038
(15) Norman Burkett JR VP, Prof Svcs	40 0 0 0				X			261,709		12,934
(16) Darrel Lawson Exc Dir, Revenue Cycle	40 0 0 0				X			194,182		7,800
(17) Don Tyson Dir, Pharmacy	40 0 0 0				X			172,245		11,135

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Carol J Hood Admin Dir, CLINICAL SVCS	40 0 0 0				X			163,898		6,681
(19) Carl Trinrud Dir, Human Resources	40 0 0 0				X			158,016		10,169
(20) Jeff Mosely Dir Engineering	40 0 0 0				X			169,514		7,847
(21) Paul Collar Dir, Managed Care	40 0 0 0					X		220,180		12,492
(22) Timothy Carpenter Dir, Technology infrastructure	40 0 0 0					X		151,727		11,904
(23) Blake Cannon Medical Physicist	40 0 0 0					X		186,149		5,907
(24) James Evans Pharmacist	40 0 0 0					X		163,580		2,620
(25) Diane Todd Dir Risk Mgmt & Compliance Of	40 0 0 0					X		170,236		8,295
(26) G GRANT TRIBBLE SR VP OF SYSTEMS OPERATIONS	0 0 0 0						X	0	502,675	
(27) Carrie Capps Sr VP & CNO	40 0 0 0						X	296,827		4,377
(28) Jeneva Hakman VP	40 0 0 0						X	223,499		2,720

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	3,019,363	1,920,745	145,664

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 104

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
NAVIGANT CONSULTING, 4511 PAYSHERE CIRCLE CHICAGO IL 60674	MGMT CONSULTING	5,168,942
MEDICAL CENTER ANESTHESIOLOGY, PO BOX 7337 ATHENS GA 30604	ANESTHESIOLOGY	2,398,776
REGIONS INSURANCE OF GA, PO BOX 81308 ATHENS GA 30608	INSURANCE BROKERAGE	1,786,783
HEALTHCARE PERFORMANCE GROUP, PO BOX 588 SPRING HILL KS 66083	IT CONSULTING	1,457,361
GEORGIA EMERGENCY MEDICINE SPECIALI, PO BOX 5719 ATHENS GA 30604	PHYSICIAN COVERAGE	1,406,319

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 59

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				
	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		0			
Program Service Revenue		Business Code				
	2a OPERATING ROOM	900099	54,391,306	54,391,306		
	b LABORATORY	900099	43,081,070	43,081,070		
	c PHARMACY	900099	40,192,794	40,192,794		
	d ROUTINE SERVICES	900099	29,682,403	29,682,403		
	e CARDIOPULMONARY	900099	22,947,726	22,947,726		
	f All other program service revenue		156,855,313	156,855,313		
	g **Total.** Add lines 2a–2f		347,150,612			
	3 Investment income (including dividends, interest, and other similar amounts)		180,177			180,177
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross rents	907,257				
	b Less rental expenses					
	c Rental income or (loss)	907,257	0			
	d Net rental income or (loss)		907,257			907,257
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory		119,992			
	b Less cost or other basis and sales expenses					
	c Gain or (loss)		119,992			
	d Net gain or (loss)		119,992			119,992
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events		0			
	9a Gross income from gaming activities See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities		0			
	10a Gross sales of inventory, less returns and allowances	a				
	b Less cost of goods sold	b				
	c Net income or (loss) from sales of inventory		0			
	Miscellaneous Revenue	Business Code				
	11a CAFETERIA SALES	900099	1,855,410			1,855,410
	b PURCHASE DISCOUNTS/REBATES	900099	1,507,049	1,507,049		
	c OTHER INCOME	900099	9,964,724	9,964,724		
	d All other revenue					
	e **Total.** Add lines 11a–11d		13,327,183			
	12 **Total revenue.** See Instructions		361,685,221	358,622,385		3,062,836

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	0			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	3,019,363	521,974	2,497,389	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	143,798,841	104,028,840	39,770,001	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	7,841,666	5,672,921	2,168,745	
9 Other employee benefits	13,440,693	9,723,442	3,717,251	
10 Payroll taxes	10,034,140	7,259,029	2,775,111	
11 Fees for services (non-employees)				
a Management	14,568,244	4,509,006	10,059,238	
b Legal	817,976		817,976	
c Accounting	191,826		191,826	
d Lobbying	25,233		25,233	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	18,634,589	11,878,876	6,755,713	
12 Advertising and promotion	1,926,221	2,033	1,924,188	
13 Office expenses	4,572,895	1,802,751	2,770,144	
14 Information technology	1,351,078	170,791	1,180,287	
15 Royalties . .	0			
16 Occupancy	16,583,917	3,497,678	13,086,239	
17 Travel	524,943	224,330	300,613	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	291,506	56,335	235,171	
20 Interest	9,586,850		9,586,850	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	24,362,755	11,450,495	12,912,260	
23 Insurance	2,389,007	63,179	2,325,828	
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 MEDICAL SUPPLIES	81,127,540	77,756,700	3,370,840	
b INTERCOMPANY TRANSFERS	1,148,813		1,148,813	
c EQUIPMENT RENT AND MAINTENANCE	15,235,582	2,206,473	13,029,109	
d FOOD COSTS	3,332,277	357,226	2,975,051	
e All other expenses	4,752,485	2,401,150	2,351,335	
25 **Total functional expenses.** Add lines 1 through 24e	379,558,440	243,583,229	135,975,211	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☑

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		39,368,499	2	34,678,976
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		83,782,692	4	52,293,495
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		6,400,032	8	6,132,720
	9	Prepaid expenses and deferred charges		0	9	0
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 612,312,314			
	b	Less accumulated depreciation	10b 374,355,570	246,710,526	10c	237,956,744
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		7,119,536	15	10,579,604
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		383,381,285	16	341,641,539
Liabilities	17	Accounts payable and accrued expenses		54,716,127	17	44,836,982
	18	Grants payable		120,448	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		218,708,303	20	219,532,922
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	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		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		1,708,582	23	1,049,817
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		-1,473,509	25	-15,506,297
	26	**Total liabilities.** Add lines 17 through 25		273,779,951	26	249,913,424
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		109,601,334	27	91,728,115
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		109,601,334	33	91,728,115
	34	Total liabilities and net assets/fund balances		383,381,285	34	341,641,539

Part XI Reconcilliation 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	361,685,221
2	Total expenses (must equal Part IX, column (A), line 25)	2	379,558,440
3	Revenue less expenses Subtract line 2 from line 1	3	-17,873,219
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	109,601,334
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	91,728,115

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **Information about Schedule A (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
Athens Regional Medical Center Inc

Employer identification number
58-2179986

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

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

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

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

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

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

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

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

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

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

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

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

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

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

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

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

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions))**	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of monetary support
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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** . . . . . ▶☐

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 ▶☐

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 ▶☐

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 ▶☐

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 ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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** ▶☐

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	

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
Athens Regional Medical Center Inc	58-2179986

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 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) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		25,233
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			25,233
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 1G	A PORTION OF GEORGIA HOSPITAL ASSOCIATION DUES ARE ATTRIBUTED TO LOBBYING

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Athens Regional Medical Center Inc

Employer identification number
58-2179986

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

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

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

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

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

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		7,997,283		7,997,283
b Buildings		349,242,151	164,697,979	184,544,172
c Leasehold improvements		6,677,544	4,835,623	1,841,921
d Equipment		237,871,986	198,320,575	39,551,411
e Other		10,523,350	6,501,393	4,021,957
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				237,956,744

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		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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	0
DUE TO (FROM) RELATED PARTIES	-15,506,297
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	-15,506,297

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	361,685,221
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	361,685,221
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	361,685,221

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	379,558,440
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	379,558,440
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	379,558,440

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
Schedule D, Part X	ASC 740-10 disclosure THE HEALTH SYSTEM APPLIES FASB ACCOUNTING STANDARDS CODIFICATION (ASC) 740-10, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, WHICH ADDRESSES ACCOUNTING FOR UNCERTAINTY IN INCOME TAX POSITIONS IT ALSO PROVIDES GUIDANCE AS TO WHEN TAX POSITIONS ARE RECOGNIZED IN AN ENTITY'S FINANCIAL STATEMENTS AND HOW THE VALUES OF THESE POSITIONS ARE DETERMINED THERE IS NO IMPACT ON THE HEALTH SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS AS A RESULT OF THE APPLICATION OF ASC 740-10

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Athens Regional Medical Center Inc

Employer identification number
58-2179986

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☑ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			28,939,345	3,993,394	24,945,951	6 570 %
b Medicaid (from Worksheet 3, column a)			46,595,840	31,416,739	15,179,739	4 000 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			75,535,185	35,410,133	40,125,690	10 570 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,321,506	17,188	1,304,318	0 340 %
f Health professions education (from Worksheet 5)			1,163,032		1,163,032	0 310 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			411,946	49,000	362,946	0 100 %
j **Total.** Other Benefits			2,896,484	66,188	2,830,296	0 750 %
k **Total.** Add lines 7d and 7j			78,431,669	35,476,321	42,955,986	11 320 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
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 Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 90,359,626			
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	176,146,367
6	Enter Medicare allowable costs of care relating to payments on line 5	6	50,201,715
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	125,944,652
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, 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)

Name of hospital facility or facility reporting group ATHENS REGIONAL MEDICAL CENTER

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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from 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	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url)			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ 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	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 125 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 125 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	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 ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ 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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in 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

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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?	**21**		No
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation

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? _____

	Name and address	Type of Facility (describe)
1		
2		
3		
4		
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	NOT APPLICABLE SINCE THE HOSPITAL USES FEDERAL POVERTY GUIDELINES

Form and Line Reference	Explanation
PART I, LINE 6A	ATHENS REGIONAL HEALTH SERVICES PREPARES A COMBINED COMMUNITY BENEFIT REPORT

Form and Line Reference	Explanation
PART I, LINE 7G	THIS AMOUNT DOES NOT INCLUDE ANY SUBSIDIZED HEALTH SERVICES FROM PHYSICIAN CLINICS

Form and Line Reference	Explanation
PART I, LINE 7	ATHENS REGIONAL MEDICAL CENTER IS IN THE PROCESS OF DEVELOPING AND IMPLEMENTING A COSTING SYSTEM HOWEVER, CURRENTLY, A COST TO CHARGE RATIO WAS USED TO CALCULATE THE AMOUNTS SHOWN IN PART I, LINE 7

Form and Line Reference	Explanation
PART III, LINE 4	THE HEALTH SYSTEM PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES BECAUSE THE HEALTH SYSTEM DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE THE AMOUNT OF CHARGES FOREGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THE HEALTH SYSTEM'S CHARITY CARE POLICY WAS APPROXIMATELY $90,359,626 AND $66,639,000 FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY

Form and Line Reference	Explanation
PART III, LINE 8	ANY SHORTFALL IS NOT REPORTED IN LINE 7 COMMUNITY BENEFIT TO DETERMINE MEDICARE ALLOWABLE COSTS REPORTED IN THE MEDICARE COST REPORT, THE COST-TO-CHARGE RATIO IS APPLIED TO GROSS PATIENT REVENUE ASSOCIATED WITH THE SERVICES PERFORMED FOR PATIENTS WHO ARE ELIGIBLE FOR MEDICARE

Form and Line Reference	Explanation
PART III, LINE 9B	THE HOSPITAL'S COLLECTION POLICIES DO NOT CONTAIN PROVISIONS RELATING TO COLLECTION PRACTICES FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE THE HOSPITAL WORKS TO MAKE A DETERMINATION EXPEDIENTLY THAT THE PATIENT QUALIFIES FOR CHARITY CARE OF FINANCIAL ASSISTANCE, AND AS SUCH, SHOULD NOT BE PURSUED FOR COLLECTIONS

Form and Line Reference	Explanation
PART VI, LINE 2	Athens Regional Health System (ARHS), with the leadership of two Masters-level interns from the UGA College of Public Health, conducted a community health needs assessment in 2011-2012 ARHS has a long history of providing quality health care services in partnership with numerous community health and social service organizations, enabling preventative health services and community outreach to be available to individuals in the ARHS service area AHRS serves the following counties Athens-Clarke, Oconee, Oglethorpe, Madison, Jackson, Barrow, Walton, Morgan, Greene, Taliaferro, Wilkes, Elbert, Hart, Franklin, Banks, Stephens and Habersham Methods and Data Sources A Methods Data collected from Interviews with 12 ARHS inpatient and outpatient medical specialties Interviews with representatives from 15 community organizations Searches in secondary sources such as 5 online databases as well as ARMC inpatient data and ED visit data B Secondary data Oasis, County Health Rankings, Ticker, Northeast Georgia Health District, and Georgia State Government C Primary data Our Daily Bread, Whatever It Takes, Athens Neighborhood Health Center, Athens Nurses' Clinic, Advantage Behavioral Health System, Children's Healthcare of Atlanta, St Mary's Health System, Mercy Health Center, AIDS Athens, Athens PBJ, Inter-community Council of Athens Housing Authority, Boys and Girls Club at Garnett Ridge, and Athens Community Council on Aging The top health needs identified are as follows Major findings from the interviews and data sources suggest that there are over-arching needs related to poverty, lack of access to health care, especially for the uninsured, and lack of transportation The most preventable and also manageable diagnoses in the community were identified to be untreated mental illness and substance abuse, heart disease/hypertension, obesity, and diabetes According to the collected data, the populations most at risk for these health needs within the ARHS service area are the uninsured and the homeless ASSESSMENT FOR THE REGION SERVED - AN INCREASINGLY ELDERLY POPULATION, AN INCREASING HISPANIC POPULATION, AND DECLINING HEALTH IN THE REGION THE HOSPITAL HAS RESPONDED TO THESE NEEDS BY ENSURING THAT THE PROGRAMS OFFERED ARE RELEVANT TO THE POPULATION BEING SERVED AND ADEQUATELY MEETING THEIR NEEDS

Form and Line Reference	Explanation
PART VI, LINE 3	WE VERBALLY INFORM PATIENTS OF OUR CHARITY CARE PROGRAM WE ALSO PROVIDED PATIENTS WITH THE "PATIENT CHARITY CARE POLICY" IF REQUESTED

Form and Line Reference	Explanation
PART VI, LINE 4	THE HOSPITAL SERVES A 17-COUNTY GEOGRAPHIC AREA IN NORTHEAST GEORGIA, INCLUDING ATHENS-CLARKE, OCONEE, OGLETHORPE, MADISON, JACKSON, BARROW, WALTON, MORGAN, GREENE, TALIAFERRO, WILKES, ELBERT, HART, FRANKLIN, BANKS, STEPHENS, AND HABERSHAM THE COMMUNITY POPULATION RECEIVING SERVICES IS PRIMARILY MEDICARE AND MEDICAID PATIENTS (APPROXIMATEMLY 65%) OF THE REMAINING PATIENTS, APPROXIMATELY 20% ARE EITHER SELF-PAY OR UNINSURED WITH THE REMAINING 15% HAVING INSURANCE FROM A THIRD PARTY PROVIDER

Form and Line Reference	Explanation
PART VI, LINE 5	THE HOSPITAL FURTHERS ITS EXEMPT PURPOSE AND PROMOTES THE HEALTH OF THE COMMUNITY THROUGH THE MANY EDUCATIONAL OUTREACH PROGRAMS OFFERED THESE PROGRAMS HELP TO EMPOWER THE PATIENTS SERVED WITH THE KNOWLEDGE, TOOLS AND SKILLS TO LIVE A HEALTHIER LIFESTYLE SOME NOTABLE PROGRAMS ARE - CPR/AED AND FIRST AID TRAINING - HEALTH FAIRS AND HEALTH INFORMATION PROGRAMS - HEALTH SCREENS - TOBACCO CESSATION - WEIGHT AND STRESS MANAGEMENT PROGRAMS, PUBLIC SCHOOL WALKING PROGRAM - PRENATAL CLASSES/BIRTHING CENTER TOURS - AQUATICS FOR ARTHRITIS CLASSES - OLDER ADULT DRIVER EDUCATION CLASSES - LATINO HEALTH FIESTA - VARIOUS EDUCATIONAL CONFERENCES IN ADDITION, MANY OF OUR LEADERS AND TEAM MEMBERS VOLUNTEER THEIR TIME TO A VARIETY OF COMMUNITY BOARDS AND ORGANIZATIONS ADDITIONALLY, THE HOSPITAL GENERALLY MAINTAINS AN OPEN MEDICAL STAFF

Form and Line Reference	Explanation
PART VI, LINE 6	ATHENS REGIONAL HEALTH SERVICES, INC AND SUBSIDARIES (THE HEALTH SYSTEM) IS A MULTIDIMENSIONAL PROVIDER OF HEALTHCARE SERVICES WITH CORPORATE HEADQUATERS LOCATED IN ATHENS, GEORGIA ATHENS REGIONAL HEALTH SERVICES, INC (ARHS, INC) IS A NOT-FOR-PROFIT CORPORATION ESTABLISHED AS A HOLDING COMPANY FOR ATHENS REGIONAL MEDICAL CENTER, INC (ARMC, INC OR THE HOSPITAL), ATHENS REGIONAL FOUNDATION, INC (THE FOUNDATION), ATHENS REGIONAL HEALTH RESOURCES, INC (HEALTH RESOURCES), ATHENS REGIONAL HEALTH VENTURES, INC (HEALTH VENTURES), ATHENS REGIONAL PHYSICIAN SERVICES, INC (PHYSICIAN SERVICES), ATHENS REGIONAL SPECIALTY SERVICES, INC (SPECIALTY SERVICES), REGIONAL FIRSTCARE, INC (REGIONAL FIRSTCARE), AND ATHENS AREA HEALTH PLAN SELECT, INC (HEALTH PLAN SELECT) ARMC, INC LOCATED IN ATHENS, GEORGIA IS A NOT-FOR-PROFIT ACUTE CARE HOSPITAL THE HOSPTIAL PROVIDES INPATIENT, OUTPATIENT, AND EMERGENCY CARE SERVICES FOR RESIDENTS OF NORTHEAST GEORGIA AND PROVIDES A HOME CARE NURSING SERVICE TO PATIENTS RESIDING IN THE FIVE GEORGIA COUNTIES OF CLARKE, OCONEE, MADISON, BARROW, AND JACKSON THE FOUNDATION IS NOT-FOR PROFIT CORPORATION ESTABLISHED FOR THE PURPOSE OF ASSISTING THE OTHER HEALTH SYSTEM SUBSIDARIES IN FUND-RAISING AND RELATED MANAGEMENT, MAKING GRANTS, AND SOLICITING GIFTS HEALTH RESOURCES IS A NOT-FOR-PROFIT CORPORATION ESTABLISHED FOR THE PURPOSE OF PROVIDING OUTPATIENT MEDICAL CARE AND HEALTH SRVICES OUTSIDE THE ATHENS-CLARKE COUNTY, GEORGIA AREA HEALTH VENTURES IS A FOR-PROFIT CORPORATION ESTABLISHED FOR THE PURPOSE OF PROCURING RESOURCES NECESSARY TO EXPAND SERVICES PROVIDED BY THE HEALTH SYSTEM PHYSICIAN SERVICES IS NOT-FOR-PROFIT CORPORATION ESTABLISHED FOR THE PURPOSE OF ACQUIRING AND OPERATING PHYSICIAN PRACTICES AS OF SEPTEMBER 30, 2014 AND 2013, 37 AND 40 PHYSICIANS, RESPECTIVELY, WERE EMPLOYED AS PRIMARY CARE PHYSICIANS SUPPORTING THE INTEGRATED DELIVERY SYSTEM SPECIALTY SERVICES IS A NOT-FOR-PROFIT CORPORATION ESTABLISHED FOR THE PURPOSE OF ACQUIRING AND OPERATING SPECIALTY PHYSICIAN PRACTICES AS OF SEPTEMBER 30, 2014 AND 2013, 41 AND 19 PHYSICIANS, RESPECTIVELY, WERE EMPLOYED AS SPECIALTY CARE PHYSICIANS SUPPORTING THE INTEGRATED DELIVERY SYSTEM REGIONAL FIRSTCARE IS A NOT-FOR-PROFIT CORPORATION ESTABLISHED FOR THE PURPOSE OF ACQUIRING AND OPERATING URGENT CARE CENTERS AND DEVELOPING WORKERS' COMPENSATION/OCCUPATIONAL MEDICINE PROGRAMS AS OF SEPTEMBER 30, 2014 AND 2013, 13 AND 14 PHYSICIANS, RESPECTIVELY, WERE EMPLOYED BY REGIONAL FIRSTCARE SUPPORTING THE INTEGRATED DELIVERY SYSTEM HEALTH PLAN SELECT IS A TAXABLE NOT-FOR-PROFIT HEALTH MAINTENANCE ORGANIZATION ESTABLISHED FOR THE PURPOSE OF PROVIDING HEALTHCARE SERVICES TO ITS ENROLLED MEMBERS HEALTH PLAN SELECT OPERATES UNDER A HEALTH MAINTENANCE ORGANIZATION (HMO) LICENSE FROM AND REGULATED BY THE STATE OF GEORGIA DEPARTMENT INSURANCE LICENSE FROM AND REGULATED BY THE STATE OF GEORGIA DEPARTMENT INSURANCE

Form and Line Reference	Explanation
PART VI, LINE 7	STATE FILING OF COMMUNITY BENEFIT REPORT IS FILED IN GEORGIA

Form and Line Reference	Explanation
PART V, LINE 3	ATHENS REGIONAL HEALTH SYSTEM CONSULTED THE FOLLOWING ENTITIES WHEN CONDUCTING ITS MOST RECENT CHNA ONLINE ANALYTICAL STATISTICAL INFORMATION SYSTEM WISCONSIN COUNTY HEALTH RANKINGS TICKER-NATIONAL RESEARCH CORPORATION THE STATE OF GEORGIA DEPARTMENT OF PUBLIC HEALTH NORTHEAST GEORGIA HEALTH DISTRICT ATHENS REGIONAL MEDICAL CENTER OUR DAILY BREAD WHATEVER IT TAKES INITIATIVE ATHENS NEIGHBORHOOD HEALTH ATHENS NURSES CLINIC ADVANTAGE BEHAVIORAL HEALTH SYSTEM CHILDREN'S HEALTHCARE OF ATLANTA HEALTH PLAN SELECT ST MARY'S HEALTH SYSTEM MERCY HEALTH CENTER AIDS ATHENS ATHENS PBJ INTER-COMMUNITY COUNCIL WITH ATHENS HOUSING AUTHORITY BOYS AND GIRLS CLUN AT GARNETT RIDGE ATHENS COMMUNITY COUNCIL ON AGING

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Athens Regional Medical Center Inc

Employer identification number
58-2179986

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		No
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?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**	Yes	
b	Any related organization?	**5b**	Yes	
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**	Yes	
b	Any related organization?	**6b**	Yes	
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

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, PART I, LINE 1A	COMPANION TRAVEL BOARD OF TRUSTEES ARE PROVIDED COMPANION TRAVEL - TAXABLE AMOUNT INCLUDED IN COMPENSATION
SCHEDULE J, PART I, LINE 1B	POLICY REGARDING PAYMENT OR REIMBURSEMENT ATHENS REGIONAL MEDICAL CENTER, INC DOES NOT HAVE A WRITTEN POLICY REGARDING PAYMENTS OR REIMBURSEMENT OF EXPENSES ON LINE 1A HOWEVER, COMPANION TRAVEL FOR BOARD MEMBERS ATTENDING OVERNIGHT EVENTS WAS APPROVED BY CHARLES PECK, CEO OF ATHENS REGIONAL HEALTH SERVICES, INC
SCHEDULE J, PART I, LINE 4A & 4B	SEVERANCE PAYMENT AND NONQUALIFIED RETIREMENT PLAN SEVERANCE - CERTAIN OFFICERS HAVE WRITTEN SEVERANCE AGREEMENTS WITH THE EMPLOYER THIS SEVERANCE AGREEMENT TYPICALLY PROVIDES THAT IN THE EVENT OF INVOLUNTARY TERMINATION THE OFFICER WILL CONTINUE TO RECEIVE THE OFFICER'S BASE COMPENSATION FOR A PERIOD OF 24 MONTHS FOLLOWING THE OFFICER'S DATE OF TERMINATION THE OFFICER IS ALSO ENTITLED AS ADDITIONAL SEVERANCE ANY OTHER BENEFITS TO WHICH HE WOULD HAVE BEEN ENTITLED HAD THE EXECUTIVE REMAINED AN EMPLOYEE THE VALUE OF THE OTHER BENEFITS ARE MADE AVAILABLE TO THE OFFICER IN ACTUAL BENEFITS OR EQUIVALENT VALUE TO THE EXTENT PERMITTED IN LAW AND BY UNDERLYING CONTRACTS THAT MAY SUPPORT SUCH BENEFITS SUPPLEMENTAL EMPLOYEE RETIREMENT PLAN - ATHENS REGIONAL HEALTH SYSTEMS HAS A 457(F) PLAN WHEREBY EMPLOYER CONTRIBUTIONS ARE DEPOSITED INTO THE PLAN SUBJECT TO A SUBSTANTIAL RISK OF FORFEITURE IF THE EXECUTIVE FAILS TO COMPLETE FIVE YEARS-OF-SERVICE ALL EMPLOYER CONTRIBUTIONS (DEFERRALS) WERE MADE PRIOR TO 2006 EACH EXECUTIVE HAS BEEN TAXED ON THE DEPOSIT INTO THE 457(F) PLAN, AS THEY HAVE REACHED THEIR SERVICE COMPLETION DATE THE FOLLOWING AMOUNTS RESULT FROM PARTICIPATING IN A NONQUALIFIED RETIREMENT PLAN JAMES MOORE $ 51,181 JENEVA HAKMAN $ 21,380 NORMAN BURKETT $ 26,533 A FRED YOUNG $ 25,051 CARRIE CAPPS $ 11,484
SCHEDULE J, PART I, LINE 5 & 6	CONTINGENT COMPENSATION EXECUTIVE AND LEADERSHIP POSITIONS ARE ELIGIBLE TO PARTICAPTE IN A VARIABLE PAY PLAN GROSS REVENUES AND NET EARNINGS ARE VARIABLE PAY PLAN FACTORS THIS PLAN PROVIDES INCENTIVES BASED ON SYSTEM PERFORMANCE THE RESULTS ARE BASED ON THE ACCOMPLISHMENT OF SPECIFIC STRATEGIC OBJECTIVES INVOLVING (1) SUSTAINED AND IMPROVED FINANCIAL PERFORMANCE AND EFFICIENCY (2) GROWTH IN MARKET SHARE AND COVERED LIVES (3) IMPROVED CUSTOMER SATISFACTION INCLUDING MEMBERS, PHYSICIANS, PATIENTS, AND EMPLOYEES (4) MAINTENANCE AND IMPROVEMENT IN QUALITY AND CLINICAL OUTCOMES THE PERFORMANCE SCORECARD IS DETERMINED ANNUALLY AND APPROVED BY THE BENEFITS AND COMPENSATION COMMITTEE OF THE BOARD THE PLAN WILL BE DISALLOWED BASED ON LOSS OF THE JOINT COMMISSION ACCREDITATION OR A VIOLATION OF THE BOND COVENANTS

Additional Data

Software ID:
Software Version:
EIN: 58-2179986
Name: Athens Regional Medical Center Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
WENDY COOK SECRETARY	(I) (II)	0 360,294	13,972	79,233	8,480	9,674	0 471,653	0 0
JAMES G THAW OFFICER	(I) (II)	0 365,857		598,714	7,800	3,791	0 976,162	0 0
G GRANT TRIBBLE SR VP OF SYSTEMS OPERATIONS	(I) (II)	0 0		502,675			0 502,675	0 0
Carrie Capps Sr VP & CNO	(I) (II)	64,361		232,466	2,627	1,750	301,204	
Jeneva Hakman VP	(I) (II)	160,891		62,608		2,720	226,219	
James Moore MD VP & CMO	(I) (II)	412,006	21,480	54,115	7,060	3,978	498,639	
Norman Burkett JR VP, Prof Svcs	(I) (II)	225,926	8,597	27,186	7,136	5,798	274,643	
Paul Collar Dir, Managed Care	(I) (II)	196,061	7,842	16,277	5,882	6,610	232,672	
Darrel Lawson Exc Dir, Revenue Cycle	(I) (II)	186,649	7,533		5,876	1,924	201,982	
Don Tyson Dir, Pharmacy	(I) (II)	157,248	6,290	8,707	5,337	5,798	183,380	
Carol J Hood Admin Dir, CLINICAL SVCS	(I) (II)	157,482	6,416		2,778	3,903	170,579	
Timothy Carpenter Dir, Technology infrastructure	(I) (II)	146,194	5,533		4,756	7,148	163,631	
Blake Cannon Medical Physicist	(I) (II)	186,149				5,907	192,056	
James Evans Pharmacist	(I) (II)	126,409		37,171		2,620	166,200	
Carl Trinrud Dir, Human Resources	(I) (II)	151,797	6,219		4,855	5,314	168,185	
Jeff Mosely Dir Engineering	(I) (II)	162,906	6,608		5,155	2,692	177,361	
Diane Todd Dir Risk Mgmt & Compliance Of	(I) (II)	156,957	6,278	7,001	3,376	4,919	178,531	

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Athens Regional Medical Center Inc

Employer identification number
58-2179986

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	The Hospital Authority of Clarke County GA	58-6003375	18069FAV8	01-25-2007	160,520,372	REVENUE CERTIFICATES 2007		X		X		X
B	The Hospital Authority of Clarke County GA	58-6003375	181685HN1	03-29-2012	70,578,040	REVENUE CERTIFICATES 2012		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	0		
2	Amount of bonds legally defeased	0	0		
3	Total proceeds of issue	160,520,372	70,578,040		
4	Gross proceeds in reserve funds	0	0		
5	Capitalized interest from proceeds	0	0		
6	Proceeds in refunding escrows	56,605,442	69,596,941		
7	Issuance costs from proceeds	1,826,127	981,099		
8	Credit enhancement from proceeds	0	0		
9	Working capital expenditures from proceeds	0	0		
10	Capital expenditures from proceeds	102,088,803	0		
11	Other spent proceeds	0	0		
12	Other unspent proceeds	0	0		
13	Year of substantial completion	2011	2012		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X				
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 ▶		0 %		0 %				
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?		X		X				
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				
b	Exception to rebate?			X					
c	No rebate due?				X				
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		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	0		0					
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	0		0					
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).

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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
Athens Regional Medical Center Inc

Employer identification number
58-2179986

990 Schedule O, Supplemental Information

Return Reference	Explanation
PART VI, SECTION B, LINE 12C	
PART VI, SECTION B, LINE 15	DETERMINING COMPENSATION THIS ENTITY DOES NOT DETERMINE COMPENSATION ON A STAND ALONE BASI S ATHENS REGIONAL HEALTH SERVICES, INC 'S (ARHS) BOARD OF DIRECTORS HAS DESIGNATED THE CO MPENSATION COMMITTEE TO BE RESPONSIBLE FOR ESTABLISHING COMPENSATION PRACTICES WHICH ARE R EASONABLE AND DO NOT VIOLATE THE PRIVATE INUREMENT PROHIBITION THE COMPENSATION COMMITTEE IS COMPRISED OF THE BOARD CHAIRPERSON OF ATHENS REGIONAL HEALTH SERVICES, INC (ARHS), AT HENS REGIONAL MEDICAL CENTER, INC (ARMC), ATHENS REGIONAL PHYSICIAN SERVICES, INC (ARPS) , AND VICE-CHAIRPERSON OF ATHENS REGIONAL MEDICAL CENTER, INC (ARMC) THE PRACTICES AND P ROCESSES ARE DESIGNED TO AVOID ANY CLAIM FOR INTERMEDIATE SANCTIONS AND TO SATISFY THE REQ UIREMENTS TO OBTAIN THE REBUTTABLE PRESUMPTION OF REASONABLENESS THE COMPENSATION COMMITT EE ANNUALLY REVIEWS OUTSIDE, INDEPENDENT DATA TO ESTABLISH THE COMPENSATION OF OUR OFFICER S AND KEY EMPLOYEES THE BOARD OF DIRECTORS REVIEW AND SET FORTH THE COMPENSATION FOR THE SYSTEM CEO USING THE SAME PROCESS AS THE COMPENSATION COMMITTEE THE COMMITTEE ENGAGES AND UTILIZES AN INDEPENDENT CONSULTING FIRM, TO PROVIDE EXPERT INFORMATION REGARDING INDUSTRY -WIDE COMPENSATION NORMS THE COMPENSATION COMMITTEE MEETS WITH A REPRESENTATIVE FROM THE CONSULTING FIRM AND THE HUMAN RESOURCES DEPARTMENT WHEN REVIEWING COMPENSATION FOR THE SEN IOR LEADERSHIP GROUP ON A YEARLY BASIS THE COMPANY PHILOSOPHY IS TO MATCH THE MARKET ON A VERAGE PAY, IDENTIFYING THE MEDIAN TOTAL CASH COMPENSATION IS GENERALLY TARGETED BY TO BE AT THE MEDIAN OF ARHS'S PEERS
PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS ATHENS REGIONAL MEDICAL CENTER, INC DOES NOT MAKE ITS GOVERNING DOCUM ENTS OR ITS CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC
PART VI, SECTION B, LINE 11	REVIEWING FORM 990 THE COMPLETED 990 IS REVIEWED BY THE ATHENS REGIONAL MEDICAL CENTER, IN C FINANCE COMMITTEE AT THE MEETING IMMEDIATELY FOLLOWING ITS COMPLETION THE FINANCE COMM ITTEE PRESENTS THEIR FINDINGS TO THE BOARD A COPY OF THE FINALIZED RETURN IS PROVIDED TO THE COMPLETE BOARD PRIOR TO FILING

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ 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*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Athens Regional Medical Center Inc

Employer identification number
58-2179986

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	(g) No
(1) ATHENS REGIONAL FOUNDATION INC 1199 PRINCE AVENUE ATHENS, GA 30606 58-1978389	FUNDRAISING	GA	501(C)(3)	11 B	NA		No
(2) HOSPITAL AUTHORITY OF CLARKE COUNTY GA 1299 PRINCE AVENUE ATHENS, GA 30606 58-6003375	HOSPITAL	GA	501(C)(3)	3	NA		No
(3) ATHENS REGIONAL HEALTH RESOURCES INC 1299 PRINCE AVENUE ATHENS, GA 30606 58-1930580	DEVELOPMENT	GA	501(C)(3)	11 B	NA		No
(4) ATHENS REGIONAL PHYSICIANS SERVICES INC 1299 PRINCE AVENUE ATHENS, GA 30606 58-2332921	PRIMARY CARE	GA	501(C)(3)	11 B	NA		No
(5) REGIONAL FIRSTCARE INC 1299 PRINCE AVENUE ATHENS, GA 30606 58-2362733	URGENT CARE	GA	501(C)(3)	11 B	NA		No
(6) ATHENS REGIONAL HEALTH SERVICES INC 1299 PRINCE AVENUE ATHENS, GA 30606 58-1930582	MANAGEMENT	GA	501(C)(3)	11 B	NA		No
(7) ATHENS REGIONAL SPECIALTY SERVICES INC 1299 PRINCE AVENUE ATHENS, GA 30606 27-1975001	PRIMARY CARE	GA	501(C)(3)	3	NA		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" 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	(i) No
(1) ATHENS AREA HEALTH PLAN SELECT INC 295 WEST CLAYTON STREET ATHENS, GA 306012711 58-2237670	HEALTH MAINT	GA	ARHS	C CORP					

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i	Yes	
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 58-2179986
Name: Athens Regional Medical Center Inc

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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) ATHENS REGIONAL FOUNDATION INC 1199 PRINCE AVENUE ATHENS, GA 30606 58-1978389	FUNDRAISING	GA	501(C)(3)	11 B	NA		No
(1) HOSPITAL AUTHORITY OF CLARKE COUNTY GA 1299 PRINCE AVENUE ATHENS, GA 30606 58-6003375	HOSPITAL	GA	501(C)(3)	3	NA		No
(2) ATHENS REGIONAL HEALTH RESOURCES INC 1299 PRINCE AVENUE ATHENS, GA 30606 58-1930580	DEVELOPMENT	GA	501(C)(3)	11 B	NA		No
(3) ATHENS REGIONAL PHYSICIANS SERVICES INC 1299 PRINCE AVENUE ATHENS, GA 30606 58-2332921	PRIMARY CARE	GA	501(C)(3)	11 B	NA		No
(4) REGIONAL FIRSTCARE INC 1299 PRINCE AVENUE ATHENS, GA 30606 58-2362733	URGENT CARE	GA	501(C)(3)	11 B	NA		No
(5) ATHENS REGIONAL HEALTH SERVICES INC 1299 PRINCE AVENUE ATHENS, GA 30606 58-1930582	MANAGEMENT	GA	501(C)(3)	11 B	NA		No
(6) ATHENS REGIONAL SPECIALTY SERVICES INC 1299 PRINCE AVENUE ATHENS, GA 30606 27-1975001	PRIMARY CARE	GA	501(C)(3)	3	NA		No

KPMG

ATHENS REGIONAL HEALTH SERVICES, INC. AND SUBSIDIARIES

Consolidated Financial Statements and Consolidating Schedules

September 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 2000
303 Peachtree Street, N E
Atlanta, GA 30308-3210

Independent Auditors' Report

The Board of Trustees
Athens Regional Health Services, Inc

We have audited the accompanying consolidated financial statements of Athens Regional Health Services, Inc and subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole The accompanying consolidating information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements The accompanying supplementary information has been subjected to the auditing procedures applied in the audits of the accompanying basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the

information is fairly stated, in all material respects, in relation to the accompanying basic consolidated financial statements taken as a whole

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Athens Regional Health Services, Inc and subsidiaries as of September 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with U S generally accepted accounting principles

KPMG LLP

Atlanta, Georgia
March 24, 2015

ATHENS REGIONAL HEALTH SERVICES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2014 and 2013

Assets		2014	2013
Current assets			
Cash and cash equivalents	$	43,073,933	48,146,406
Assets limited as to use required for current liabilities		5,662,813	5,652,891
Investments		9,664,155	9,768,159
Patient accounts receivable (net of allowance for estimated uncollectible accounts of approximately $52,793,000 in 2014 and $32,593,000 in 2013)		56,122,022	87,291,819
Due from third-party payors		4,369,036	2,078,074
Other current assets		12,107,866	12,766,953
Total current assets		130,999,825	165,704,302
Assets limited as to use		3,549,485	3,517,532
Property and equipment, net		254,964,817	264,955,124
Revenue certificate issuance costs, less accumulated amortization of $1,760,890 in 2014 and $1,633,607 in 2013		1,968,059	2,085,605
	$	391,482,186	436,262,563
Liabilities and Net Assets			
Current liabilities			
Current installments of long-term debt, notes payable, and capital leases	$	9,146,984	7,401,328
Medical claims reserve		3,651,105	2,633,430
Due to third-party payors		1,049,817	2,198,522
Accounts payable		10,709,143	8,191,559
Accrued salaries, wages and benefits		21,762,242	17,781,082
Other accrued expenses		15,982,750	24,670,368
Total current liabilities		62,302,041	62,876,289
Long-term debt, notes payable, and capital leases, excluding current installments		211,562,442	221,335,299
Accrued general and professional liability costs		7,002,283	6,947,000
Total liabilities		280,866,766	291,158,588
Net assets			
Unrestricted		108,615,222	142,893,383
Temporarily restricted		2,000,198	2,210,592
Total net assets		110,615,420	145,103,975
	$	391,482,186	436,262,563

See accompanying notes to consolidated financial statements

ATHENS REGIONAL HEALTH SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended September 30, 2014 and 2013

	2014	2013
Revenue, gains, and other support		
Net patient service revenue (net of provision for uncollectible accounts of $69,240,264 in 2014 and $66,391,240 in 2013)	$ 371,428,923	383,314,820
Premium revenue	40,803,854	36,274,463
Other revenue	15,406,670	12,196,879
Total revenue, gains, and other support	427,639,447	431,786,162
Operating expenses:		
Salaries, wages and benefits	231,880,588	228,067,176
Supplies	94,222,980	82,932,153
Professional fees	38,733,149	29,290,980
Medical claims	19,185,312	12,452,976
Depreciation and amortization	25,508,588	25,406,126
Interest	9,583,069	10,331,838
Other	43,611,093	39,853,046
Total operating expenses	462,724,779	428,334,295
Operating (loss) income	(35,085,332)	3,451,867
Nonoperating investment income, net	889,186	1,074,905
Other non-operating loss	(200,743)	—
Revenue, gains, and other support (less than) in excess of expenses	(34,396,889)	4,526,772
Net assets released from restriction used for capital expenditures	118,728	376,913
Change in unrestricted net assets	$ (34,278,161)	4,903,685

See accompanying notes to consolidated financial statements

ATHENS REGIONAL HEALTH SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years ended September 30, 2014 and 2013

	Unrestricted	Temporarily restricted	Total
Net assets, September 30, 2012	$ 137,989,698	2,523,753	140,513,451
Revenue, gains, and other support in excess of expenses	4,526,772	—	4,526,772
Contributions and grants	—	664,977	664,977
Net assets released from restriction used for operations	—	(601,225)	(601,225)
Net assets released from restriction used for capital expenditures	376,913	(376,913)	—
Change in net assets	4,903,685	(313,161)	4,590,524
Net assets, September 30, 2013	142,893,383	2,210,592	145,103,975
Revenue, gains, and other support less than expenses	(34,396,889)	—	(34,396,889)
Contributions and grants	—	533,094	533,094
Net assets released from restriction used for operations	—	(624,760)	(624,760)
Net assets released from restriction used for capital expenditures	118,728	(118,728)	—
Change in net assets	(34,278,161)	(210,394)	(34,488,555)
Net assets, September 30, 2014	$ 108,615,222	2,000,198	110,615,420

See accompanying notes to consolidated financial statements

ATHENS REGIONAL HEALTH SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	$ (34,488,555)	4,590,524
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	25,508,588	25,406,126
Net realized gain on investments	(1,000,923)	(948,861)
Net unrealized loss (gain) on investments	111,737	(126,044)
Loss (gain) on sale of property and equipment	119,992	(20,653)
Changes in operating assets and liabilities		
Patient accounts receivable, net	31,169,797	6,217,196
Due to/from third-party payors	(3,439,667)	126,922
Other assets	659,087	(1,603,965)
Accounts payable and accrued expenses	6,095,158	3,693,370
Medical claims reserve	1,017,675	(1,165,739)
Accrued interest	(8,687,618)	(2,693,685)
Accrued general and professional liability costs	55,283	—
Net cash provided by operating activities	17,120,554	33,475,191
Cash flows from investing activities		
Purchases of investments	(16,392,269)	(12,547,204)
Proceeds from the sale of investments	17,343,584	17,707,620
Purchases of property and equipment	(14,050,282)	(16,284,977)
Proceeds from sales of property and equipment	409,321	107,699
Net cash used in investing activities	(12,689,646)	(11,016,862)
Cash flows from financing activities		
Repayments of capital lease obligations	(4,519,179)	(3,133,484)
Principal repayments on long-term debt	(3,050,627)	(3,223,863)
Repayment of note payable	(1,933,575)	(1,855,141)
Net cash used in financing activities	(9,503,381)	(8,212,488)
Net (decrease) increase in cash and cash equivalents	(5,072,473)	14,245,841
Cash and cash equivalents, beginning of year	48,146,406	33,900,565
Cash and cash equivalents, end of year	$ 43,073,933	48,146,406

Supplemental disclosure of cash flow information

The Health System acquired equipment under capital lease agreements totaling approximately $101,000 and $657,000 during 2014 and 2013, respectively

The Health System paid approximately $9,983,000 and $12,763,000 for interest during 2014 and 2013, respectively

See accompanying notes to consolidated financial statements

(1) Organization and Summary of Significant Accounting Policies

(a) Description of Business and Principles of Consolidation

Athens Regional Health Services, Inc and subsidiaries (the Health System) is a multidimensional provider of healthcare services with corporate headquarters located in Athens, Georgia Athens Regional Health Services, Inc (ARHS, Inc) is a not-for-profit corporation established as a holding company for Athens Regional Medical Center, Inc (ARMC, Inc or the Hospital), Athens Regional Foundation, Inc (the Foundation), Athens Regional Health Resources, Inc (Health Resources), Athens Regional Physician Services, Inc (Physician Services), Athens Regional Specialty Services, Inc (Specialty Services), Regional FirstCare, Inc (Regional FirstCare), and Athens Area Health Plan Select, Inc (Health Plan Select) The consolidated financial statements include the accounts of the above companies All significant intercompany accounts and transactions have been eliminated in consolidation

ARMC, Inc , located in Athens, Georgia, is a not-for-profit acute care hospital The Hospital provides inpatient, outpatient, and emergency care services for residents of northeast Georgia and provides a home care nursing service to patients residing in the five Georgia counties of Clarke, Oconee, Madison, Barrow, and Jackson

The Foundation is a not-for-profit corporation established for the purpose of assisting the other Health System subsidiaries in fund-raising and related management, making grants, and soliciting gifts

Health Resources is a not-for-profit corporation established for the purpose of providing outpatient medical care and health services outside the Athens-Clarke County, Georgia area

Physician Services is a not-for-profit corporation established for the purpose of acquiring and operating physician practices As of September 30, 2014 and 2013, 37 and 41 physicians, respectively, were employed as primary care physicians

Specialty Services is not-for-profit corporation established for the purpose of acquiring and operating specialty physician practices As of September 30, 2014 and 2013, 41 and 20 physicians, respectively, were employed as specialty care physicians supporting the integrated delivery system

Regional FirstCare is a not-for-profit corporation established for the purpose of acquiring and operating urgent care centers and developing workers' compensation/occupational medicine programs As of September 30, 2014 and 2013, 13 and 14 physicians, respectively, were employed by Regional FirstCare supporting the integrated delivery system

Health Plan Select is a taxable not-for-profit health maintenance organization established for the purpose of providing healthcare services to its enrolled members Health Plan Select operates under a Health Maintenance Organization (HMO) license from, and is regulated by, the State of Georgia Department of Insurance

(b) Health System Formation

On July 1, 1995, ARMC, Inc executed a restructuring plan with the Athens-Clarke County Hospital Authority (the Authority) The restructuring was accomplished through a lease and transfer agreement

executed between the Authority and ARMC, Inc (the Agreement) As part of the Agreement, the Authority leases, over a period of 40 years, the assets of the medical center and other facilities of the Authority to ARMC, Inc for a nominal fee The lease term is 40 years and contains a right of renewal for an additional 40 years In addition, the Authority transferred to ARMC, Inc the Hospital operations, all remaining assets, liabilities, including the then-outstanding Series 1987 and 1993 Georgia Revenue Certificates, and other Authority facilities In connection with the subsequent issuance of the Series 1996, 1999, 2002, 2007, and 2012 Revenue Certificates, the lease was amended to include the transfer of all assets and liabilities resulting from each issuance The Series 1999 and 2002 Revenue Certificates were subsequently refunded during 2012

At the end of the lease term, ARMC, Inc is required to transfer to the Authority the assets and liabilities used in the operation of the Hospital If the Authority is disbanded or dissolved for any reason, the Agreement will be canceled, and ARMC, Inc shall be deemed the title owner of the real property and operating assets of the Hospital

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with U S generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets, liabilities, revenue, and expenses, as well as disclosure of contingent assets and liabilities Actual results could differ from those estimates

Significant items subject to such estimates and assumptions include the determination of the allowances for uncollectible accounts and contractual adjustments to patient service revenues, medical claims reserve, accrued employee healthcare claims, general and professional liability costs, and estimated third-party payor settlements 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 will change by a material amount in the near term

(d) Cash Equivalents

The Health System considers interest-bearing deposits on hand and investments in highly liquid debt instruments with original maturities of three months or less to be cash equivalents

(e) Investments and Investment Income

Investments are reported at fair value in the consolidated financial statements Investment income (including net unrealized and realized gains and losses on investments, and interest) is reported in the consolidated statements of operations as nonoperating gains and losses unless such income is restricted by donor or law The Health System classifies its investments as trading securities

(f) Assets Limited as to Use

Assets limited as to use primarily include assets designated by the Board of Trustees (the Board) for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets held by a trustee, the use of which is limited in accordance with terms of a bond indenture agreement Amounts required to meet current liabilities of the Health System have been classified as current assets in the consolidated balance sheets

(g) Inventories

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

(h) Property and Equipment

Property and equipment acquisitions are recorded at cost Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

Property and equipment under capital leases is stated at the lower of the present value of minimum lease payments at the beginning of the lease term or fair value at inception of the lease All property and equipment under capital leases is amortized using the straight-line method over the shorter of the asset life or term of the lease

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

(i) HMO Regulatory Oversight

Health Plan Select, as a Health Maintenance Organization (HMO) in the state of Georgia, is regulated by the Georgia Department of Insurance As such, Health Plan Select is required to maintain certain levels of statutory net worth, as defined in relevant state insurance regulations As of its two most recent measurement dates December 31, 2013 and 2012, Health Plan Select exceeded the threshold capital requirement, thus complying with statutory requirements ARHS, Inc is committed to funding Health Plan Select as necessary to ensure its solvency and related compliance with regulatory requirements

Health Plan Select is also required, as an HMO, to maintain a regulatory deposit (note 4)

(j) Revenue Certificate Issuance Costs and Discounts

Revenue certificate issuance costs and discounts are amortized over the period during which the related revenue certificates are outstanding using a method which approximates level yield

(k) Net Patient Service Revenue

The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive adjustments under reimbursement agreements with third-party payors due to subsequent audits, reviews, and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated

basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

Net revenue from the Medicare and Medicaid programs accounted for approximately 43% and 5%, respectively, of the Hospital's net patient service revenue in 2014, and 37% and 5%, respectively, in 2013

(l) Premium Revenue and Medical Claims Expense

Premium revenue consists primarily of fees under premium contracts of Health Plan Select with managed care subscribers Premium payments for enrollees are recognized as revenue in the month the enrollee is entitled to service Revenue collected in advance is deferred and recorded as unearned income

Medical claims expense is recognized in the period in which the services are provided, based in part on estimates, including accrual for medical services provided but not reported (incurred but not reported) The estimate for incurred but not reported medical claims is based on authorizations for services made by Health Plan Select and historical studies of claims paid Estimates are continually monitored and reviewed and, as settlements are made or estimates adjusted, differences are reflected in current operations Medical claims expense includes payments to primary care physicians and specialists, as well as Hospital and other direct Health System costs of providing related healthcare services

Health Plan Select purchases reinsurance to limit its risk The reinsurance provides partial reimbursement payments once medical services provided to an individual enrollee exceed an agreed-upon amount Reinsurance recoveries were approximately $1,164,000 and $1,687,000 for the years ended September 30, 2014 and 2013, respectively, and reduced medical claims expense in the accompanying consolidated statements of operations

(m) Charity Care

Consistent with the Health System's mission, all patients are served without regard to ability to pay and charity care is offered to all in accordance with the Health System's financial assistance policies. The Health System provides services to patients who do not have the ability to pay and who qualify for charity services pursuant to established policies of the Health System While a significant number of uninsured patients apply and qualify for financial assistance, a large population of uninsured patients that are cared for by the Health System (especially those provided emergency care) may never apply for financial assistance and therefore the Health System also incurs significant amounts of bad debt expense related to the charges for services provided

Charity services are defined as those for which patients have the obligation and willingness to pay but do not have the ability to do so The Health System does not include charity care in net patient service revenue The cost of charity care provided totaled approximately $25,850,000 and $12,459,000 for the years ended September 30, 2014 and 2013, respectively The Health System estimated these costs by applying a ratio of cost to gross charges to the gross uncompensated charges associated with providing care to charity patients

Additionally, the Health System incurred bad debt expense, valued at established charges, of approximately $69,240,000 and $66,631,000 for the years ended September 30, 2014 and 2013, respectively In an effort to improve amounts collected from uninsured patients that do not apply and/or qualify for charity assistance, the Health System offers discounted prices to the uninsured In addition to charity care and bad debt write-offs, the Health System provided discounts to the uninsured from its established charges of approximately $34,801,000 and $32,485,000 (recorded as other adjustments in net patient service revenue) for the years ended September 30, 2014 and 2013, respectively

(n) Income Taxes

ARHS, Inc , ARMC, Inc , the Foundation, Health Resources, Physician Services, Specialty Services and Regional FirstCare are not-for-profit corporations and have been recognized as exempt from federal income tax under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3) and, therefore, related income is generally not subject to Federal or State income taxes Health Plan Select was incorporated as a not-for-profit entity subject to taxation under the Internal Revenue Code Due to operating losses and other factors, historical and current income tax effects associated with both Health Plan Select and Health Ventures are immaterial to the accompanying consolidated financial statements

The Health System applies FASB Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*, which addresses accounting for uncertainty in income tax positions It also provides guidance as to when tax positions are recognized in an entity's financial statements and how the values of these positions are determined. There is no impact on the Health System's consolidated financial statements as a result of the application of ASC 740-10.

(o) Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and purchased intangibles subject to amortization, 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 estimated undiscounted future cash flows expected to be generated by the asset If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized to the extent the carrying amount of the asset exceeds its fair value

(p) Promises to Give and Donor-restricted Gifts

Unconditional promises to give cash and other assets to the Health System are reported at estimated fair value at the date the promise is received Conditional promises to give are recognized when the conditions are substantially met and indications of intentions to give are reported at fair value at the date the donated asset is received Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets released from restrictions To the extent that restricted resources from multiple donors are available for the same purpose, the Health System expends such gifts on a first-in, first-out basis

The Health System applies ASC 958-205, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Fund Act, and Enhanced Disclosures for All Endowment Funds* (ASC 958-205). ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), and serves to improve disclosures about an organization's endowment funds (both donor-restricted and board-designated).

The Health System has not received any donor-restricted endowment funds and does not maintain any board-designated endowments. Nevertheless, as a matter of policy the Health System's Board has interpreted Georgia's State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of an original donor-restricted endowment gift as of the gift date, absent explicit donor stipulations to the contrary. To the extent that income from any donor-restricted endowment funds is itself restricted to specific donor-directed purposes, such income is accounted for within temporarily restricted net assets until expended in accordance with the donor's wishes. Should donor-restricted endowments be received, the Health System would oversee individual donor-restricted endowments to ensure that the fair value of the original gift is preserved. The Health System invests its endowment funds within the framework of the Health System's overall investment management program, as described elsewhere in the consolidated financial statements.

(q) Asset Retirement Obligations

A conditional asset retirement obligation is an unconditional legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. The Health System recognizes the fair value of its liability for legal obligations associated with asset retirements in the period incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the Health System capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the recorded liability is recognized as a gain or loss in the consolidated statements of operations. The Health System has no significant asset retirement obligations as of September 30, 2014 and 2013.

(r) Functional Expense Classification

All expenses in the accompanying consolidated statements of operations were incurred for or related to the provision of healthcare services by the Health System.

(s) Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Health System is restricted by donors for a specific period or purpose. At September 30, 2014 and 2013, the Health System's temporarily restricted net assets were restricted for use in various programs stipulated by donors.

(Continued)

(t) Fair Value Accounting Standard

The Health System applies ASC 820, *Fair Value Measurements and Disclosures* which establishes a framework for measuring fair value and requires specific disclosures regarding fair value measurements (note 12)

(u) Current Operating Environment

Management of the Health System continually monitors economic conditions closely, both with respect to potential impacts on the healthcare provider industry and from a more general business perspective Management recognizes that economic conditions may continue to impact the Health System in a number of ways, including (but not limited to) uncertainties associated with the U S healthcare system reform, rising self-pay and emerging high-deductible health plan funded patient volumes and corresponding increases in uncompensated care and decreasing reimbursement rates relative to governmental payors

(v) Recently Issued Accounting Standards

In October, 2012 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-05 *Not-for-Profit Entities' Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*. This ASU requires not-for-profit entities to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without the entity imposing any limitations for sale and were converted nearly immediately into cash The ASU was effective for the Health System in the fiscal year ending September 30, 2014, and the adoption did not have a material effect on the consolidated financial statements

The FASB issued ASU 2013-04, *Liabilities* (Topic 405), *Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date*, in February 2013 ASU 2013-04 requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed as the sum of the amount the entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the entity expects to pay on behalf of its co-obligors The ASU is effective for the Health System in the fiscal year ending September 30, 2015 ASU 2013-04 is to be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements within the ASU's scope that exist at the beginning of an entity's fiscal year of adoption Management has not evaluated the impact of this ASU on its consolidated financial statements

In July 2013, the FASB issued ASU 2013-11, *Income Taxes (Topic 740), Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* ASU 2013-11 requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit, to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carry forward, a similar tax loss, or a tax credit carry forward The ASU is effective for the Health System in the fiscal year ending September 30, 2015 The new standard is to

(Continued)

be applied prospectively but retrospective application is permitted Management has not evaluated the impact of this ASU on its consolidated financial statements

(w) Subsequent Events

The Health System has evaluated subsequent through March 24, 2015, the date the consolidated financial statements were issued

(x) Reclassifications

Certain reclassifications have been made to 2013 consolidated financial statements to conform to current year presentation

(2) Net Patient Service Revenue

ARMC, Inc , Physician Services, Specialty Services, and Regional FirstCare have agreements with third-party payors that provide for payments from the payors at amounts different from established rates A summary of the payment arrangements with major third-party payors follows

Medicare – Inpatient 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 ARMC, Inc is also reimbursed for certain retrospectively determined items at a tentative rate, with final settlement determined after submission of annual cost reports by ARMC, Inc and audits by the Medicare fiscal intermediary Although subject to reopening and subsequent adjustment, ARMC, Inc.'s Medicare cost reports have been audited and settled by the Medicare administrative contractor for all fiscal years through September 30, 2009

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge The rates per discharge are determined according to a patient classification system based on clinical, diagnostic, and other factors Outpatient services rendered to Medicaid program beneficiaries are paid based upon cost reimbursement methodologies ARMC, Inc is reimbursed at a tentative rate, with final settlement determined after submission of annual cost reports by ARMC, Inc and audits by the Medicaid fiscal intermediary Although subject to reopening and subsequent adjustment, ARMC, Inc.'s Medicaid cost reports have been audited and settled by the Medicaid fiscal intermediary for all fiscal years through September 30, 2011

Physician Services, Specialty Services, and Regional FirstCare are paid by Medicare and Medicaid on a fee for service basis These payments are based on the service provided and the current physician fee schedule

Under the provisions of the Georgia Indigent Care Trust Fund Act (ICTF), Medicaid disproportionate share hospitals (DSH) may contribute funds to be used by the state in the Medicaid program that are supplemented by federal funds (combination dollars) The combination dollars are returned to DSH as additional Medicaid inpatient reimbursement

A schedule summarizing the amounts recorded in the consolidated financial statements related to the ICTF during the years ended September 30, 2014 and 2013 follows

	2014	2013
Contribution to ICTF	$ 4,086,308	3,179,167
Amounts received from ICTF	11,993,861	9,231,030
Excess received over contribution	$ 7,907,553	6,051,863

The approval from the state for ARMC, Inc.'s participation in the state fiscal year 2015 plan is currently in process The terms of the state fiscal year 2015 plan have not been finalized. Accordingly, contributions to the State plan during 2015 and amounts to be received from Medicaid during 2015 have not been established

There can be no assurance that ARMC, Inc will continue to qualify for future participation in the program described above or that the program will not ultimately be discontinued or materially modified Any material reduction in the funds provided by the program would have a correspondingly material effect on the Health System's results from operations.

ARMC, Inc has also entered into other reimbursement arrangements providing for payment methodologies which include prospectively determined rates per discharge, discounts from established charges, and prospectively determined per diem rates

The composition of net patient service revenue follows

	2014	2013
Gross patient service revenue, net of charity care charges forgone	$ 1,295,030,613	1,273,754,141
Less provisions for contractual and other adjustments	854,361,426	824,048,081
Less provisions for uncollectible accounts	69,240,264	66,391,240
Net patient service revenue	$ 371,428,923	383,314,820

With respect to reserves for third-party payor cost report audits and anticipated settlements, the Health System routinely provides such reserves through initial audit and final settlement of the cost reports The Health System has historically provided such reserves in recognition of the complexity of relevant reimbursement regulations and the volatility of related settlement processes In any event, the Health System's estimates in this area will differ from actual experience, and those differences may be material. During 2014, net patient service revenue decreased by approximately $531,000 and increased approximately $915,000 during 2013, due to changes in estimates related to prior cost reporting periods and removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer subject to audits, reviews, and investigations

(Continued)

The Health System recognizes patient service revenue associated with services provided to patients with third-party payor coverage on the basis of contractual rates for the services rendered For uninsured patients that do not qualify for community financial aid, the Health System recognizes revenue on the basis of its discounted rates for services provided On the basis of historical experience, a significant portion of the **Health System's** uninsured patients are unable or unwilling to pay for the services provided Thus, the Health System records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided During fiscal 2014, the Health System recorded a non-cash adjustment of $20,200,000 to more closely reflect current collection rate experience, primarily related to self-pay receivables, given changes in payor mix and anticipated behaviors of this payor class in light of recent and on-going healthcare reform initiatives Changes in the provision for uncollectible accounts from year to year are principally caused by a number of factors, including but not limited to timing of write-offs from year to year, changes in unemployment in the Heath System's service area, changes in employer-sponsored insurance plans and rising patient responsibility balances Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized during the years ended September 30, 2014 and 2013 from these major payor sources, is as follows

	2014		
	Third-party payors	Self-pay	Total
Patient service revenue, net of provisions for contractual and other adjustments	$ 416,254,263	24,414,924	440,669,187

	2013		
	Third-party payors	Self-pay	Total
Patient service revenue, net of provisions for contractual and other adjustments	$ 370,580,605	79,125,455	449,706,060

(Continued)

(3) Property and Equipment

A summary of property and equipment at September 30, 2014 and 2013 is as follows

	2014	2013
Land	$ 18,789,849	18,924,918
Buildings & land improvements	363,136,627	364,973,627
Equipment	254,210,535	248,432,340
	636,137,011	632,330,885
Less accumulated depreciation and amortization	383,096,371	373,376,131
	253,040,640	258,954,754
Construction in progress	1,924,177	6,000,370
Property and equipment, net	$ 254,964,817	264,955,124

Depreciation expense totaled $25,747,016 and $25,620,661 during 2014 and 2013, respectively.

Construction in progress at September 30, 2014 is principally comprised of costs related to various Information Technology projects at the Hospital and other facilities of the Health System The estimated costs currently committed related to these projects at September 30, 2014 total approximately $6,623,000 These projects are scheduled for completion through fiscal year 2015 for phase 1 with additional phases in future periods. The Health System capitalized interest of approximately $316,000 and $102,000 in 2014 and 2013, respectively

(4) Investments and Assets Limited as to Use

The composition of investments at September 30, 2014 and 2013 is as follows

	2014	2013
Obligations of the U S government and its agencies	$ 5,753,681	5,772,313
Cash and cash equivalents	205,174	102,645
Domestic equity securities	2,329,425	2,274,667
International equity securities	734,828	791,535
Domestic corporate bonds	641,047	826,999
	$ 9,664,155	9,768,159

(Continued)

The Health System's assets limited as to use at September 30, 2014 and 2013 are summarized below:

		2014	2013
Assets limited as to use:			
Internally designated by the Board for capital acquisition (funded depreciation):			
Cash and cash equivalents	$	203,376	203,157
Held by trustee under bond indenture agreement:			
Cash and cash equivalents		5,670,271	5,660,350
State guaranty fund deposit			
Cash and cash equivalents		105,723	101,051
Designated by donors and Foundation			
Cash and cash equivalents		586,722	611,197
Obligations of the U S government and its agencies		583,433	599,143
Domestic equity securities		1,320,950	1,204,783
International equity securities		414,912	423,510
Domestic corporate bonds		326,911	367,232
		3,232,928	3,205,865
Total assets limited as to use		9,212,298	9,170,423
Less amounts classified as current assets		5,662,813	5,652,891
	$	3,549,485	3,517,532

The composition of net investment income for the years ended September 30, 2014 and 2013 is as follows:

		2014	2013
Nonoperating investment income			
Interest income	$	403,403	502,571
Net realized gain on investments		597,520	446,290
Net unrealized (loss) gain on investments		(111,737)	126,044
	$	889,186	1,074,905

(Continued)

(5) Accrued Expenses

The composition of accrued expenses at September 30, 2014 and 2013 is as follows

	2014	2013
Accrued retirement plan contributions	$ 7,151,585	8,653,168
Accrued capital expenditures	91,713	2,486,201
Other	8,739,452	13,530,999
	$ 15,982,750	24,670,368

(6) Long-term Debt

A summary of long-term debt at September 30, 2014 and 2013 is as follows

	2014	2013
Hospital authority revenue certificates issued in March 2012 Interest rates range from 4.00% to 5.00% per annum, interest payments due semiannually on January 1 and July 1, principal payments due on January 1	$ 65,145,000	65,305,000
Hospital authority revenue certificates issued in January 2007 Interest rates range from 4.00% to 5.00% per annum, interest payments due semiannually on January 1 and July 1, principal payments due on January 1	142,725,000	143,525,000
Hospital authority revenue certificates issued originally in December 1996 and partially refunded during January 2007 Interest rates range from 5.60% to 5.70% per annum, interest payments due semiannually on January 1 and July 1, principal payments due on January 1	—	1,948,039
	207,870,000	210,778,039
Plus unamortized premiums	7,535,483	7,948,089
Plus unamortized discounts	—	(17,825)
Total long-term debt	215,405,483	218,708,303
Less current installments	(6,487,604)	(3,302,819)
Plus current unamortized premiums and discounts, net	412,604	394,781
	$ 209,330,483	215,800,265

In March 2012, the Health System issued Refunding Revenue Certificates, Series 2012, in the original principal amount of $65.7 million to refund all of the outstanding Series 1999 and 2002 certificates and to pay for certain costs of issuance

(Continued)

Future maturities of long-term debt are as follows

2015	$ 6,075,000
2016	6,315,000
2017	6,570,000
2018	6,835,000
2019	7,140,000
Thereafter	174,935,000
	$ 207,870,000

All of the outstanding revenue certificates are collateralized by ad valorem taxes to be levied by Athens-Clarke County and by a financial guaranty insurance policy. Substantially all of the Health System's long-term debt agreements subject the Health System to certain debt covenants typical of such obligations

During 2012, ARMC, Inc established a $15 million unsecured replacement line of credit bearing interest at LIBOR plus 2 5%, which expired in May 2013 During 2013, the line of credit was renewed, extending the expiration date to June 2014 There were no amounts outstanding under either line of credit at either September 30, 2014 or 2013

(7) Notes Payable

The Health System entered into two notes payable during 2010 with outstanding balances at September 30, 2014 and 2013 totaling $2,885,085 and $4,815,441, respectively The first note, initially dated December 31, 2008, allowed the Health System to draw a maximum of $8,000,000 and bore an interest rate of 3 39% per annum, with interest-only payable in monthly installments On December 31, 2009, the note was converted to fixed rate debt, repayable in monthly principal and interest payments, expiring December 1, 2015 As of September 30, 2014 and 2013, $1,708,581 and $3,119,610, respectively, was outstanding The second note, initially dated October 29, 2008, allowed the Health System to draw a maximum of $4,000,000 and bore interest at an initial rate of 4 45% which converted to a variable rate based on prime minus 0 55% following the first interest payment Monthly interest-only payments were required until the note was converted to fixed rate debt at 5 40% per annum on October 21, 2009 This converted note is repayable in monthly principal and interest payments, expiring October 28, 2016 As of September 30, 2014 and 2013, $1,176,504 and $1,695,831 was outstanding, respectively

Future maturities of notes payable are as follows

2015	$ 2,008,783
2016	827,503
2017	48,799
	$ 2,885,085

(8) Retirement Plan

ARHS, Inc , ARMC, Inc , Health Plan Select, Physician Services, Specialty Services, and Regional FirstCare sponsor defined contribution retirement plans in which employees are eligible to participate once they have

completed four consecutive quarters of service, as defined by the respective plan, and attained the age of 21 Net retirement expense totaled approximately $7,116,000 and $9,056,000 in 2014 and 2013, respectively

ARHS, Inc., ARMC, Inc., Physician Services, Specialty Services, and Regional FirstCare sponsor a retirement savings plan (savings plan) pursuant to Section 403(b) of the Internal Revenue Code Health Plan Select sponsors a retirement savings plan pursuant to Section 401(k) of the Internal Revenue Code Contributions to the savings plans may be used to purchase annuity contracts or shares in a variety of mutual funds Employees are eligible to participate after completing 12 months of service and attainment of age 21 Eligible participants may make a basic contribution ranging from 2% to 6% of their base pay, and a supplemental contribution ranging from 1% to 11% of their base pay. ARHS, Inc., ARMC, Inc., Health Plan Select, Physician Services, Specialty Services, and Regional FirstCare match 50% of the participants' basic contribution Participants are immediately 100% vested in employer contributions, subject to the surrender charges of any annuity contracts purchased Contribution expense totaled approximately $3,947,000 and $3,842,000 in 2014 and 2013, respectively

(9) Leases

The Health System leases certain equipment under capital lease agreements expiring in various years through 2018 Interest rates on the leases range from 3 5% to 6 7% per annum Equipment recorded under capital leases at September 30, 2014 had a total cost of approximately $9,001,000 and accumulated amortization of approximately $6,501,000 Equipment recorded under capital leases at September 30, 2013 had a total cost of approximately $11,946,000 and accumulated amortization of approximately $4,198,000

Minimum future lease payments under capital leases as of September 30, 2014 are as follows:

2015	$	1,417,463
2016		810,924
2017		767,015
2018		432,404
		3,427,806
Less amounts representing interest		504,292
Less amounts representing service contract and training		501,435
Less current portion		1,063,201
	$	1,358,878

ARMC, Inc., Health Plan Select, Physician Services, Specialty Services, and Regional FirstCare rent equipment used in various departments under operating leases. In addition, Health Plan Select, Physician Services, and Regional FirstCare rent office space under noncancelable operating leases beginning December 1996 and expiring through November 2019. Rental expense was approximately $4,628,000 and $4,440,000 in 2014 and 2013, respectively

Related future minimum lease payments under operating leases as of September 30, 2014 are as follows

2015	$ 3,608,527
2016	2,775,241
2017	2,148,303
2018	1,390,914
2019	545,859
Thereafter	1,709,058
	$ 12,177,902

(10) Insurance Programs

The Health System is self-insured with respect to general and professional liability risks in an underlying layer of $1,000,000 per occurrence, with an additional $4,500,000 per occurrence and aggregate buffer layer Incurred losses under the Health System's incident reporting system and incurred but not reported losses are accrued based on estimates that incorporate the Health System's past experience, as well as other considerations such as the nature of the claim or incident, relevant trend factors, and advice from consulting actuaries The Health System also has substantial excess general and professional liability coverage available under the provisions of a claims-made policy, which expired and was immediately renewed on October 1, 2012 under the same terms of the coverage in place for fiscal 2012 To the extent that any claims-made coverage is not renewed or replaced with equivalent insurance, claims based on occurrences during the term of such coverage, but reported subsequently, would be uninsured Management believes, based on incidents identified through the Health System's incident reporting system, that any such claims would not have a material effect on the Health System's operations or financial position. In any event, management anticipates that the claims-made coverage currently in place will be renewed or replaced with equivalent insurance as the term of such coverage expires

The Health System is self-insured with respect to employee health coverage, up to a limit of $150,000 per individual claim. Coverage with a third-party carrier is maintained for excess losses

(11) Business and Credit Concentrations

The Health System grants credit to patients, substantially all of whom reside in the service areas of the Health System's subsidiaries. The Health System generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e g , Medicare, Medicaid, Blue Cross, and other preferred provider arrangements and commercial insurance policies)

The mix of receivables from patients and third-party payors as of September 30, 2014 and 2013 is as follows

	2014	2013
Medicare	32%	31%
Medicaid	9	11
Blue Cross	13	9
Patients	21	22
Other third-party payors	25	27
	100%	100%

(12) Fair Value of Financial Instruments

The Health System's estimates of fair value for financial assets and liabilities are based on the framework established in ASC 820, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date This framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires observable inputs to be used in the valuations when available The disclosure of fair value estimates in the ASC 820 hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Health System's significant market assumptions. The three levels of hierarchy are as follows

Level 1 – Valuations based on unadjusted quotes market prices for identical assets or liabilities in active markets

Level 2 – Valuations based on pricing inputs that are other than quoted prices in active markets which are either directly or indirectly observable Examples include quoted prices in active markets for underlying assets, quoted prices for similar asset or liabilities in active markets, quoted prices for identical or similar assets or liabilities in an inactive market, or valuations based on models where significant inputs are observable or can be corroborated by observable market data

Level 3 – Valuations are derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and require significant professional judgment in determining the fair value assigned to such asset or liabilities

(Continued)

The hierarchy requires the use of observable market data when available. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	2014			
	Level 1	Level 2	Level 3	Total
Investments				
Obligations of the U.S. government and its agencies	$ 5,753,681	—	—	5,753,681
Cash and cash equivalents	205,174	—	—	205,174
Domestic equity securities	2,329,425	—	—	2,329,425
International equity securities	734,828	—	—	734,828
Domestic corporate bonds	641,047	—	—	641,047
	$ 9,664,155	—	—	9,664,155

	2013			
	Level 1	Level 2	Level 3	Total
Investments				
Obligations of the U.S. government and its agencies	$ 5,772,313	—	—	5,772,313
Cash and cash equivalents	102,645	—	—	102,645
Domestic equity securities	2,274,667	—	—	2,274,667
International equity securities	791,535	—	—	791,535
Domestic corporate bonds	826,999	—	—	826,999
	$ 9,768,159	—	—	9,768,159

(Continued)

	2014			
	Level 1	Level 2	Level 3	Total
Assets limited as to use				
Internally designated by the Board for capital acquisition (funded depreciation).				
Cash and cash equivalents	$ 203,376	—	—	203,376
Held by trustee under bond indenture agreement				
Cash and cash equivalents	5,670,271	—	—	5,670,271
State guaranty fund deposit				
Cash and cash equivalents	105,723	—	—	105,723
Designated by donors and Foundation.				
Cash and cash equivalents	586,722	—	—	586,722
Obligations of the U S government and its agencies	583,433	—	—	583,433
Domestic equity securities	1,320,950	—	—	1,320,950
International equity securities	414,912	—	—	414,912
Domestic corporate bonds	326,911	—	—	326,911
	$ 9,212,298	—	—	9,212,298

(Continued)

	2013			
	Level 1	Level 2	Level 3	Total
Assets limited as to use				
Internally designated by the Board for capital acquisition (funded depreciation).				
Cash and cash equivalents	$ 203,157	—	—	203,157
Held by trustee under bond indenture agreement				
Cash and cash equivalents	5,660,350	—	—	5,660,350
State guaranty fund deposit				
Cash and cash equivalents	101,051	—	—	101,051
Designated by donors and Foundation.				
Cash and cash equivalents	611,197	—	—	611,197
Obligations of the U S government and its agencies	599,143	—	—	599,143
Domestic equity securities	1,204,783	—	—	1,204,783
International equity securities	423,510	—	—	423,510
Domestic corporate bonds	367,232	—	—	367,232
	$ 9,170,423	—	—	9,170,423

The carrying amounts of all applicable asset and liability financial instruments reported in the consolidated balance sheets (except various debt instruments) approximate their estimated fair values, in all significant respects, at September 30, 2014 and 2013

The fair value of long term debt has been estimated using Level 2 inputs, such as interest rates currently available to the Health System for borrowings having similar character, collateral, and duration The aggregate fair value of such instruments approximates $222,025,000 and $220,247,000 at September 30, 2014 and 2013, respectively The carrying values of notes payable approximate fair value at September 30, 2014 and 2013 due to the terms associated with these financial instruments

(13) Related Party Transactions

At September 30, 2014 and 2013, the Health System has amounts outstanding under loan agreements (note 7) with two financial institutions One Health System trustee is an officer of one of these lending financial institutions and another Health System trustee is a board member of the other lending financial institution

(Continued)

(14) Grants from the Georgia Department of Human Resources

The Health System received grants from the Georgia Department of Human Resources during the fiscal years ended September 30, 2014 and 2013. Funds received and expended for each grant are as follows:

Contract/Grant number	Type	Fiscal year ended 9/30/2014 Revenue	Fiscal year ended 9/30/2014 Expenditures		Fiscal year ended 9/30/2013 Revenue	Fiscal year ended 9/30/2013 Expenditures	
Coalition Support	Emerg Mgt	$ 11,596	8,291	(b)	—	—	
Regional Cache Funds	Emerg Mgt	146,107	120,201	(a)	—	—	
105-07100113	Emerg Mgt	64,938	49,130		76,534	64,572	(d)
Decontamination Grant	Emerg Mgt	—	—		44,740	44,740	(e)
GTC_Athens2014 1	Trauma	425,321	77,896	(c)	—	—	
GTC_Athens2013 2	Trauma	—	—		495,835	89,543	(f)
		$ 647,962	255,518		617,109	198,855	

(a) - Approximately $29,000 items have not been received and or paid at 9/30/2014

(b) - Approximately $3,000 was paid for in the previous year

(c) - This grant relates to trauma readiness, uncompensated care, registry services, and performance based programs. The Health System was required to comply with a variety of requirements to receive these funds.

(d) – The grant was for a total of $76,534. $ 64,572 was received in 2013

(e) – This was funding for the purchase of specific items

(f) – These grants relate to trauma readiness services, uncompensated care, registry services and performance based programs. The Health System was required to comply with a variety of requirements to receive these funds.

(15) Graduate Medical Education

ARMC, Inc. continues in its development of Accreditation Council for Graduate Medical Education (ACGME) residency programs, and has successfully recruited and employed program directors for the Internal Medicine, Obstetrics and Gynecology (OB / GYN), and Transitional Year residency programs. The Program Information Form (PIF) has been submitted for the OB / GYN program and the Health System anticipates **the program's site visit to occur at some point in January 2015. The PIF for the Internal Medicine** residency has been submitted and their site visit was conducted on November 6, 2014. Results of the site visit will be sent to the program after the Resident Review Committee meeting in February 2015.

Schedule 1

ATHENS REGIONAL HEALTH SERVICES, INC AND SUBSIDIARIES

Consolidating Schedule – Balance Sheet Information

September 30 2014

Assets	Athens Regional Health Services, Inc.	Athens Regional Medical Center, Inc	Athens Regional Foundation, Inc	Athens Regional Health Resources, Inc	Athens Regional Physician Services, Inc	Athens Regional Specialty Services, Inc	Regional FirstCare, Inc	Athens Area Health Plan Select, Inc	Eliminations	Consolidated
Current assets										
Cash and cash equivalents	$ 25 569	28 805 329	360 346	93 722	1 089 133	291 401	791 100	11 617 333	—	43 073 933
Assets limited as to use required for current liabilities	—	5 662 813	—	—	—	—	—	—	—	5 662 813
Investments	—	—	4 991 051	—	—	—	—	4 673 104	—	9 664 155
Patient accounts receivable net	—	52 293 495	—	—	1 494 578	1 633 792	700 157	—	—	56 122 022
Due from third-party payors	—	4 369 036	—	—	—	—	—	—	—	4 369 036
Other current assets	—	10 381 808	279 396	—	531 174	(19 209)	23 077	911 620	—	12 107 866
Total current assets	25 569	101 512 481	5 630 793	93 722	3 114 885	1 905 984	1 514 334	17 202 057	—	130 999 825
Assets limited as to use	—	210 835	3 237 587	—	—	—	—	101 063	—	3 549 485
Investment in subsidiaries	109 692 361	—	—	—	—	—	—	—	(109 692 361)	—
Property and equipment net	—	237 956 744	140 000	15 399 022	607 442	533 367	275 139	53 103	—	254 964 817
Revenue certificate issuance costs net	—	1 961 479	—	6 580	—	—	—	—	—	1 968 059
	$ 109 717 930	341 641 539	9 008 380	15 499 324	3 722 327	2 439 351	1 789 473	17 356 223	(109 692 361)	391 482 186
Liabilities and Net Assets										
Current liabilities										
Current installments of long-term debt notes payable and capital leases	$ —	8 598 499	—	548 485	—	—	—	—	—	9 146 984
Medical claims reserve	—	—	—	—	—	—	—	3 651 105	—	3 651 105
Due to third-party payors	—	1 049 817	—	—	—	—	—	—	—	1 049 817
Accounts payable	884	10 075 181	—	—	270 679	174 666	79 332	108 401	—	10 709 143
Accrued salaries wages and benefits	1 683 513	15 421 874	—	—	1 574 865	1 638 185	801 233	642 572	—	21 762 242
Accrued expenses	349 097	12 337 645	—	348	673 787	1 015 294	326 949	1 279 630	—	15 982 750
Due (from) to related parties	(930 786)	(15 506 298)	(103 566)	957 898	3 988 712	9 977 087	401 470	1 215 483		—
Total current liabilities	1 102 708	31 976 718	(103 566)	1 506 731	6 508 043	12 805 232	1 608 984	6 897 191	—	62 302 041
Long-term debt excluding current installments	—	210 934 423	—	628 019	—	—	—	—	—	211 562 442
Accrued general and professional liability costs	—	7 002 283	—	—	—	—	—	—	—	7 002 283
Total liabilities	1 102 708	249 913 424	(103 566)	2 134 750	6 508 043	12 805 232	1 608 984	6 897 191	—	280 866 766
Net assets										
Unrestricted	108 615 222	91 728 115	7 111 748	13 364 574	(2 785 716)	(10 365 881)	180 489	10 459 032	(109 692 361)	108 615 222
Temporarily restricted	—	—	2 000 198	—	—	—	—	—	—	2 000 198
Total net assets	108 615 222	91 728 115	9 111 946	13 364 574	(2 785 716)	(10 365 881)	180 489	10 459 032	(109 692 361)	110 615 420
	$ 109 717 930	341 641 539	9 008 380	15 499 324	3 722 327	2 439 351	1 789 473	17 356 223	(109 692 361)	391 482 186

See accompanying independent auditors report

Schedule 2

ATHENS REGIONAL HEALTH SERVICES, INC AND SUBSIDIARIES

Consolidating Schedule – Statement of Operations Information

Year ended September 30, 2014

	Athens Regional Health Services, Inc.	Athens Regional Medical Center, Inc	Athens Regional Foundation, Inc	Athens Regional Health Resources, Inc	Athens Regional Physician Services, Inc	Regional FirstCare, Inc	Athens Regional Specialty Services, Inc	Athens Area Health Plan Select, Inc	Eliminations	Consolidated
Revenue, gains and other support										
Net patient service revenue	$ —	347,150,612	(36,149)	—	20,198,055	9,537,464	12,948,522	(3,825)	(18,365,756)	371,428,923
Premium revenue	—	—	—	—	—	—	—	40,803,854	—	40,803,854
Other revenue	—	14,234,441	295,298	194,600	15,296	4,469	150,202	2,171,314	(1,658,950)	15,406,670
Total revenue, gains and other support	—	361,385,053	259,149	194,600	20,213,351	9,541,933	13,098,724	42,971,343	(20,024,706)	427,639,447
Operating expenses										
Salaries, wages and benefits	5,835,204	180,631,556	—	—	16,404,091	6,969,918	19,464,911	3,589,559	(1,014,651)	231,880,588
Supplies	4,009	89,342,970	382,063	—	2,835,647	548,624	950,934	158,733	—	94,222,980
Professional Fees	10,170	34,216,709	1,074,962	115,101	408,875	109,704	242,881	2,807,800	(253,053)	38,733,149
Medical claims expense	—	111	—	—	—	—	2,244	37,335,634	(18,152,677)	19,185,312
Depreciation and amortization	—	24,362,755	—	404,422	286,341	130,455	297,900	26,715	—	25,508,588
Interest	—	9,503,327	—	79,742	—	—	—	—	—	9,583,069
Other	(5,849,228)	39,337,127	46,788	35,537	4,259,262	1,672,935	2,310,453	2,402,544	(604,325)	43,611,093
Total operating expenses	155	377,394,555	1,503,813	634,802	24,194,216	9,431,636	23,269,323	46,320,985	(20,024,706)	462,724,779
Operating income (loss)	(155)	(16,009,502)	(1,244,664)	(440,202)	(3,980,865)	110,297	(10,170,599)	(3,349,642)	—	(35,085,332)
Nonoperating investment income, net	155	500,911	690,874	(320,649)	1,937	1,522	2,047	12,389	—	889,186
Other nonoperating loss	—	(200,743)	—	—	—	—	—	—	—	(200,743)
Equity in earnings of subsidiaries	(35,377,475)	—	—	—	—	—	—	—	35,377,475	—
Revenue, gains and other support in excess of (less than) expenses	(35,377,475)	(15,709,334)	(553,790)	(760,851)	(3,978,928)	111,819	(10,168,552)	(3,337,253)	35,377,475	(34,396,889)
Net assets released from restriction used for capital expenditures	—	—	118,728	—	—	—	—	—	—	118,728
Change in unrestricted net assets	$ (35,377,475)	(15,709,334)	(435,062)	(760,851)	(3,978,928)	111,819	(10,168,552)	(3,337,253)	35,377,475	(34,278,161)

See accompanying independent auditors' report