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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 12-01-2013, 2013, and ending 11-30-2014

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

Jennings American Legion Hospital Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address)Room/suite

1634 Elton Road

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

Jennings, LA 70546

D Employer identification number

72-0445607

E Telephone number

(337) 616-7100

G Gross receipts \$ 36,721,003

F Name and address of principal officer

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: N/A

K Form of organization

☐ Corporation☐ Trust☐ Association☒ Other

L Year of formation 1952

M State of legal domicile LA

Part I Summary																																											
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>Healthcare services</div></div>																																										
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																										
Revenue	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>17</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>14</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>429</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>64</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>0</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td></td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	17	4	Number of independent voting members of the governing body (Part VI, line 1b)	14	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	429	6	Total number of volunteers (estimate if necessary)	64	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	7b	Net unrelated business taxable income from Form 990-T, line 34																									
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Part II Signature Block

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

Sign Here

Signature of officer

Dana D Williams CEO

Type or print name and title

2015-06-17

Date

Paid Preparer Use Only

Prnt/Type preparer's name

Robert G Miller

Firm's name

Lester Miller & Wells

Firm's address

3600 Bayou Rapides

Alexandria, LA 71303

Preparer's signature

Date

Check ☐ if self-employed

PTIN

P00523509

Firm's EIN

Phone no

(318) 487-1450

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

Part IIISTatement 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

Healthcare services

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes

☒ No

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

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes

☒ No

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 21,399,905 including grants of \$) (Revenue \$ 36,702,006)

Jennings AMERICAN LEGION HOSPITALS (JALH) OPERATES A 60 BED ACUTE CARE HOSPITAL JALH PROVIDES INPATIENT AND OUTPATIENT SERVICES, AND OPERATES A 24-HOUR EMERGENCY ROOM JALH PROVIDES THESE SERVICES REGARDLESS OF RACE, COLOR, CREED, RELIGION, GENDER, NATIONAL ORIGIN, DISABILITY, AGE, OR ABILITY TO PAY THE HOSPITAL PROVIDED THE FOLLOWING INPATIENT DAYS OF CARE DURING FY 2014 MEDICARE MEDICAID TOTALACUTE 5,269 1,663 11,011JALH IS VERY ACTIVE IN THE COMMUNITY JALH HOSTS A NUMBER OF HEALTH FAIRS FOR THE COMMUNITY THE HEALTH FAIRS OFFER THE COMMUNITY ACCESS TO A NUMBER OF FREE HEALTH SCREENINGS AND ACCESS TO VENDORS FOR THEIR HEALTH JALH DISTRIBUTES A QUARTERLY COMMUNITY NEWSLETTER THIS NEWSLETTER INCLUDES TIMELY HEALTHCARE TOPICS INCLUDING SMOKING CESSATION, DIABETIC AWARENESS, CONTROLLING BLOOD PRESSURE, ETC JALH PARTICIPATES IN THE MEDICAID PROGRAM AND ADMINISTERS A CHARITY CARE POLICY WHEREBY FREE OR DISCOUNTED SERVICES ARE AVAILABLE TO QUALIFIED FINANCIALLY TROUBLED INDIVIDUALS JALH FOREGONE \$4,038,279 OF CHARGES FOR THE YEAR ENDED NOVEMBER 30, 2014

4b

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

4c

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

4d

Other program services (Describe in Schedule O)


















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

4e

Total program service expenses 21,399,905

Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	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 Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e	No
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or 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? <i>If "Yes," complete Schedule I, Parts I and II</i>	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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38		No

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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.	74	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c			No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	429	
2b		Yes	
3a			No
3b			No
4a			No
b			
5a			No
5b			No
5c			
6a			No
6b			
7 Organizations that may receive deductible contributions under section 170(c).			
7a			No
7b			
7c			No
7d			0
7e			No
7f			No
7g			No
7h			No
8			No
9 Sponsoring organizations maintaining donor advised funds.			
9a			No
9b			No
10 Section 501(c)(7) organizations. Enter			
10a			
10b			
11 Section 501(c)(12) organizations. Enter			
11a			
11b			
12a			No
12b			
13a			No
13b			
13c			
14a			No
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	17	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	14	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶Chris Kohlenberg CFO 1634 Elton Road Jennings, LA 705463614 (337) 616-7032

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

Check if Schedule O contains a response 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) Richard Oustalet Director	0 00 0 00							5,800	0	0
(2) GLENN MCFARLAIN Director	0 00 0 00							3,500	0	0
(3) CHRISTOPHER ACHEE Director	0 00 0 00							6,000	0	0
(4) DALE LANDRY Director	0 00 0 00							6,000	0	0
(5) MICHAEL BENOIT Director	0 00 0 00							5,000	0	0
(6) ELLA DARTEZ Director	0 00 0 00							6,000	0	0
(7) ALLEN MEDUS Director	0 00 0 00							12,600	0	0
(8) DARRELL LANDRY Director	0 00 0 00							5,800	0	0
(9) JAMES RICHERT JR Director	0 00 0 00							6,000	0	0
(10) RICHARD ARCENEAUX Director	0 00 0 00							12,400	0	0
(11) ARTHUR D MATTE CPA Director	0 00 0 00							12,600	0	0
(12) JOHN LOUVIERE JR Director	0 00 0 00							6,000	0	0
(13) LARRY BENOIT Director	0 00 0 00							6,000	0	0
(14) GORDON HAYES Director	0 00 0 00							3,200	0	0
(15) JULIE BERRY Director	0 00 0 00							5,400	0	0
(16) CARL BENOIT Director	0 00 0 00							5,900	0	0
(17) KEVIN BERKEN Director	0 00 0 00							5,500	0	0

Part VII

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: 6

Section B. Independent Contractors

Form **990** (2013)

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	1,532,899			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	8,500			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		1,541,399			
Program Service Revenue	2a	NET PATIENT SERVICE REV	Business Code	33,932,298	33,932,298		
	b	OTHER OPERATING REVENUE		1,131,218	1,131,218		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		35,063,516			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		94,436	94,436	
4		Income from investment of tax-exempt bond proceeds		0			
5		Royalties		0			
6a		(i) Real					
		(ii) Personal					
b							
c							
d				0			
7a		(i) Securities					
	(ii) Other						
b							
c							
d			2,655	2,655			
8a							
b							
c			0				
9a							
b							
c			0				
10a							
b							
c			0				
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d							
e			0				
12			36,702,006	35,160,607			

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.	119,700		119,700	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	15,420,292	8,714,007	6,706,285	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	391,069	220,993	170,076	
9	Other employee benefits.	2,119,489	1,197,723	921,766	
10	Payroll taxes.	1,091,161	616,615	474,546	
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	18,263	10,320	7,943	
c	Accounting.	25,711	14,529	11,182	
d	Lobbying.	0			
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	1,610,133	909,886	700,247	
12	Advertising and promotion.	33,061	18,683	14,378	
13	Office expenses.	0			
14	Information technology.	0			
15	Royalties.	0			
16	Occupancy.	0			
17	Travel.	55,799	31,532	24,267	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	17,053	9,637	7,416	
20	Interest.	331,717	187,453	144,264	
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	2,313,719	1,307,483	1,006,236	
23	Insurance.	636,166	359,497	276,669	
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	SUPPLIES	5,726,310	3,235,938	2,490,372	
b	professional fees	3,150,695	1,780,458	1,370,237	
c	REPAIRS AND MAINTENANCE	1,388,716	784,763	603,953	
d	RECRUITMENT	712,061	402,386	309,675	
e	All other expenses	2,827,822	1,598,002	1,229,820	
25	Total functional expenses. Add lines 1 through 24e.	37,988,937	21,399,905	16,589,032	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	0
	2	Savings and temporary cash investments			71,621	2	979,156
	3	Pledges and grants receivable, net				3	0
	4	Accounts receivable, net			7,543,063	4	3,408,958
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L				6	0
	7	Notes and loans receivable, net				7	0
	8	Inventories for sale or use			1,242,542	8	1,069,307
	9	Prepaid expenses and deferred charges			778,345	9	851,847
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	47,413,706			
	b	Less accumulated depreciation	10b	30,020,077	15,661,368	10c	17,393,629
	11	Investments—publicly traded securities				11	0
	12	Investments—other securities See Part IV, line 11				12	0
	13	Investments—program-related See Part IV, line 11				13	0
	14	Intangible assets				14	0
	15	Other assets See Part IV, line 11			13,940,575	15	12,904,130
	16	Total assets. Add lines 1 through 15 (must equal line 34)			39,237,514	16	36,607,027
Liabilities	17	Accounts payable and accrued expenses			2,687,444	17	2,612,540
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			8,094,490	23	9,564,192
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D				25	
	26	Total liabilities. Add lines 17 through 25			10,781,934	26	12,176,732
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			28,455,580	27	23,757,295
	28	Temporarily restricted net assets				28	673,000
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			28,455,580	33	24,430,295
	34	Total liabilities and net assets/fund balances			39,237,514	34	36,607,027

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	36,702,006
2	Total expenses (must equal Part IX, column (A), line 25)	2	37,988,937
3	Revenue less expenses Subtract line 2 from line 1	3	-1,286,931
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	28,455,580
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	-2,738,354
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	24,430,295

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

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 Jennings American Legion Hospital Inc	Employer identification number 72-0445607
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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	<input type="checkbox"/>	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2	<input type="checkbox"/>	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
3	<input checked="" type="checkbox"/>	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7	<input type="checkbox"/>	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	<input type="checkbox"/>	A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)
9	<input type="checkbox"/>	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	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See section 509(a)(4).
11	<input type="checkbox"/>	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 <input type="checkbox"/> Type I b <input type="checkbox"/> Type II c <input type="checkbox"/> Type III - Functionally integrated d <input type="checkbox"/> Type III - Non-functionally integrated
e	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? (ii) A family member of a person described in (i) above? (iii) A 35% controlled entity of a person described in (i) or (ii) above?
h	<input type="checkbox"/>	Provide the following information about the supported organization(s)

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

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

Part II

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 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 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 Jennings American Legion Hospital Inc	Employer identification number 72-0445607
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Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)☐ Preservation of an historically important land area
☐ Protection of natural habitat☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

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

☐ Yes

☐ No

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

- 1a

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

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a

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

☐ Yes

☐ No
- b

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

☐

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

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

- 2

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

Board designated or quasi-endowment
- b

Permanent endowment
- c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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		1,391,338		1,391,338
b Buildings		27,351,334	17,602,247	9,749,087
c Leasehold improvements		689,588	535,888	153,700
d Equipment		17,854,458	11,881,942	5,972,516
e Other		126,988		126,988
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				17,393,629

Schedule D (Form 990) 2013

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	36,702,006
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	36,702,006
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	36,702,006

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	37,988,937
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	37,988,937
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	37,988,937

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

[illegible]

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

► Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
► Attach to Form 990. ► See separate instructions.
► 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
Jennings American Legion Hospital Inc

Employer identification number
72-0445607

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <div><input type="checkbox"/> Applied uniformly to all hospital facilities</div> <div><input type="checkbox"/> Applied uniformly to most hospital facilities</div> <div><input type="checkbox"/> Generally tailored to individual hospital facilities</div>			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <div><input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %</div>	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %</div>	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 eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
b	If "Yes," did the organization make it available to the public?	6b		No
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.				

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			2,848,917	1,199,800	1,649,117	4 760 %
b Medicaid (from Worksheet 3, column a)			5,885,559	5,550,374	335,185	0 970 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			8,734,476	6,750,174	1,984,302	5 730 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			5,054		5,054	0 010 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			978,392	206,352	772,040	2 230 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits			983,446	206,352	777,094	2 240 %
k Total. Add lines 7d and 7j			9,717,922	6,956,526	2,761,396	7 970 %

Part IICommunity Building Activities

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

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

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

3,356,408

3Enter 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

958,926

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

14,806,578

6Enter Medicare allowable costs of care relating to payments on line 5.

6

17,090,371

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-2,283,793

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

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

9b

No

Part IVManagement 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)

1

Name of hospital facility or facility reporting group

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>www.jalh.com</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	No
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 0000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 0000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	No		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input checked="" type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input checked="" type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input checked="" type="checkbox"/> Other similar actions (describe in 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	Yes
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input checked="" type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in 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? If "No," indicate why	19 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> Other (describe in Part VI)		

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input type="checkbox"/> Other (describe in Part VI)		
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	21	No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI	22	No

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.

[illegible]

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 - Charity Care Eligibility Criteria (FPG Is Not Used)	DISCOUNTED CARE IS DETERMINED BY 300% OF FPG - FREE CARE IS AT 200%

Form and Line Reference	Explanation
Part III, Line 3 - Methodology of Estimated Amount & Rationale for Including in Community Benefit	THE HOSPITAL ESTIMATES APPROXIMATELY 28.57% OF THE AMOUNTS WRITTEN OFF TO BAD DEBTS ARE RELATED TO PATIENTS WHO COULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY. THIS ESTIMATE IS BASED ON A REVIEW MADE MONTHLY ON THE LIST OF PATIENTS TURNED OVER TO COLLECTIONS. THE HOSPITAL DETERMINES THIS BASED ON THE PATIENT'S BILLING ADDRESS, SUCH AS A PATIENT LIVING IN A LOW-INCOME HOUSING LOCATION OR PATIENT PROVIDING A FALSE ADDRESS. ANOTHER DETERMINING FACTOR IS WHETHER A PATIENT EVENTUALLY QUALIFIES FOR MEDICAID COVERAGE UNDER THE MEDICAID SPEND-DOWN PROGRAM DUE TO LARGE MEDICAL BILLS.

Form and Line Reference	Explanation
Part III, Line 8 - Explanation Of Shortfall As Community Benefit	THE HOSPITAL CONTENTS THAT THE MAJORITY, IF NOT ALL, OF THE SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT THE HOSPITAL OFFERS QUALITY HEALTHCARE TO ALL PATIENTS REGARDLESS OF PAYMENT OR REIMBURSEMENT EXPECTATION RESOURCES FOR MEDICARE PATIENTS VERSUS ALL OTHER PATIENTS ARE IDENTICAL BASED ON TREATMENT

Form and Line Reference	Explanation
Part VI - Patient Education of Eligibility for Assistance	Jennings American Legion Hospital is committed to patients first. As part of this commitment, Jennings American Legion Hospital's vision is to provide the highest quality healthcare at the lowest possible cost to all people in the hospital's service area. The hospital's charity care program supports patients who have demonstrated financial need and require medically necessary medical services. Jennings American Legion's Financial Counselor visits with all physicians on staff and keeps her business cards in their offices for patients that need assistance. On a daily basis the Financial Counselor runs reports of all private pay patients. She then visits all the private pay patients that are Inpatient to screen for assistance. For the patients that have been through outpatient departments, including the ER the Financial Counselor mails a financial assistance package. Follow-up phone calls are also made by the financial counselor to aide in return packets. The Financial Counselor obtains the following information to determine a patient's need for charity care: household income, family size, assets, and availability of alternative sources of payments. Finally, a thorough review is completed and the following services are provided: - Assist patients with a governmental assistance application when applicable - Help patients determine if a third party is liable - Provide medical services at reduced rates or at no cost - Provide individualized plans based on the patient's ability to pay - Use fair and consistent collection practices.

Form and Line Reference	Explanation
Part VI - Community Information	<p>Jennings American Legion Hospital is currently licensed to operate 60 beds and is accredited by The Joint Commission For fiscal year 2014, patient volumes included 3,451 admissions and 15,721 emergency department visits JENNINGS, is a small town of approximately 10,986 located on Interstate 10 about halfway between two major cities in Louisiana, Lafayette and Lake Charles It is also halfway between Houston Texas and New Orleans Louisiana Jennings is the seat of Jefferson Davis Parish Jennings American Legion Hospital services all of Jefferson Davis Parish, parts of Allen Parish, Acadia Parish, Calcasieu Parish and Evangeline Parish Jefferson Davis Parish population was 31,097 in 2009 The average income in 2008 in Jefferson Davis Parish was \$38,577 The percentage of Jefferson Davis Parish residents living in poverty in 2008 was 16.7% In the city of Jennings the percentage of residents living in poverty in 2009 was 22.8% (15.4% for White Non-hispanic, 37.0% for black residents, 73.9% for Hispanic or Latino, 50.6% for other race residents, and 43.0% for two or more race residents) Jennings American Legion Hospital is the only hospital to serve Jefferson Davis Parish The number of people in Jefferson Davis Parish with a disability is 6,539 The percentage of the population who were female in 2009 was 51.6% The population classified as white was 80.8%, black 17.2%, Asian .3%, two or more races 1.2% and Hispanic or Latino 1.5% In 2009 35.1% of the population is less than eighteen years old and 13.7% of the residents were over the age of sixty-five</p>

Additional Data

Software ID: 13000170
Software Version: 2013v4.0
EIN: 72-0445607
Name: Jennings American Legion Hospital Inc

990 Schedule H, Supplemental Information

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, Line 3 - Account Input from Person Who Represent the Community	Community input was provided through 15 key informant interviews and a community health input questionnaire to four focus groups
Part V, Line 7 - Explanation of Needs Not Addressed and Reasons Why	Some areas of concern found during the assessment are already being addressed by other community programs
Part V, Line 14g - Other Means Hospital Facility Publicized the Policy	MAILED LETTER AND APPLICATION TO OUTPATIENT ER PRIVATE PAY PATIENTS
Part V, Line 16e - Other Collection Actions Against a Patient	LIENS FILED ON THIRD-PARTY AUTO LIABILITY PLANS ONLY

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
Jennings American Legion Hospital Inc

Employer identification number
72-0445607

Part I

Questions Regarding Compensation

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

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

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII
Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)DANA D WILLIAMS CEO	(i) (ii)	237,370					237,370	
(2)GEORGE BAILEY DOCTOR	(i) (ii)	373,323					373,323	

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

72-0445607

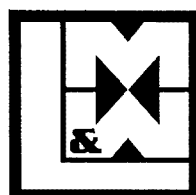
990 Schedule O, Supplemental Information

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

JENNINGS AMERICAN LEGION HOSPITAL, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED
NOVEMBER 30, 2014 AND 2013



LESTER, MILLER & WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JENNINGS AMERICAN LEGION HOSPITAL, INC.
YEARS ENDED NOVEMBER 30, 2014 AND 2013

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LESTER, MILLER & WELLS

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

3600 Bayou Rapides Rd. • Alexandria, LA 71303

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Mailing Address Post Office Box 8758 • Alexandria, Louisiana 71306-1758 • Telephone (318) 487-1450 • Facsimile (318) 445-1184

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jennings American Legion Hospital, Inc.
Jennings, Louisiana

We have audited the accompanying financial statements of Jennings American Legion Hospital, Inc. (the "Hospital", a nonprofit health care entity), which comprise the statement of financial position as of November 30, 2014, and the related statement of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of November 30, 2014, and the results of its activities, changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Jennings American Legion Hospital, Inc. as of November 30, 2013, were audited by other auditors whose report dated March 1, 2014, expressed an unqualified opinion of those statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Certified Public Accountants

Alexandria, Louisiana
May 22, 2015



JENNINGS AMERICAN LEGION HOSPITAL, INC.
STATEMENTS OF FINANCIAL POSITION
NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 979,156	\$ 71,620
Accounts receivable, net of allowances for uncollectibles (Note 4)	4,438,009	6,227,218
Estimated third-party payor settlements	1,133,325	1,287,438
Inventories	1,069,307	1,242,541
Prepaid expenses	851,847	778,345
Total Current Assets	<u>8,471,644</u>	<u>9,607,162</u>
Non-Current Assets		
Land	1,391,338	1,391,338
Property and equipment, net (Note 5)	16,002,291	14,270,127
Notes receivable	1,366,074	1,614,539
Assets limited as to use (Note 7)	9,375,680	9,990,154
Total Assets	<u>\$ 36,607,027</u>	<u>\$ 36,873,320</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 770,413	\$ 1,250,989
Accrued salary and payroll taxes	541,086	809,794
Accrued vacation payable (Note 8)	612,470	626,656
Estimated third-party payor settlements	688,571	374,165
Current portion of long-term debt (Note 9)	1,612,492	1,072,500
Total Current Liabilities	<u>4,225,032</u>	<u>4,134,104</u>
Long-term Debt (Note 9)	<u>7,951,700</u>	<u>7,021,990</u>
Total Liabilities	<u>12,176,732</u>	<u>11,156,094</u>
Net Assets		
Permanently restricted	-0-	-0-
Temporarily restricted	673,000	-0-
Unrestricted	<u>23,757,295</u>	<u>25,717,226</u>
Total Net Assets	<u>24,430,295</u>	<u>25,717,226</u>
Total Liabilities and Net Assets	<u>\$ 36,607,027</u>	<u>\$ 36,873,320</u>

See accompanying notes to financial statements.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Unrestricted Revenue, Gains and Other Support		
Net patient service revenue (Note 10)	\$ 33,932,298	\$ 33,133,393
Operating grants	1,532,899	1,900,131
Other operating revenue	<u>1,139,718</u>	<u>1,014,824</u>
Total Revenue, Gains and Other Support	<u>36,604,915</u>	<u>36,048,348</u>
Expenses		
Salaries	15,420,292	15,149,589
Benefits and payroll taxes	3,601,719	3,436,771
Medical supplies and drugs	5,726,310	5,223,355
Professional fees	3,150,695	3,121,282
Interest expense	331,717	280,183
Insurance	636,166	616,310
Depreciation and amortization	2,313,719	2,068,790
Other operating expenses	<u>6,808,319</u>	<u>6,313,144</u>
Total Expenses	<u>37,988,937</u>	<u>36,209,424</u>
Excess of revenue, gains and other support	<u>(1,384,022)</u>	<u>(161,076)</u>
Other Income		
Gain (loss) on sale of assets	2,655	(510)
Interest income	<u>94,436</u>	<u>138,077</u>
Increase (decrease) in net assets	\$ <u><u>(1,286,931)</u></u>	\$ <u><u>(23,509)</u></u>

See accompanying notes to financial statements.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Total Net Assets</u>
Balance at November 30, 2012, as previously stated	\$ 27,866,042	\$ -0-	\$ 27,866,042
Prior-period adjustment - error in calculation of allowances (cumulative effect) (Note 11)	<u>(2,125,307)</u>	<u>-0-</u>	<u>(2,125,307)</u>
Balance at November 30, 2012, as restated	25,740,735	-0-	25,740,735
Prior year increase (decrease) in net assets	<u>(23,509)</u>	<u>-0-</u>	<u>(23,509)</u>
Balance at November 30, 2013	25,717,226	-0-	25,717,226
Current year increase (decrease) in net assets	<u>(1,959,931)</u>	<u>673,000</u>	<u>(1,286,931)</u>
Balance at November 30, 2014	\$ <u><u>23,757,295</u></u>	\$ <u><u>673,000</u></u>	\$ <u><u>24,430,295</u></u>

See accompanying notes to financial statements.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from patients and third-party payors	\$ 36,190,026	\$ 30,672,552
Other receipts from operations	2,672,617	2,914,955
Cash payments to employees and for employee-related cost	(19,304,905)	(17,782,319)
Cash payments for other operating expenses	<u>(16,702,334)</u>	<u>(15,788,880)</u>
Net cash provided (used) by operating activities	<u>2,855,404</u>	<u>16,308</u>
Cash flows from investing activities:		
Proceeds from investments	614,474	558,048
Loan to physicians	248,465	154,484
Interest income	<u>94,436</u>	<u>138,077</u>
Net cash provided (used) by investing activities	<u>957,375</u>	<u>850,609</u>
Cash flows from financing activities:		
Proceeds from capital leases	2,993,929	-0-
Interest expense	<u>(331,717)</u>	<u>(280,183)</u>
Net cash provided (used) by financing activities	<u>2,662,212</u>	<u>(280,183)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(4,047,359)	(795,800)
Proceeds from sales of capital assets	4,131	49,371
Principal payments on long-term debt	<u>(1,524,227)</u>	<u>(1,045,019)</u>
Net cash provided (used) by capital and related financing activities	<u>(5,567,455)</u>	<u>(1,791,448)</u>
Net increase (decrease) in cash and cash equivalents	907,536	(1,204,714)
Beginning cash and cash equivalents	<u>71,620</u>	<u>1,276,334</u>
Ending cash and cash equivalents	\$ <u><u>979,156</u></u>	\$ <u><u>71,620</u></u>

See accompanying notes to financial statements.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	\$ <u>331,717</u>	\$ <u>280,183</u>
Equipment acquired through capital lease agreements	\$ <u>2,993,929</u>	\$ <u>-0-</u>
Reconciliation of income from operations to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (1,384,022)	\$ (161,076)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,313,719	2,068,790
Provision for bad debts	3,356,408	4,468,221
Interest expense considered capital related	331,717	280,183
Changes in current assets (increase) decrease:		
Accounts receivable	(1,567,199)	(5,985,889)
Estimated third-party payor settlements	154,113	(458,536)
Inventories	173,234	(103,692)
Prepaid expenses	(73,502)	(37,472)
Changes in current liabilities increase (decrease):		
Accounts payable	(480,576)	(373,627)
Accrued salary and payroll taxes	(268,708)	782,121
Accrued vacation payable	(14,186)	21,922
Estimated third-party payor settlements	<u>314,406</u>	<u>(484,637)</u>
Net cash provided (used) by operating activities	\$ <u>2,855,404</u>	\$ <u>16,308</u>

See accompanying notes to financial statements.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 1 - ORGANIZATION AND OPERATIONS

Organization

Jennings American Legion Hospital, Inc. (the Hospital) is a nonprofit corporation which has received exemption from income taxes as an organization described under section 501(c)(3) of the Internal Revenue Code, as amended.

Nature of Business

Located in Jennings, Louisiana, the Hospital provides inpatient acute hospital services, outpatient, skilled nursing (through "swing-beds"), and emergency services primarily for residents of southwestern Louisiana. Admitting physicians are primarily practitioners in the local area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Hospital uses the accrual basis of accounting in accordance with the American Hospital Association recommendations.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of deposits in checking and money market accounts and certificates of deposit with original maturities of ninety (90) days or less. Certificates of deposit with original maturities over 90 days are classified as short-term investments. Cash and cash equivalents and short-term investments are stated at cost, which approximates market value. The caption "cash and cash equivalents" does not include amounts whose use is limited or temporary cash investments.

Concentrations of Credit Risk

The Hospital provides medical care primarily to southwestern Louisiana residents and grants credit without collateral to patients, substantially all of whom are local residents insured under third-party payor agreements.

The Hospital's estimate of collectibility is based on evaluation of historical collections compared to gross charges and an analysis of aged accounts receivable to establish an allowance for uncollectible accounts.

As described in Note 3, the Hospital has deposits in major financial institutions that exceeded the Federal Depository Insurance Corporation (FDIC) limits. These financial institutions have a strong credit rating and management believes that credit risk related to these deposits is minimal.

Significant Concentration of Economic Dependence

The Hospital has an economic dependence on a small number of staff physicians. These physicians admit over 90% of the Hospital's patients. The Hospital also has an economic dependence on Medicare and Medicaid as sources of payments as shown in the table in Note 10. Changes in federal or state legislation or interpretations of rules have a significant impact on the Hospital.

JENNINGS AMERICAN LEGION HOSPITAL, INC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Patient Service Revenues

The Hospital has entered into agreements with third-party payors, including government programs, health insurance companies, and managed care health plans, under which the Hospital is paid based upon established charges, the cost of providing services, predetermined rates per diagnosis, fixed per diem rates, or discounts from established charges.

Revenues are recorded at estimated amounts due from patients and third-party payors for the Hospital services provided. Settlements under reimbursement agreements with third-party payors are estimated and recorded in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Inventories

Inventories are stated at the lower of cost determined by the first-in, first-out method.

Income Taxes

The Hospital is exempt from federal income tax under Section 501(c)3 of the 1954 Internal Revenue code.

Property and Equipment

Property and equipment are recorded at cost for purchased assets or at fair market value on the date of any donation. The Hospital uses straight-line method over their estimated useful lives of determining depreciation for financial reporting and third-party reimbursement.

Expenditures for additions, major renewals and betterments over \$200 are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposal are credited or charged to operations currently.

Net Assets

The Hospital classifies net assets into three components: temporarily restricted, permanently restricted, and unrestricted. Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose or by creditors (such as through debt covenants). Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. Unrestricted are remaining net assets that do not meet the definition of temporarily restricted or permanently restricted.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Expenses

The Hospital's statement of revenues, expenses and changes in net assets distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the Hospital's principal activity. Nonexchange revenues are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Restricted Revenues

When both restricted and unrestricted resources are available for use, it is the Hospital's policy to use restricted resources first, then unrestricted resources as they are needed.

Grants and Contributions

From time to time, the Hospital receives grants and contributions from the State of Louisiana, individuals, or private and public organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either a specific operating purpose or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Use of Estimates

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

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year classification.

Charity Care

The Hospital 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 Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Risk Management

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

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 3 - DEPOSITS AND INVESTMENTS

Investments are carried at cost.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to it. The Hospital's deposits were not entirely insured or entirely collateralized by securities held by the pledging bank's trust department in the Hospital's name. As of November 30, 2014 and 2013, the Hospital had deposits of \$5,353,384 and \$581,650 respectively that were unsecured.

NOTE 4 - ACCOUNTS RECEIVABLE

A summary of accounts receivable at November 30 is presented below:

	<u>2014</u>	<u>2013</u>
Patients	\$ 13,013,040	\$ 14,810,243
Other	<u>1,029,051</u>	<u>1,422,608</u>
Total	14,042,091	16,232,851
Estimated allowances for uncollectibles	<u>(9,604,082)</u>	<u>(10,005,633)</u>
Net accounts receivable	\$ <u>4,438,009</u>	\$ <u>6,227,218</u>

The following is a summary of the mix of receivables from patients and third-party payors at November 30

	<u>2014</u>	<u>2013</u>
Medicare	25%	18%
Medicaid	17%	17%
Commercial and other third-party payors	42%	33%
Patients	<u>16%</u>	<u>32%</u>
Total	<u>100%</u>	<u>100%</u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 5 - PROPERTY AND EQUIPMENT

The following is a summary of capital assets, and related accumulated depreciation at November 30:

	<u>2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>2014</u>
Land improvements	\$ 689,588	\$ -0-	\$ -0-	\$ 689,588
Buildings and fixtures	27,065,198	286,136	-0-	27,351,334
Equipment	14,189,975	3,683,480	18,997	17,854,458
Construction in progress	<u>50,269</u>	<u>77,743</u>	<u>1,024</u>	<u>126,988</u>
Total	41,995,030	4,047,359	20,021	46,022,368
Accumulated depreciation	<u>27,724,903</u>	<u>2,313,688</u>	<u>18,514</u>	<u>30,020,077</u>
Net	\$ <u>14,270,127</u>	\$ <u>1,733,671</u>	\$ <u>1,507</u>	\$ <u>16,002,291</u>
	<u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>2013</u>
Land improvements	\$ 683,095	\$ 6,493	\$ -0-	\$ 689,588
Buildings and fixtures	26,944,121	121,077	-0-	27,065,198
Equipment	13,585,658	627,760	23,443	14,189,975
Construction in progress	<u>59,166</u>	<u>40,470</u>	<u>49,367</u>	<u>50,269</u>
Total	41,272,040	795,800	72,810	41,995,030
Accumulated depreciation	<u>25,679,046</u>	<u>2,068,787</u>	<u>22,930</u>	<u>27,724,903</u>
Net	\$ <u>15,592,994</u>	\$ <u>(1,272,987)</u>	\$ <u>49,880</u>	\$ <u>14,270,127</u>

NOTE 6 - NOTES RECEIVABLE

Notes receivable is made up of loans made to physicians to cover sign-on incentives, guarantees and benefits. These notes are amortized according to their respective agreements based upon the physicians' fulfillment of year of service to the Hospital. Amortization of these receivables is expensed in the year as physician recruitment expense.

NOTE 7 - ASSETS LIMITED AS TO USE

Assets limited as to use are summarized below. Investments are stated at cost that approximates market value at November 30:

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 7 - ASSETS LIMITED AS TO USE (Continued)

	<u>2014</u>	<u>2013</u>
Restricted by Third Parties		
Bond covenant non-compliance deposit	\$ <u>673,000</u>	\$ <u>-0-</u>
Restricted by Hospital Board		
For capital improvements	<u>3,475,781</u>	<u>3,457,740</u>
Restricted by Hospital Management		
Internally designated	<u>5,226,899</u>	<u>6,532,414</u>
Total assets limited as to use	\$ <u><u>9,375,680</u></u>	\$ <u><u>9,990,154</u></u>

A summary of the type of investments held as assets limited as to use is:

	<u>2014</u>	<u>2013</u>
Restricted by Third Parties		
Cash	\$ <u>673,000</u>	\$ <u>-0-</u>
Restricted by Hospital Board		
Certificates of Deposit	1,895,877	1,887,404
Certificates of Deposit Account Registry Service	385,767	382,024
U.S. Securities	<u>1,194,137</u>	<u>1,188,312</u>
	<u>3,475,781</u>	<u>3,457,740</u>
Restricted by Hospital Management		
Money Market	77	253,587
Certificates of Deposit	1,698,938	2,559,556
Certificates of Deposit Account Registry Service	779,783	774,204
U.S. Securities	2,262,087	2,225,991
Other investments at cost	<u>486,014</u>	<u>719,076</u>
	<u>5,226,899</u>	<u>6,532,414</u>
Total assets limited as to use	\$ <u><u>9,375,680</u></u>	\$ <u><u>9,990,154</u></u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 8 - COMPENSATED ABSENCES

Employees of the Hospital are entitled to paid days off and sick days depending on length of service. The Hospital accrued \$612,470 and \$626,656 of vacation pay at November 30, 2014 and 2013. It is impracticable to estimate the amount of compensation for future unvested sick pay and, accordingly, no liability has been recorded in the accompanying financial statements. The Hospital's policy is to recognize the cost of unvested sick pay when actually paid to employees.

NOTE 9 - LONG-TERM DEBT

A summary of long-term debt, including capital leases, at November 30, follows:

	<u>2013</u>	<u>Additions</u>	<u>Payments</u>	<u>2014</u>	<u>Due Within One Year</u>
Life insurance	\$ 37,159	\$ -0-	\$ 7,892	\$ 29,267	\$ -0-
Annuity	43,125	-0-	7,500	35,625	7,500
Bonds payable	8,014,206	-0-	1,095,004	6,919,202	1,125,000
Notes payable	<u>-0-</u>	<u>2,993,929</u>	<u>413,831</u>	<u>2,580,098</u>	<u>479,992</u>
Total	\$ <u>8,094,490</u>	\$ <u>2,993,929</u>	\$ <u>1,524,227</u>	\$ <u>9,564,192</u>	\$ <u>1,612,492</u>

	<u>2012</u>	<u>Additions</u>	<u>Payments</u>	<u>2013</u>	<u>Due Within One Year</u>
Life insurance	\$ 37,159	\$ -0-	\$ -0-	\$ 37,159	\$ -0-
Annuity	50,625	-0-	7,500	43,125	7,500
Bonds payable	<u>9,051,725</u>	<u>-0-</u>	<u>1,037,519</u>	<u>8,014,206</u>	<u>1,065,000</u>
Total	\$ <u>9,139,509</u>	\$ <u>-0-</u>	\$ <u>1,045,019</u>	\$ <u>8,094,490</u>	\$ <u>1,072,500</u>

The following are the terms and due dates of the Hospital's long-term debt at November 30, 2014:

- Notes payable at varying rates of imputed interest with 0% and 4.0%, with semi-annual payments of \$73,421 until fiscal year 2016 and monthly payments of \$34,975 until fiscal year 2019, collateralized by leased equipment with a cost of \$3,034,347 and book value of \$2,694,069 at November 30, 2014.
- Bonds payable from 2000, 2007, and 2009 at 2.45%, 5.40%, and 3.95% payable monthly for semi-annual deposits at varying amounts until fiscal year 2020, 2017, and 2024.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 9 - LONG-TERM DEBT (Continued)

Year Ending November 30:	Notes Payable		Annuity	Bonds	
	Principal	Interest	Principal	Principal	Interest
2015	\$ 479,992	\$ 86,550	\$ 7,500	\$ 1,127,500	\$ 246,049
2016	493,543	72,999	7,500	1,222,500	181,263
2017	361,240	58,460	7,500	1,060,000	144,516
2018	376,165	43,535	7,500	895,000	113,261
2019-2023	869,154	5,781	5,625	2,462,500	259,605
2024	-0-	-0-	-0-	160,000	6,320
Totals	\$ <u>2,580,094</u>	\$ <u>267,325</u>	\$ <u>35,625</u>	\$ <u>6,927,500</u>	\$ <u>951,014</u>

The assets and liabilities under notes payable are recorded at the fair value of the asset. The assets are depreciated over their estimated useful lives. Depreciation of assets under notes payable is included in depreciation expense.

NOTE 10 - NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows.

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain outpatient services related to Medicare beneficiaries were paid based on a set fee per diagnosis with a hold harmless provision for partial cost reimbursement for some of these services until December 31, 2012. Swing bed services are reimbursed based on a prospectively determined rate per patient day. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been examined by the Medicare fiscal intermediary through November 30, 2012.

Medicaid - Inpatient services are reimbursed based on a prospectively determined per diem rate. Some outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, while others are paid prospectively based on a fee schedule. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been examined by the Medicaid fiscal intermediary through November 30, 2010.

Commercial - The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. Payment methods under these agreements include prospectively determined rates per discharge, discounts from established charges and prospectively determined per diem rates.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 10 - NET PATIENT SERVICE REVENUE (Continued)

The following is a summary of the Hospital's net patient revenue for the years ended November 30:

	<u>2014</u>	<u>2013</u>
Gross patient service revenue	\$ 113,293,617	\$ 105,756,918
Contractual adjustments	(70,705,557)	(65,121,450)
Provision for bad debts	(3,356,408)	(4,468,221)
Discounts	<u>(5,299,354)</u>	<u>(3,033,854)</u>
Net patient service revenue	\$ <u>33,932,298</u>	\$ <u>33,133,393</u>

The Hospital receives a substantial portion of its revenue from the Medicare and Medicaid programs at discounted rates. The following is a summary of Medicare and Medicaid patient revenue for the years ended November 30:

	<u>2014</u>	<u>2013</u>
Medicare and Medicaid patient charges	\$ 68,782,944	\$ 67,672,290
Contractual adjustments	<u>(50,948,135)</u>	<u>(47,453,060)</u>
Program patient service revenue	\$ <u>17,834,809</u>	\$ <u>20,219,230</u>
Percent of total gross patient charges	<u>61%</u>	<u>64%</u>
Percent of total net patient revenue	<u>53%</u>	<u>61%</u>

Prior to fiscal year 2012, the Hospital received Medicaid and self-pay uncompensated care service (UCC) payments. The interim amounts received were based upon uncompensated cost incurred in previous years. Current regulations limit UCC to actual cost incurred by the Hospital in each state fiscal year. Any overpayments will be recouped by Medicaid after audit by Medicaid. The Hospital has made provisions for recoupment of \$564,719 for fiscal 2011 year; this amount is included as a liability under third-party payor settlements. With the exception of 2011, management contends interim amounts paid reasonably estimate final settlement. To the extent management's estimates differ from actual results, the differences will be used to adjust income for the period when differences arise. Future UCC payments are dependent upon State appropriations, which require annual approval by the State legislature. In 2012, the Hospital began participation in a grant program with other hospitals (see Note 15) which supplements payments previously paid under UCC.

The Patient Protection and Affordable Care Act (PPACA) was passed into law in 2010. This federal legislation is extremely complex and will substantially change the landscape of the healthcare industry. The PPACA has the potential to affect both payment rates and coverage issues for all healthcare payors. While the overall impact of the PPACA cannot currently be estimated, it would have a negative impact on the Hospital's revenues.

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 11 - PRIOR PERIOD ADJUSTMENT

The accompanying financial statements have been restated to correct an error in the recording of allowances for bad debts. The effect of the restatement was to decrease net assets by \$2,738,354, with net income being decreased by \$613,047 for fiscal year 2013 and net assets being reduced by \$2,125,307 for years prior to 2013.

NOTE 12 - CONTINGENCIES

The Hospital evaluates contingencies based upon the best available evidence. The Hospital believes that no allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the Hospital's estimates, future earnings will be charged or credited. The principal contingencies are described below.

Governmental Third-Party Reimbursement Programs (Note 10) - The Hospital is contingently liable for retroactive adjustments made by the Medicare and Medicaid programs as the result of their examinations as well as retroactive changes in interpretations applying statutes, regulations and general instructions of those programs. The amount of such adjustments cannot be determined.

Further, in order to continue receiving reimbursement from the Medicare program, the Hospital entered into an agreement with a government agent allowing the agent access to the Hospital's Medicare patient medical records for purposes of making medical necessity and appropriate level of care determinations. The agent has the ability to deny reimbursement for Medicare patient claims which have already been paid to the Hospital.

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participating requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers.

Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse statutes as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Professional Liability Risk - The Hospital is contingently liable for losses from professional liability not underwritten by the Louisiana Patient's Compensation Fund or the Hospital's insurance carrier.

NOTE 13 - EMPLOYEE BENEFITS

The Hospital offers its employees a cafeteria plan under IRC section 125 and purchased annuities under reduced salary agreements under IRC section 403(b). The Hospital has a safe harbor 401k plan, the Hospital matches the first 3% of the employees' contributions of deferred compensation, plus 50% of the next 2%. The

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 13 - EMPLOYEE BENEFITS (Continued)

401k matching contribution expense for the years ended November 30, 2014 and 2013 were \$365,913 and \$359,938, respectively.

NOTE 14 - OPERATING LEASES

The Hospital is committed under various noncancelable operating leases, all of which are for equipment or buildings. These expire in various years through 2019. Future minimum lease payments are as follows:

<u>Year Ending November 30,</u>	<u>Amount</u>
2015	\$ 229,205
2016	229,205
2017	229,205
2018	229,205
2019	<u>229,205</u>
Total minimum lease payments	\$ <u>1,146,025</u>

NOTE 15 - GRANT REVENUE

The Hospital received grants of \$985,275 and \$1,236,390 for 2014 and 2013, respectively, to be used solely to provide adequate and essential medically necessary health care services to the citizens in its community who are low income and/or indigent patients. As a condition of the grant agreement, the Hospital, along with other participating hospitals, has agreed to indemnify the grantors for claims that may arise out of this grant agreement.

The Hospital recognized operating grant income of approximately \$427,572 and \$663,741 from Medicare for the years ended November 30, 2014 and 2013, as an incentive for implementing electronic health records (EHR). Additionally, the Hospital received a similar grant of approximately \$120,052 and \$-0- from Medicaid for the years ended November 30, 2014 and 2013, respectively. The key component of receiving the EHR incentive payments is "demonstrating meaningful use", which is meeting a series of objectives that make use of an EHR's potential related to the improvement of quality, efficiency, and patient safety. The Centers for Medicare and Medicaid has indicated that demonstrating meaningful use will be phased in during the next few years in three stages, with each progressive stage incorporating more stringent measures. The Hospital met Stage 1 criteria during FY 2011, which include electronically capturing health information in a coded format and using certified EHR technology to meet certain required core objectives for a continuous ninety day period. The Hospital met Stage 2 criteria in FY 2014. The Hospital's policy is to record the incentive payments once various stages have been met rather than recognizing ratably throughout the attestation period. In order to receive the incentive payments under each stage, a hospital must attest through a secure mechanism that they have met the meaningful use criteria. The EHR payments each year are based on management's best estimate. The payments can be retained and additional payments can be earned for each stage if the Hospital meets certain criteria in future implementation. The EHR incentive payments are reimbursed at a tentative rate with final settlement determined after submittal of the annual cost reports and audits thereof by the fiscal intermediaries

JENNINGS AMERICAN LEGION HOSPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2014 AND 2013

NOTE 16 - CHARITY CARE

The Hospital provides charity care to patients who are financially unable to pay for part or all of the healthcare services they receive. The patient will either qualify for 100% of the charity care or owe a reduced "sliding scale" amount based on the patient's level of income in comparison to the Federal Poverty Guidelines based on a 200% scale. Accordingly, the Hospital does not report the amount it expects not to collect in net operating revenues or in the allowance for doubtful accounts. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including wages and related benefits, supplies and other operating expenses. The amount of charges foregone for services and supplies furnished under the Hospital's charity care policy aggregated \$4,038,279 and \$2,103,588 for the years ended November 30, 2014 and 2013, respectively, at costs of \$1,239,360 and \$645,597.

NOTE 17 - SUBSEQUENT EVENTS

Events have been evaluated through May 22, 2015, for subsequent event disclosure. This date is the date the financial statements were available to be issued

SUPPLEMENTARY INFORMATION

JENNINGS AMERICAN LEGION HOSPITAL, INC
SCHEDULES OF NET PATIENT SERVICE REVENUE
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Routine Services:		
Adults and pediatric	\$ 15,677,030	\$ 15,195,545
Intensive care unit	2,361,472	2,312,871
Swing bed	727,148	691,351
Nursery	<u>449,207</u>	<u>503,357</u>
Total	<u>19,214,857</u>	<u>18,703,124</u>
Other Professional Services:		
Operating room		
Inpatient	5,225,708	4,901,603
Outpatient	<u>8,680,865</u>	<u>7,974,758</u>
Total	<u>13,906,573</u>	<u>12,876,361</u>
Anesthesia		
Inpatient	673,871	533,449
Outpatient	<u>966,792</u>	<u>818,080</u>
Total	<u>1,640,663</u>	<u>1,351,529</u>
Radiology		
Inpatient	2,895,201	2,500,228
Outpatient	<u>6,417,526</u>	<u>3,193,073</u>
Total	<u>9,312,727</u>	<u>5,693,301</u>
Radioisotope		
Inpatient	293,607	297,282
Outpatient	<u>1,890,984</u>	<u>1,625,754</u>
Total	<u>2,184,591</u>	<u>1,923,036</u>
MRI		
Inpatient	96,858	49,011
Outpatient	<u>1,826,430</u>	<u>38,224</u>
Total	\$ <u>1,923,288</u>	\$ <u>87,235</u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Laboratory		
Inpatient	\$ 7,491,715	\$ 7,669,670
Outpatient	<u>10,477,577</u>	<u>10,402,962</u>
Total	<u>17,969,292</u>	<u>18,072,632</u>
Cardiac Cath Lab		
Inpatient	580,723	570,671
Outpatient	<u>3,214,023</u>	<u>3,534,360</u>
Total	<u>3,794,746</u>	<u>4,105,031</u>
Respiratory care		
Inpatient	4,789,272	5,155,937
Outpatient	<u>935,643</u>	<u>852,823</u>
Total	<u>5,724,915</u>	<u>6,008,760</u>
Physical therapy		
Inpatient	628,647	717,588
Outpatient	<u>6,779</u>	<u>10,935</u>
Total	<u>635,426</u>	<u>728,523</u>
EKG		
Inpatient	27,240	24,479
Outpatient	<u>253,407</u>	<u>211,464</u>
Total	<u>280,647</u>	<u>235,943</u>
Central supply		
Outpatient	<u>(1,981)</u>	<u>-0-</u>
Total	<u>(1,981)</u>	<u>-0-</u>
Implantable devices		
Inpatient	3,883,352	4,177,067
Outpatient	<u>2,626,101</u>	<u>2,654,758</u>
Total	\$ <u>6,509,453</u>	\$ <u>6,831,825</u>

JENNINGS AMERICAN LEGION HOSPITAL, INC
SCHEDULES OF NET PATIENT SERVICE REVENUE (Continued)
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Pharmacy		
Inpatient	\$ 12,540,122	\$ 12,809,533
Outpatient	<u>4,198,374</u>	<u>3,818,913</u>
Total	<u>16,738,496</u>	<u>16,628,446</u>
Dialysis		
Inpatient	191,250	147,108
Outpatient	<u>15,380</u>	<u>2,416</u>
Total	<u>206,630</u>	<u>149,524</u>
Cardiac rehab - outpatient	<u>213,348</u>	<u>162,326</u>
Emergency room		
Inpatient	2,723,136	2,726,622
Outpatient	<u>7,768,761</u>	<u>7,589,509</u>
Total	<u>10,491,897</u>	<u>10,316,131</u>
Observation room		
Inpatient	39,800	45,428
Outpatient	<u>307,019</u>	<u>304,146</u>
Total	<u>346,819</u>	<u>349,574</u>
OB clinic - outpatient	<u>2,194,530</u>	<u>1,532,517</u>
Oncology clinic - outpatient	<u>6,700</u>	<u>1,100</u>
Total Other Professional Services	<u>94,078,760</u>	<u>87,053,794</u>
Gross Patient Service Charges	\$ <u>113,293,617</u>	\$ <u>105,756,918</u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULES OF DEDUCTIONS FROM PATIENT SERVICE REVENUE
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Allowances and Uncollectibles:		
Contractual adjustments - Medicare and Medicaid	\$ 50,948,135	\$ 47,453,060
Contractual adjustments - Other	19,757,422	17,668,390
Provision for bad debts	3,356,408	4,468,221
Charity care and policy discounts	<u>5,299,354</u>	<u>3,033,854</u>
 Total Allowances and Uncollectibles	 <u>79,361,319</u>	 <u>72,623,525</u>
 Net Patient Service Revenue	 \$ <u>33,932,298</u>	 \$ <u>33,133,393</u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULES OF OTHER OPERATING REVENUE
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Cafeteria sales	\$ 110,083	\$ 105,274
Physician office rentals	120,554	317,933
Medical records abstract fees	1,080	1,949
Miscellaneous revenue	<u>908,001</u>	<u>589,668</u>
 Total other operating revenue	 \$ <u>1,139,718</u>	 \$ <u>1,014,824</u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULES OF SALARIES AND BENEFITS
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Personnel	\$ 120,662	\$ 124,742
Administration	2,160,986	2,044,735
Plant operations and maintenance	177,434	173,607
Housekeeping	480,799	491,048
Dietary	400,932	387,993
Purchasing	176,018	155,210
Nursing administration	557,980	482,877
Medical records	262,086	242,801
Social services	307,557	315,391
Nursing services, acute care	3,578,276	3,888,717
Nursing services, intensive care unit	782,673	761,165
Nursing services, nursery	236,986	233,599
Operating room	820,975	819,760
Anesthesiology	36,500	36,500
Radiology	663,123	684,071
Radioisotope	117,822	126,653
MRI	81,537	77,881
Laboratory	1,033,901	1,032,243
Cardiac cath lab	285,339	308,797
Respiratory care	661,303	651,302
Cardiac rehab	107,735	105,620
Emergency room	1,242,835	1,226,580
Observation	311,822	322,520
OB clinic	789,496	455,777
Oncology clinic	<u>25,515</u>	<u>-0-</u>
Total salaries	<u>15,420,292</u>	<u>15,149,589</u>
Payroll taxes	1,076,957	1,055,318
Health insurance	1,843,132	1,769,532
Pension plan	391,069	376,416
Other	<u>290,561</u>	<u>235,505</u>
Total benefits	<u>3,601,719</u>	<u>3,436,771</u>
Total salaries and benefits	\$ <u><u>19,022,011</u></u>	\$ <u><u>18,586,360</u></u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULES OF MEDICAL SUPPLIES AND DRUGS
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Nursing services, acute care	\$ 262,031	\$ 270,199
Nursing services, intensive care unit	73,071	61,084
Nursing services, nursery	12,600	14,126
Obstetrics	32,071	30,731
Operating room	1,344,014	979,307
Anesthesiology	59,612	39,187
Radiology	58,565	18,979
Radioisotope	148,486	108,304
MRI	19,554	854
Laboratory	660,920	722,814
Cardiac cath lab	271,211	424,973
Respiratory care	83,892	76,713
Physical therapy	11	-0-
Central supply	136,333	91,590
Implantable devices	1,138,911	1,237,124
Pharmacy	583,022	587,188
Outpatient pharmacy	501,222	200,705
Cardiac rehab	1,896	2,207
Emergency room	113,143	119,332
Observation	71,747	59,477
OB clinic	30,823	11,966
Administrative support departments	<u>123,175</u>	<u>166,495</u>
 Total medical supplies and drugs	 \$ <u>5,726,310</u>	 \$ <u>5,223,355</u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULES OF PROFESSIONAL FEES
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Administration	\$ 15,000	\$ 12,550
Nursing service	6,797	2,090
Intensive care unit	1,470	479
Operating room	3,881	-0-
Radiology	59,285	3,900
Laboratory	602,879	617,638
Respiratory therapy	7,875	7,481
Physical therapy	124,850	125,592
EKG	-0-	192
Pharmacy	1,917,405	1,880,157
Cardiac rehab	675	775
Emergency room	249,663	331,740
OB clinic	157,889	135,887
Oncology clinic	2,000	2,000
VA clinic	<u>1,026</u>	<u>801</u>
 Total professional fees	 \$ <u><u>3,150,695</u></u>	 \$ <u><u>3,121,282</u></u>

JENNINGS AMERICAN LEGION HOSPITAL, INC.
SCHEDULES OF OTHER OPERATING EXPENSES
YEARS ENDED NOVEMBER 30,

	<u>2014</u>	<u>2013</u>
Purchased services	\$ 1,610,133	\$ 1,633,235
Legal and accounting	43,974	42,665
Supplies	640,443	522,827
Sales tax	649,106	604,293
Repairs and maintenance	1,388,716	1,125,952
Utilities	677,962	616,630
Telephone	60,468	62,358
Travel	55,799	46,510
Rentals	377,050	459,050
Education	17,053	18,058
Dues and subscriptions	190,777	176,203
Recruitment	712,061	568,252
Advertising	33,061	56,952
Scholarships	10,400	46,600
Miscellaneous	<u>341,316</u>	<u>333,559</u>
 Total other operating expenses	 \$ <u>6,808,319</u>	 \$ <u>6,313,144</u>