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

**Return of Organization Exempt From Income Tax**  
**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047  
**2011**  
**Open to Public Inspection**

**A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization FLORIDA HOSPITAL WATERMAN INC Doing Business As		<b>D</b> Employer identification number 59-3140669
	Number and street (or P O box if mail is not delivered to street address) Room/suite 1000 WATERMAN WAY		<b>E</b> Telephone number (352) 253-3300
	City or town, state or country, and ZIP + 4 TAVARES, FL 32778		<b>G</b> Gross receipts \$ 204,727,419
	<b>F</b> Name and address of principal officer KENNETH MATTISON 1000 WATERMAN WAY TAVARES, FL 32778		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶ 1071

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

**J** Website: ▶ WWW.FHWAT.ORG

**K** Form of organization  Corporation  Trust  Association  Other ▶

**L** Year of formation 1992 **M** State of legal domicile FL

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities OPERATE 204-BED ACUTE CARE HOSPITAL		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	15
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	8
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . . .	<b>5</b>	1,879
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	248
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	908,669
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	-367,261	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	1,000,000	54,811
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	199,744,781	202,004,181
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,832,437	2,637,950
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	0	0
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . .	205,577,218	204,696,942
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	764,245	706,073
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	80,766,377	85,293,616
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <sup>0</sup>	0	0
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .	105,102,201	98,293,564
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	186,632,823	184,293,253
<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	18,944,395	20,403,689	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) . . . . .	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	336,657,606	360,071,745
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .	140,117,848	142,052,183
		196,539,758	218,019,562

**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.

<b>Sign Here</b>	***** Signature of officer	2012-11-14 Date
	LYNN C ADDISCOTT OFFICER/ASST SECRETARY Type or print name and title	

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN ▶
				Phone no ▶

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

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III  Yes  No

**1** Briefly describe the organization's mission

ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION AND ALL OF ITS SUBSIDIARY ORGANIZATIONS WERE ESTABLISHED BY THE SEVENTH-DAY ADVENTIST CHURCH TO BRING A MINISTRY OF HEALING AND HEALTH TO THE COMMUNITIES SERVED OUR MISSION IS TO EXTEND THE HEALING MINISTRY OF CHRIST

**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 and section 4947(a)(1) trusts 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 \$ 171,991,980 including grants of \$ 706,073 ) (Revenue \$ 201,095,512 )  
ALL PROGRAM SERVICES REVENUES AND EXPENSES RELATE TO THE OPERATION OF AN ACUTE CARE HOSPITAL IN TAVARES, FLORIDA THERE WERE 13,638 ADMISSIONS RESULTING IN 53,544 PATIENT DAYS

**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 \$ 171,991,980

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> <input checked="" type="checkbox"/>	Yes	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> <input checked="" type="checkbox"/>		No
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> <input checked="" type="checkbox"/>	Yes	
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i> <input checked="" type="checkbox"/>		No
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> <input checked="" type="checkbox"/>		No
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> <input checked="" type="checkbox"/>		No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> <input checked="" type="checkbox"/>		No
<b>9</b> Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> <input checked="" type="checkbox"/>		No
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>		No
<b>11</b> 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		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> <input checked="" type="checkbox"/>	Yes	
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> <input checked="" type="checkbox"/>		No
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> <input checked="" type="checkbox"/>		No
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> <input checked="" type="checkbox"/>		No
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> <input checked="" type="checkbox"/>		No
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> <input checked="" type="checkbox"/>	Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Part II and IV.</i>		No
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Part III and IV.</i>		No
<b>17</b> Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>		No
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		No
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
<b>20a</b> Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> <input checked="" type="checkbox"/>	Yes	
<b>b</b> If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements. <input checked="" type="checkbox"/>	Yes	

**Part IV Checklist of Required Schedules** *(continued)*

<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	<b>21</b>	Yes	
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	<b>22</b>		No
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, questions 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> . . . . .	<b>23</b>	Yes	
<b>24a</b> 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 questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	<b>24a</b>		No
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> 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> . . . . .	<b>25a</b>		No
<b>b</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> . . . . .	<b>25b</b>		No
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	<b>26</b>		No
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	<b>27</b>		No
<b>28</b> 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)			
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28a</b>		No
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28b</b>		No
<b>c</b> 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 owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28c</b>		No
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	<b>29</b>	Yes	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>30</b>		No
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>		No
<b>32</b> 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> . . . . .	<b>32</b>		No
<b>33</b> 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> . . . . .	<b>33</b>		No
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	<b>34</b>	Yes	
<b>35a</b> Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	<b>35a</b>	Yes	
<b>b</b> 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> . . . . .	<b>35b</b>		No
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>36</b>		No
<b>37</b> 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>	<b>37</b>		No
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	Yes	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 232		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 0		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return. 1,879		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?		No
<b>4b</b>	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
<b>5c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		No
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12.		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>11a</b>	Gross income from members or shareholders.		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.		
<b>13b</b>	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
<b>13c</b>	Enter the aggregate amount of reserves on hand.		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		No
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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

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

**Section A. Governing Body and Management**

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

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

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates? . . . . .		No
<b>10b</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? . . . . .		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	Yes	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	Yes	
<b>12b</b>	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	Yes	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	Yes	
<b>13</b>	Did the organization have a written whistleblower policy? . . . . .	Yes	
<b>14</b>	Did the organization have a written document retention and destruction policy? . . . . .	Yes	
<b>15</b>	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?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official . . . . .	Yes	
<b>15b</b>	Other officers or key employees of the organization . . . . .	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	Yes	
<b>16b</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? . . . . .	Yes	

**Section C. Disclosure**

- 17** List the States with which a copy of this Form 990 is required to be filed  \_\_\_\_\_
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request
- 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. See Additional Data Table
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization   
 FRANCES CRUNK  
 1000 WATERMAN WAY  
 TAVARES, FL 32778  
 (352) 253-3300

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

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

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

**1a** Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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) SCHULTZ MICHAEL H CHAIRMAN	60	X						0	1,295,015	154,608
(2) COMFORT LYNDA DIRECTOR	60	X						0	0	0
(3) FERNANDEZ DAVID F DIRECTOR/MEDICATION MGMT CHAIRMAN	3 80	X						28,485	0	0
(4) GAYLORD FRANK DIRECTOR (BEGAN 12/11)	40	X						0	0	0
(5) HAUCK MD LORAN D DIRECTOR (ENDED 5/11)	50	X						0	750,390	121,916
(6) HEPNER THOMAS C DIRECTOR	60	X						0	0	0
(7) HOFMEISTER TOM DIRECTOR	60	X						0	0	0
(8) HOWARD BARBARA DIRECTOR	50	X						0	0	0
(9) KOTULLA MARLENE A DIRECTOR	60	X						0	0	0
(10) PURDON ROBERT L DIRECTOR/CHIEF OF STAFF	6 90	X						52,098	0	0
(11) RADNOTHY DO JON DIRECTOR/VICE CHIEF OF STAFF	4 40	X						33,287	0	0
(12) WEISS CPA DAVE DIRECTOR (BEGAN 6/11)	60	X						0	0	0
(13) WERNER THOMAS L DIRECTOR	60	X						0	6,129	11,249
(14) WHITE-FINDLEY MD SHARON DIRECTOR/IMMEDIATE PAST CHIEF OF STAFF	1 70	X						12,654	0	0
(15) WHITWORTH ROBERT S DIRECTOR (ENDED 12/11)	50	X						0	0	0
(16) MATTISON KENNETH R PRESIDENT/DIRECTOR	50 00	X			X			0	562,021	82,597
(17) CRUNK FRANCES CFO	50 00				X			0	312,401	59,374



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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) FISH CARRIE L COO	50 00				X			0	337,372	63,370
(19) EDELSTEIN MD PETER S CMO (ENDED 4/11)	50 00				X			0	252,533	30,696
(20) DOLAN PATRICIA R CNO	50 00				X			50	242,347	51,632
(21) LAMTUAN PHARMACIST	42 80					X		176,378	0	12,499
(22) SZALMARCEL CHIEF MEDICAL PHYSICS	40 00					X		165,569	0	34,182
(23) BARNESJAMES R DIRECTOR PHARMACY	40 00					X		151,587	0	28,384
(24) DAHLINPATRICIA PHARMACIST	35 10					X		148,648	0	21,323
(25) PEARCERICHARD E DIRECTOR CARDIOVASCULAR	40 00					X		147,342	0	21,589
(26) SHULL JENNIFER M FORMER CNO	0 00						X	0	205,112	30,815
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								916,098	3,963,320	724,234

**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 **48**

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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
LAKE COUNTY ANESTHESIA ASSOCIATES PO BOX 3130 OCALA, FL 34478	PHYSICIAN FEES	1,774,701
GE HEALTHCARE PO BOX 402076 ATLANTA, GA 30384	SERVICE CONTRACTS	1,068,383
JOHNSON-LAUX CONSTRUCTION 4502 35TH ST SUITE 500 ORLANDO, FL 32811	CONSTRUCTION SERVICES	669,220
MORRISON MANAGEMENT SPECIALISTS INC PO BOX 102289 ATLANTA, GA 30368	MANAGEMENT FEES	583,064
MEDICAL STAFFING NETWORK HEALTHCARE LLC PO BOX 202996 DALLAS, TX 75320	AGENCY STAFFING	575,989

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **52**

**Part VIII Statement of Revenue**

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b>					
	<b>b</b>	Membership dues . . . . . <b>1b</b>					
	<b>c</b>	Fundraising events . . . . . <b>1c</b>					
	<b>d</b>	Related organizations . . . . . <b>1d</b>					
	<b>e</b>	Government grants (contributions) <b>1e</b>					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above <b>1f</b>	54,811				
	<b>g</b>	Noncash contributions included in lines 1a-1f \$ _____					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . .	54,811				
<b>Program Service Revenue</b>			Business Code				
	<b>2a</b>	NET PATIENT REVENUE	900099	198,479,115	198,479,115		
	<b>b</b>	CAFETERIA REVENUE	900099	1,335,198	1,335,198		
	<b>c</b>	MEDICAL OFFICE BUILDIN	531120	638,651	638,651		
	<b>d</b>	DAYCARE REVENUE	624410	367,478	367,478		
	<b>e</b>	LAB REVENUE	621500	306,284		306,284	
	<b>f</b>	All other program service revenue		877,455	275,070	602,385	
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . .		202,004,181				
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest and other similar amounts) . . . . .		1,532,265		1,532,265	
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . . .					
	<b>5</b>	Royalties . . . . .					
	<b>6a</b>	(i) Real		(ii) Personal			
		<b>b</b>	Gross rents				
		<b>c</b>	Less rental expenses				
		<b>d</b>	Net rental income or (loss) . . . . .				
	<b>7a</b>	(i) Securities		(ii) Other			
		<b>b</b>	Gross amount from sales of assets other than inventory	1,057,162	79,000		
		<b>c</b>	Less cost or other basis and sales expenses	0	30,477		
		<b>d</b>	Net gain or (loss) . . . . .	1,057,162	48,523	1,105,685	1,105,685
	<b>8a</b>	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	<b>a</b>				
	<b>b</b>	Less direct expenses . . . . . <b>b</b>					
	<b>c</b>	Net income or (loss) from fundraising events . . . . .					
	<b>9a</b>	Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>				
<b>b</b>	Less direct expenses . . . . . <b>b</b>						
<b>c</b>	Net income or (loss) from gaming activities . . . . .						
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
<b>b</b>	Less cost of goods sold . . . . . <b>b</b>						
<b>c</b>	Net income or (loss) from sales of inventory . . . . .						
Miscellaneous Revenue		Business Code					
<b>11a</b>	_____						
<b>b</b>	_____						
<b>c</b>	_____						
<b>d</b>	All other revenue . . . . .						
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . .						
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . .		204,696,942	201,095,512	908,669	2,637,950	

**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) but are not required to complete columns (B), (C), and (D)

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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b>	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	706,073	706,073		
<b>2</b>	Grants and other assistance to individuals in the United States See Part IV, line 22				
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
<b>4</b>	Benefits paid to or for members				
<b>5</b>	Compensation of current officers, directors, trustees, and key employees . . . . .	2,120,917		2,120,917	
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b>	Other salaries and wages	62,861,662	62,777,576	84,086	
<b>8</b>	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	2,139,537	2,139,537		
<b>9</b>	Other employee benefits . . . . .	12,946,149	12,398,713	547,436	
<b>10</b>	Payroll taxes . . . . .	5,225,351	5,225,351		
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management . . . . .				
<b>b</b>	Legal . . . . .	217,757		217,757	
<b>c</b>	Accounting . . . . .	50,160		50,160	
<b>d</b>	Lobbying . . . . .				
<b>e</b>	Professional fundraising See Part IV, line 17 . . . . .				
<b>f</b>	Investment management fees . . . . .				
<b>g</b>	Other . . . . .	21,947,055	17,393,579	4,553,476	
<b>12</b>	Advertising and promotion . . . . .	1,229,951		1,229,951	
<b>13</b>	Office expenses . . . . .	6,077,116	4,691,187	1,385,929	
<b>14</b>	Information technology . . . . .	7,228,340	5,909,719	1,318,621	
<b>15</b>	Royalties . . . . .				
<b>16</b>	Occupancy . . . . .	3,647,023	3,647,023		
<b>17</b>	Travel . . . . .	326,529		326,529	
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b>	Conferences, conventions, and meetings . . . . .	136,454		136,454	
<b>20</b>	Interest . . . . .	5,517,302	5,517,302		
<b>21</b>	Payments to affiliates . . . . .				
<b>22</b>	Depreciation, depletion, and amortization . . . . .	11,157,400	11,157,400		
<b>23</b>	Insurance . . . . .	1,332,990	1,309,226	23,764	
<b>24</b>	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
<b>a</b>	MEDICAL SUPPLIES	31,751,892	31,751,892		
<b>b</b>	REPAIRS & MAINTENANCE	5,236,410	5,236,410		
<b>c</b>	STATE TAX INDIGENT ASSE	2,130,992	2,130,992		
<b>d</b>	PURCHASED SERVICES	166,657		166,657	
<b>e</b>					
<b>f</b>	All other expenses	139,536		139,536	
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24f	184,293,253	171,991,980	12,301,273	0
<b>26</b>	<b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	6,458	<b>1</b>	5,477
	<b>2</b> Savings and temporary cash investments . . . . .	153,458,450	<b>2</b>	172,200,064
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	20,476,786	<b>4</b>	26,880,995
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .	3,484,731	<b>8</b>	3,674,163
	<b>9</b> Prepaid expenses and deferred charges . . . . .	6,079,621	<b>9</b>	5,065,579
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	238,655,515		
	<b>b</b> Less accumulated depreciation . . . . .	104,460,028	134,031,037	<b>10c</b> 134,195,487
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	17,258,867	<b>12</b>	16,414,786
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .	380,380	<b>14</b>	723,187
	<b>15</b> Other assets See Part IV, line 11 . . . . .	1,481,276	<b>15</b>	912,007
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	336,657,606	<b>16</b>	360,071,745	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	10,639,612	<b>17</b>	10,300,784
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	251,576	<b>19</b>	237,314
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> 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 . . . . .	129,226,660	<b>25</b>	131,514,085
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	140,117,848	<b>26</b>	142,052,183
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	179,355,947	<b>27</b>	201,502,699
	<b>28</b> Temporarily restricted net assets . . . . .	14,023,017	<b>28</b>	12,959,002
	<b>29</b> Permanently restricted net assets . . . . .	3,160,794	<b>29</b>	3,557,861
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	196,539,758	<b>33</b>	218,019,562	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	336,657,606	<b>34</b>	360,071,745	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	204,696,942
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	184,293,253
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	20,403,689
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	196,539,758
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	1,076,115
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	218,019,562

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	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		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
<b>b</b>	Were the organization's financial statements audited by an independent accountant?	Yes	
<b>c</b>	If "Yes," to 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	
<b>d</b>	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
<b>3a</b>	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
<b>b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

**SCHEDULE A**  
(Form 990 or 990EZ)

**Public Charity Status and Public Support**

**2011**

**Open to Public Inspection**

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

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

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FLORIDA HOSPITAL WATERMAN INC

Employer identification number

59-3140669

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

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

- 1  A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
  
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10  An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h  
 a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f  If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?  
 (ii) a family member of a person described in (i) above?  
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(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 support?
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

**Part II Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6 Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc. (See instructions)					<b>12</b>	

**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**

<b>14</b> Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	<b>14</b>	
<b>15</b> Public Support Percentage for 2010 Schedule A, Part II, line 14	<b>15</b>	

**16a 33 1/3% support test—2011.** 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—2010.** If the organization did not check the 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—2011.** 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—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization

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

**Part III Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12.)						
<b>14 First Five Years</b> 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 <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2011</b> (line 10c column (f) divided by line 13 column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2010</b> Schedule A, Part III, line 17	<b>18</b>	

- 19a 33 1/3% support tests—2011.** 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—2010.** 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.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

<b>Facts And Circumstances Test</b>
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<b>Explanation</b>
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SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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

Complete if the organization is described below.

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

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

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

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

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

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

Name of the organization FLORIDA HOSPITAL WATERMAN INC

Employer identification number

59-3140669

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

- 1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV
2 Political expenditures
3 Volunteer hours

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

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

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

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

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

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

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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals												
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)														
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)														
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)														
<b>d</b> Other exempt purpose expenditures														
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)														
<b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)														
<b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-														
<b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-														
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
<b>a</b> Volunteers?	Yes		
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?		No	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		3,912
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		6,936
<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		11,040
<b>j</b> Total lines 1c through 1i			21,888
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	ITEM (A) HOSPITAL VOLUNTEERS ATTENDED PUBLIC MEETING AND EMAILED THEIR LEGISLATIVE OFFICIALS OPPOSING THE ELIMINATION OF FUNDS PROPOSED BY A MEMBER OF THE NORTH LAKE COUNTY HOSPITAL TAXING DISTRICT LINE (G) AND (H) DURING THE YEAR SALARY EXPENSE WAS INCURRED FOR PAID STAFF TO ATTEND PUBLIC MEETING, EMAIL LEGISLATIVE OFFICIALS AND GIVE SPEECHES ALL RELATING TO THE NORTH LAKE COUNTY HOSPITAL TAXING DISTRICT IN WHICH THE HOSPITAL IS LOCATED SALARY EXPENSE OF \$3,912 WAS INCURRED FOR MEETINGS AND EMAILS AND AN ADDITIONAL \$6,936 FOR PAID STAFF TO GIVE PUBLIC SPEECHES ITEM (I) DUES WERE PAID BOTH TO THE AMERICAN HOSPITAL ASSOCIATION AND THE FLORIDA HOSPITAL ASSOCIATION WHO USE A PORTION OF THE DUES TO CONDUCT LOBBYING ACTIVITIES

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization FLORIDA HOSPITAL WATERMAN INC

Employer identification number 59-3140669

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), 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?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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?

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, Protection of natural habitat, Preservation of open space, Preservation of an historically importantly land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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?

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 170(h)(4)(B)(ii)?

9 In Part XIV, 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, 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 XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, 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 relating to these items

a Revenues included in Form 990, Part VIII, line 1
b Assets included in Form 990, Part X

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

**3** Using the organization's 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 XIV

**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 XIV and complete the following table

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

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

**b** If "Yes," explain the arrangement in Part XIV

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
<b>1a</b> Beginning of year balance . . . . .					
<b>b</b> Contributions . . . . .					
<b>c</b> Investment earnings or losses . . . . .					
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .					

**2** Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment ▶
- b** Permanent endowment ▶
- c** Term endowment ▶

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

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

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

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		8,622,127		8,622,127
<b>b</b> Buildings . . . . .		133,356,249	40,871,323	92,484,926
<b>c</b> Leasehold improvements . . . . .				
<b>d</b> Equipment . . . . .		88,657,508	61,323,574	27,333,934
<b>e</b> Other . . . . .		8,019,631	2,265,131	5,754,500
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				134,195,487

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12.)		

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13.

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

**Part IX Other Assets.** See Form 990, Part X, line 15.

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

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
LEASES PAYABLE	1,570,284
DUE TO AFFILIATED	2,868,114
PAYABLE TO THIRD PARTIES	4,052,428
CREDIT BALANCES IN A/R	1,122,615
OTHER CURRENT LIABILITIES	2,386,131
INTERCO ALLOC OF TE BOND PROCEEDS	119,514,513
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25.)	131,514,085

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	<b>1</b>	
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	<b>2</b>	
<b>3</b>	Excess or (deficit) for the year Subtract line 2 from line 1	<b>3</b>	
<b>4</b>	Net unrealized gains (losses) on investments	<b>4</b>	
<b>5</b>	Donated services and use of facilities	<b>5</b>	
<b>6</b>	Investment expenses	<b>6</b>	
<b>7</b>	Prior period adjustments	<b>7</b>	
<b>8</b>	Other (Describe in Part XIV)	<b>8</b>	
<b>9</b>	Total adjustments (net) Add lines 4 - 8	<b>9</b>	
<b>10</b>	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	<b>10</b>	

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

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

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

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

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HOSPITAL IS PART OF A CONSOLIDATED AUDITED FINANCIAL STATEMENT THE CONSOLIDATED AUDITED FINANCIAL STATEMENT INCLUDES THE FOLLOWING FIN 48 FOOTNOTE - THE DIVISION FOLLOWS THE INCOME TAXES TOPIC OF THE ASC (ASC 740), WHICH PRESCRIBES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAX POSITIONS RECOGNIZED IN FINANCIAL STATEMENTS ASC 740 PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN



SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, question 20. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization FLORIDA HOSPITAL WATERMAN INC

Employer identification number 59-3140669

Part I Charity Care and Certain Other Community Benefits at Cost

1a Did the organization have a charity care policy? 1b If "Yes," is it a written policy? 2 If the organization had multiple hospitals... 3 Answer the following based on the charity care eligibility criteria... 4 Did the organization's policy provide free or discounted care to the "medically indigent"? 5a Did the organization budget amounts for free or discounted care... 5b If "Yes," did the organization's charity care expenses exceed the budgeted amount? 5c If "Yes" to line 5b... 6a Did the organization prepare a community benefit report... 6b If "Yes," did the organization make it available to the public?

7 Charity Care and Certain Other Community Benefits at Cost

Table with 6 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community benefit expense, (d) Direct offsetting revenue, (e) Net community benefit expense, (f) Percent of total expense. Rows include Charity Care and Means-Tested Government Programs (a-k) and Other Benefits (e-j).

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities.

	(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
<b>1</b> Physical improvements and housing						
<b>2</b> Economic development						
<b>3</b> Community support						
<b>4</b> Environmental improvements						
<b>5</b> Leadership development and training for community members						
<b>6</b> Coalition building						
<b>7</b> Community health improvement advocacy						
<b>8</b> Workforce development						
<b>9</b> Other			66,164		66,164	0.040 %
<b>10 Total</b>			66,164		66,164	0.040 %

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

		Yes	No
<b>1</b> Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		Yes	
<b>2</b> Enter the amount of the organization's bad debt expense	<b>2</b> 10,232,026		
<b>3</b> Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	<b>3</b> 2,467,665		
<b>4</b> Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

**Section B. Medicare**

<b>5</b> Enter total revenue received from Medicare (including DSH and IME)	<b>5</b> 80,278,932		
<b>6</b> Enter Medicare allowable costs of care relating to payments on line 5	<b>6</b> 83,285,110		
<b>7</b> Subtract line 6 from line 5. This is the surplus or (shortfall)	<b>7</b> -3,006,178		
<b>8</b> Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

**Section C. Collection Practices**

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

**Part IV Management Companies and Joint Ventures** (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 %
<b>1</b>				
<b>2</b>				
<b>3</b>				
<b>4</b>				
<b>5</b>				
<b>6</b>				
<b>7</b>				
<b>8</b>				
<b>9</b>				
<b>10</b>				
<b>11</b>				
<b>12</b>				
<b>13</b>				

**Part V Facility Information**

**Section A. Hospital Facilities**

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	FLORIDA HOSPITAL WATERMAN INC 1000 WATERMAN WAY TAVARES, FL 32778	X	X					X		

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices.**

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

FLORIDA HOSPITAL WATERMAN INC

Name of Hospital Facility: \_\_\_\_\_

Line Number of Hospital Facility (from Schedule H, Part V, Section A): \_\_\_\_\_ 1 \_\_\_\_\_

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 7 are optional for 2011)		
<b>1</b> During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 . . . . . If "Yes," indicate what the Needs Assessment describes (check all that apply)	<b>1</b>	
<b>a</b> <input type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input type="checkbox"/> Demographics of the community		
<b>c</b> <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input type="checkbox"/> How data was obtained		
<b>e</b> <input type="checkbox"/> The health needs of the community		
<b>f</b> <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs		
<b>h</b> <input type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
<b>3</b> In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? 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	<b>3</b>	
<b>4</b> Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	<b>4</b>	
<b>5</b> Did the hospital facility make its Needs Assessment widely available to the public? . . . . . If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	<b>5</b>	
<b>a</b> <input type="checkbox"/> Hospital facility's website		
<b>b</b> <input type="checkbox"/> Available upon request from the hospital facility		
<b>c</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
<b>a</b> <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
<b>b</b> <input type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input type="checkbox"/> Development of a community-wide community benefit plan for the facility		
<b>d</b> <input type="checkbox"/> Participation in community-wide community benefit plan		
<b>e</b> <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input type="checkbox"/> Prioritization of health needs in the community		
<b>h</b> <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	<b>7</b>	
<b>Financial Assistance Policy</b>		
<b>8</b> Did the hospital facility have in place during the tax year a written financial assistance policy that explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	<b>8</b>	Yes
<b>9</b> Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	<b>9</b>	Yes

**Part V Facility Information** *(continued)*

	Yes	No
<b>10</b> Used FPG to determine eligibility for providing discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	<b>10</b> Yes	
<b>11</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply) <b>a</b> <input checked="" type="checkbox"/> Income level <b>b</b> <input checked="" type="checkbox"/> Asset level <b>c</b> <input checked="" type="checkbox"/> Medical indigency <b>d</b> <input checked="" type="checkbox"/> Insurance status <b>e</b> <input checked="" type="checkbox"/> Uninsured discount <b>f</b> <input checked="" type="checkbox"/> Medicaid/Medicare <b>g</b> <input checked="" type="checkbox"/> State regulation <b>h</b> <input type="checkbox"/> Other (describe in Part VI)	<b>11</b> Yes	
<b>12</b> Explained the method for applying for financial assistance? . . . . .	<b>12</b> Yes	
<b>13</b> 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) <b>a</b> <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site <b>b</b> <input type="checkbox"/> The policy was attached to all billing invoices <b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms <b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices <b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility <b>f</b> <input checked="" type="checkbox"/> The policy was available upon request <b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)	<b>13</b> Yes	

**Billing and Collections**

<b>14</b> 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? . . . . .	<b>14</b> Yes	
<b>15</b> Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP <b>a</b> <input type="checkbox"/> Reporting to credit agency <b>b</b> <input type="checkbox"/> Lawsuits <b>c</b> <input type="checkbox"/> Liens on residences <b>d</b> <input type="checkbox"/> Body attachments or arrests <b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)		
<b>16</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged <b>a</b> <input type="checkbox"/> Reporting to credit agency <b>b</b> <input type="checkbox"/> Lawsuits <b>c</b> <input type="checkbox"/> Liens on residences <b>d</b> <input type="checkbox"/> Body attachments <b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)	<b>16</b>	No
<b>17</b> Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) <b>a</b> <input type="checkbox"/> Notified patients of the financial assistance policy upon admission <b>b</b> <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge <b>c</b> <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills <b>d</b> <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy <b>e</b> <input type="checkbox"/> Other (describe in Part VI)		

**Part V Facility Information** *(continued)*

**Policy Relating to Emergency Medical Care**

**18** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .

If "No," indicate why

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

	Yes	No
<b>18</b>	Yes	

**Individuals Eligible for Financial Assistance**

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

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

**20** Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and 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** Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?

. . . . .

If "Yes," explain in Part VI

<b>20</b>		No
<b>21</b>		No

**Part V Facility Information** *(continued)***Section C. Other 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 facilities did the organization operate during the tax year? 6

Name and address	Type of Facility (Describe)
<b>1</b> CANCER INSTITUTE 4000 WATERMAN WAY TAVARES, FL 32778	CANCER CENTER
<b>2</b> FLORIDA HOSPITAL HOME INFUSION 2450 MAITLAND CTR PKWY SUITE 200 MAITLAND, FL 32751	INFUSION SERVICES
<b>3</b> HOME CARE SERVICES 3260 WATERMAN WAY TAVARES, FL 32778	HOME CARE SERVICES
<b>4</b> CENTER FOR MEDICAL IMAGING 1922 SALK AVE B TAVARES, FL 32778	DIAGNOSTICS CENTER (CMI)
<b>5</b> WOUND CARE CENTER 3290 WATERMAN WAY TAVARES, FL 32778	WOUND AND HBO SERVICES
<b>6</b> COMMUNITY PRIMARY HEALTH CLINIC 2300 KURT ST EUSTIS, FL 32726	NON-EMERGENT HEALTH CARE SERVICES
<b>7</b>	
<b>8</b>	
<b>9</b>	
<b>10</b>	

**Part VI Supplemental Information**

Complete this part to provide the following information

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc )
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 6A THE FILING ORGANIZATION IS A WHOLLY OWNED SUBSIDIARY OF ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION (AHSSHC) AHSSHC SERVES AS A PARENT ORGANIZATION TO 22 TAX-EXEMPT 501(C)(3) HOSPITAL ORGANIZATIONS THAT OPERATE 42 HOSPITALS IN TEN STATES WITHIN THE U S THE SYSTEM OF ORGANIZATIONS UNDER THE CONTROL AND OWNERSHIP OF AHSSHC IS KNOWN AS "ADVENTIST HEALTH SYSTEM" (AHS) ALL HOSPITAL ORGANIZATIONS WITHIN AHS COLLECT, CALCULATE, AND REPORT THE COMMUNITY BENEFITS THEY PROVIDE TO THE COMMUNITIES THEY SERVE AHS ORGANIZATIONS EXIST SOLELY TO IMPROVE AND ENHANCE THE LOCAL COMMUNITIES THEY SERVE AHS HAS A SYSTEM-WIDE COMMUNITY BENEFITS ACCOUNTING POLICY THAT PROVIDES GUIDELINES FOR ITS HEALTH CARE PROVIDER ORGANIZATIONS TO CAPTURE AND REPORT THE COSTS OF SERVICES PROVIDED TO THE UNDERPRIVILEGED AND TO THE BROADER COMMUNITY ON AN ANNUAL BASIS, THE COMMUNITY BENEFITS OF ALL AHS ORGANIZATIONS ARE CONSOLIDATED AND REPORTED IN THE AHS ANNUAL REPORT DOCUMENT



Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE AMOUNTS OF COSTS REPORTED IN THE TABLE IN LINE 7 OF PART I OF SCHEDULE H WERE DETERMINED BY UTILIZING A COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES, CONTAINED IN THE SCHEDULE H INSTRUCTIONS

Identifier	ReturnReference	Explanation
		PART II THE HOSPITAL IS COMMITTED TO IMPROVING THE HEALTH OF ITS COMMUNITY AND WORKS WITH OTHER ORGANIZATIONS TO REDUCE THE NEED FOR HEALTHCARE SERVICES THE COSTS OF COMMUNITY BUILDING ACTIVITIES REPORTED ON PART II OF SCHEDULE H PRIMARILY REPRESENT THE COSTS ASSOCIATED WITH PAID STAFF TIME AND SPONSORSHIPS RELATED TO COMMUNITY EVENTS

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 BAD DEBT EXPENSE THE AMOUNT OF BAD DEBT EXPENSE, REPORTED ON LINE 2 OF SECTION A OF PART III IS RECORDED IN ACCORDANCE WITH HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION STATEMENT NO 15 DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS ARE RECORDED AS ADJUSTMENTS TO REVENUE, NOT BAD DEBT EXPENSE METHODOLOGY FOR DETERMINING THE ESTIMATED AMOUNT OF BAD DEBT EXPENSE THAT MAY REPRESENT PATIENTS WHO COULD HAVE QUALIFIED UNDER THE FILING ORGANIZATION'S CHARITY CARE POLICY SELF-PAY PATIENTS ARE REQUIRED TO COMPLETE A PATIENT FINANCIAL ASSISTANCE APPLICATION SHORT FORM (PFAA) IF THE PFAA IS NOT COMPLETED AFTER REASONABLE ATTEMPTS TO OBTAIN IT ARE EXHAUSTED, PATIENT INFORMATION IS PROCESSED THROUGH A SCORER PRODUCT THE SCORER PRODUCT UTILIZES PUBLICLY AVAILABLE DATA, SUCH AS CREDIT REPORTS, TO ASSESS AN INDIVIDUAL PATIENT'S FINANCIAL VIABILITY PATIENTS WHO EARN A CERTAIN SCORE ON THE SCORER PRODUCT ARE CONSIDERED TO QUALIFY AS NON-STATE CHARITY PATIENTS AN AMOUNT UP TO \$1,000 OF SUCH A PATIENT'S BILL IS WRITTEN OFF AS BAD DEBT EXPENSE, WHILE THE REMAINING PORTION OF THE PATIENT'S BILL IS CONSIDERED TO BE NON-STATE CHARITY THE AMOUNT WRITTEN OFF AS BAD DEBT EXPENSE FOR THOSE PATIENTS WHO POTENTIALLY QUALIFY AS NON-STATE CHARITY USING THE SCORER PRODUCT IS THE AMOUNT SHOWN ON LINE 3 OF SECTION A OF PART III RATIONALE FOR INCLUDING CERTAIN BAD DEBTS IN COMMUNITY BENEFIT THE FILING ORGANIZATION IS DEDICATED TO THE VIEW THAT MEDICALLY NECESSARY HEALTH CARE FOR EMERGENCY AND NON-ELECTIVE PATIENTS SHOULD BE ACCESSIBLE TO ALL, REGARDLESS OF AGE, GENDER, GEOGRAPHIC LOCATION, CULTURAL BACKGROUND, PHYSICIAN MOBILITY, OR ABILITY TO PAY THE FILING ORGANIZATION TREATS EMERGENCY AND NON-ELECTIVE PATIENTS REGARDLESS OF THEIR ABILITY TO PAY OR THE AVAILABILITY OF THIRD-PARTY COVERAGE BY PROVIDING HEALTH CARE TO ALL WHO REQUIRE EMERGENCY OR NON-ELECTIVE CARE IN A NON-DISCRIMINATORY MANNER, THE FILING ORGANIZATION IS PROVIDING HEALTH CARE TO THE BROAD COMMUNITY IT SERVES AS A 501(C)(3) HOSPITAL ORGANIZATION, THE FILING ORGANIZATION MAINTAINS A 24/7 EMERGENCY ROOM PROVIDING CARE TO ALL WHOM PRESENT WHEN A PATIENT'S ARRIVAL AND/OR ADMISSION TO THE FACILITY BEGINS WITHIN THE EMERGENCY DEPARTMENT, TRIAGE AND MEDICAL SCREENING ARE ALWAYS COMPLETED PRIOR TO REGISTRATION STAFF PROCEEDING WITH THE DETERMINATION OF A PATIENT'S SOURCE OF PAYMENT IF THE PATIENT REQUIRES ADMISSION AND CONTINUED NON-ELECTIVE CARE, THE FILING ORGANIZATION PROVIDES THE NECESSARY CARE REGARDLESS OF THE PATIENT'S ABILITY TO PAY THE FILING ORGANIZATION'S OPERATION OF A 24/7 EMERGENCY DEPARTMENT THAT ACCEPTS ALL INDIVIDUALS IN NEED OF CARE PROMOTES THE HEALTH OF THE COMMUNITY THROUGH THE PROVISION OF CARE TO ALL WHOM PRESENT CURRENT INTERNAL REVENUE SERVICE GUIDANCE THAT TAX-EXEMPT HOSPITALS MAINTAIN SUCH EMERGENCY ROOMS WAS ESTABLISHED TO ENSURE THAT EMERGENCY CARE WOULD BE PROVIDED TO ALL WITHOUT DISCRIMINATION THE TREATMENT OF ALL AT THE FILING ORGANIZATION'S EMERGENCY DEPARTMENT IS A COMMUNITY BENEFIT UNDER THE FILING ORGANIZATION'S CHARITY CARE POLICY, EVERY EFFORT IS MADE TO OBTAIN A PATIENT'S NECESSARY FINANCIAL INFORMATION TO DETERMINE ELIGIBILITY FOR CHARITY CARE HOWEVER, NOT ALL PATIENTS WILL COOPERATE WITH SUCH EFFORTS AND A CHARITY CARE ELIGIBILITY DETERMINATION CAN NOT BE MADE IN THIS CASE, A PATIENT'S PORTION OF A BILL THAT REMAINS UNPAID FOR A CERTAIN STIPULATED TIME PERIOD IS WHOLLY OR PARTIALLY CLASSIFIED AS BAD DEBT BAD DEBTS ASSOCIATED WITH PATIENTS WHO HAVE RECEIVED CARE THROUGH THE FILING ORGANIZATION'S EMERGENCY DEPARTMENT SHOULD BE CONSIDERED TO BE COMMUNITY BENEFIT AS CHARITABLE HOSPITALS EXIST TO PROVIDE SUCH CARE IN PURSUIT OF THE IR PURPOSE OF MEETING THE NEED FOR EMERGENCY MEDICAL CARE SERVICES AVAILABLE TO ALL IN THE COMMUNITY FINANCIAL STATEMENT FOOTNOTE RELATED TO ACCOUNTS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS THE FINANCIAL INFORMATION OF THE FILING ORGANIZATION IS INCLUDED IN A CONSOLIDATED AUDITED FINANCIAL STATEMENT FOR THE CURRENT YEAR THE APPLICABLE FOOTNOTE FROM THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS THAT ADDRESSES ACCOUNTS RECEIVABLE, THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS, AND THE PROVISION FOR BAD DEBTS IS AS FOLLOWS PLEASE NOTE THAT DOLLAR AMOUNTS ARE IN THOUSANDS THE DIVISION'S PATIENT ACCEPTANCE POLICY IS BASED ON ITS MISSION TO IMPROVE AND ENHANCE LOCAL COMMUNITIES THAT IT SERVES IN HARMONY WITH CHRIST'S HEALING MINISTRY AND ITS CHARITABLE PURPOSES ACCORDINGLY, THE DIVISION ACCEPTS PATIENTS IN IMMEDIATE NEED OF CARE, REGARDLESS OF THEIR ABILITY TO PAY THE DIVISION SERVES CERTAIN PATIENTS WHOSE MEDICAL CARE COSTS ARE NOT PAID AT ESTABLISHED RATES THESE PATIENTS INCLUDE THOSE SPONSORED UNDER GOVERNMENT PROGRAMS SUCH AS MEDICARE AND MEDICAID, THOSE SPONSORED UNDER PRIVATE CONTRACTUAL AGREEMENTS, CHARITY PATIENTS AND OTHER UNINSURED PATIENTS WHO HAVE LIMITED ABILITY TO PAY A PATIENT IS CLASSIFIED AS A CHARITY PATIENT BASED ON THE ESTABLISHED POLICIES OF THE DIVISION, WHICH</p>

Identifier	ReturnReference	Explanation
		<p>REQUIRE THAT THE PATIENT PROVIDE CERTAIN INFORMATION TO QUALIFY FOR CHARITY PATIENTS THAT QUALIFY FOR CHARITY ARE PROVIDED SERVICES FOR WHICH NO PAYMENT IS DUE FOR ALL OR A PORTION OF THE PATIENT'S BILL FROM EITHER THE PATIENT OR OTHER THIRD PARTIES FOR FINANCIAL REPORTING PURPOSES, CHARITY CARE IS EXCLUDED FROM PATIENT SERVICE REVENUE FOR ALL OTHER PATIENTS, PATIENT SERVICE REVENUE IS REPORTED AT ESTIMATED NET REALIZABLE AMOUNTS FOR SERVICES RENDERED THE DIVISION RECOGNIZES PATIENT SERVICE REVENUE ASSOCIATED WITH PATIENTS WHO HAVE THIRD-PARTY PAYOR COVERAGE ON THE BASIS OF CONTRACTUAL RATES FOR THE SERVICES RENDERED FOR UNINSURED PATIENTS THAT DO NOT QUALIFY FOR CHARITY CARE, REVENUE IS RECOGNIZED ON THE BASIS OF DISCOUNTED RATES IN ACCORDANCE WITH THE DIVISION'S POLICY PATIENT SERVICE REVENUE IS REDUCED BY THE PROVISION FOR BAD DEBTS AND ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS THESE AMOUNTS ARE BASED ON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS FOR EACH MAJOR PAYOR SOURCE, CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE AND OTHER COLLECTION INDICATORS MANAGEMENT REGULARLY REVIEWS COLLECTIONS DATA BY MAJOR PAYOR SOURCES IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS ON THE BASIS OF HISTORICAL EXPERIENCE, A SIGNIFICANT PORTION OF THE DIVISION'S SELF-PAY PATIENTS WILL BE UNABLE OR UNWILLING TO PAY FOR THE SERVICES PROVIDED THUS, THE DIVISION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD SERVICES ARE PROVIDED RELATED TO SELF-PAY PATIENTS THE DIVISION'S ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS FOR SELF-PAY PATIENTS WAS 97% OF SELF-PAY ACCOUNTS RECEIVABLE AS OF DECEMBER 31, 2011 FOR RECEIVABLES ASSOCIATED WITH PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE DIVISION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY ACCOUNTS RECEIVABLE ARE WRITTEN OFF AFTER COLLECTION EFFORTS HAVE BEEN FOLLOWED IN ACCORDANCE WITH THE DIVISION'S POLICIES PATIENT SERVICE REVENUE IS NOT RECOGNIZED FOR THOSE PATIENTS THAT QUALIFY FOR CHARITY UNDER THE DIVISION'S POLICIES FOR ALL OTHER PATIENTS, PATIENT SERVICE REVENUE, NET OF CONTRACTUAL ALLOWANCES AND SELF-PAY DISCOUNTS AND BEFORE THE PROVISION FOR BAD DEBTS, RECOGNIZED FROM MAJOR PAYOR SOURCES FOR THE YEAR ENDED DECEMBER 31, 2011, IS AS FOLLOWS THIRD-PARTY PAYORS, NET OF CONTRACTUAL ALLOWANCES \$3,724,724 SELF-PAY PATIENTS, NET OF DISCOUNTS \$94,729 ----- \$3,819,453 THE DIVISION CHANGED ITS UNINSURED DISCOUNT POLICY, EFFECTIVE JANUARY 1, 2011, AS REQUIRED BY THE PATIENT PROTECTION AND AFFORDABLE CARE ACT (ACT) THE ACT HAS RESULTED IN AN INCREASE IN SELF-PAY DISCOUNTS, WHICH ARE A REDUCTION OF PATIENT SERVICE REVENUE, AND A CORRESPONDING DECREASE IN SELF-PAY WRITE-OFFS THAT ARE INCLUDED IN THE PROVISION FOR BAD DEBTS OVERALL, THE TOTAL OF SELF-PAY DISCOUNTS AND WRITE-OFFS HAS NOT CHANGED SIGNIFICANTLY FOR THE YEAR ENDED DECEMBER 31, 2011 THE DIVISION HAS NOT EXPERIENCED SIGNIFICANT CHANGES IN WRITE-OFF TRENDS AND HAS NOT CHANGED ITS CHARITY CARE POLICY FOR THE YEAR ENDED DECEMBER 31, 2011 THE DIVISION HAS DETERMINED, BASED ON AN ASSESSMENT AT THE REPORTING-ENTITY LEVEL, THAT PATIENT SERVICE REVENUE IS PRIMARILY RECORDED PRIOR TO ASSESSING THE PATIENT'S ABILITY TO PAY AND AS SUCH, THE ENTIRE PROVISION FOR BAD DEBTS IS RECORDED AS A DEDUCTION FROM PATIENT SERVICE REVENUE IN THE ACCOMPANYING COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS *** SEE CONTINUATION OF FOOTNOTE</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 8 COSTING METHODOLOGY MEDICARE ALLOWABLE COSTS WERE CALCULATED USING A COST-TO-CHARGE RATIO RATIONALE FOR INCLUDING A MEDICARE SHORTFALL AS COMMUNITY BENEFIT AS A 501 (C)(3) ORGANIZATION, THE FILING ORGANIZATION PROVIDES EMERGENCY AND NON-ELECTIVE CARE TO ALL REGARDLESS OF ABILITY TO PAY ALL HOSPITAL SERVICES ARE PROVIDED IN A NON-DISCRIMINATORY MANNER TO PATIENTS WHO ARE COVERED BENEFICIARIES UNDER THE MEDICARE PROGRAM AS A PUBLIC INSURANCE PROGRAM, MEDICARE PROVIDES A PRE-ESTABLISHED REIMBURSEMENT RATE/AMOUNT TO HEALTH CARE PROVIDERS FOR THE SERVICES THEY PROVIDE TO PATIENTS IN SOME CASES, THE REIMBURSEMENT AMOUNT PROVIDED TO A HOSPITAL MAY EXCEED ITS COSTS OF PROVIDING A PARTICULAR SERVICE OR SERVICES TO A PATIENT IN OTHER CASES, THE MEDICARE REIMBURSEMENT AMOUNT MAY RESULT IN THE HOSPITAL EXPERIENCING A SHORTFALL OF REIMBURSEMENT RECEIVED OVER COSTS INCURRED IN THOSE CASES WHERE AN OVERALL SHORTFALL IS GENERATED FOR PROVIDING SERVICES TO ALL MEDICARE PATIENTS, THE SHORTFALL AMOUNT SHOULD BE CONSIDERED AS A BENEFIT TO THE COMMUNITY TAX-EXEMPT HOSPITALS ARE REQUIRED TO ACCEPT ALL MEDICARE PATIENTS REGARDLESS OF THE PROFITABILITY, OR LACK THEREOF, WITH RESPECT TO THE SERVICES THEY PROVIDE TO MEDICARE PATIENTS THE POPULATION OF INDIVIDUALS COVERED UNDER THE MEDICARE PROGRAM IS SUFFICIENTLY LARGE SO THAT THE PROVISION OF SERVICES TO THE POPULATION IS A BENEFIT TO THE COMMUNITY AND RELIEVES THE BURDENS OF GOVERNMENT IN THOSE SITUATIONS WHERE THE PROVISION OF SERVICES TO THE TOTAL MEDICARE PATIENT POPULATION OF A TAX-EXEMPT HOSPITAL DURING ANY YEAR RESULTS IN A SHORTFALL OF REIMBURSEMENT RECEIVED OVER THE COST OF PROVIDING CARE, THE TAX-EXEMPT HOSPITAL HAS PROVIDED A BENEFIT TO A CLASS OF PERSONS BROAD ENOUGH TO BE CONSIDERED A BENEFIT TO THE COMMUNITY DESPITE A FINANCIAL SHORTFALL, A TAX-EXEMPT HOSPITAL MUST AND WILL CONTINUE TO ACCEPT AND CARE FOR MEDICARE PATIENTS TYPICALLY, TAX-EXEMPT HOSPITALS PROVIDE HEALTH CARE SERVICES BASED UPON AN ASSESSMENT OF THE HEALTH CARE NEEDS OF THEIR COMMUNITY AS OPPOSED TO THEIR TAXABLE COUNTERPARTS WHERE PROFITABILITY OFTEN DRIVES DECISIONS ABOUT PATIENT CARE SERVICES THAT ARE OFFERED PATIENT CARE PROVIDED BY TAX-EXEMPT HOSPITALS THAT RESULTS IN MEDICARE SHORTFALLS SHOULD BE CONSIDERED AS PROVIDING A BENEFIT TO THE COMMUNITY AND RELIEVING THE BURDENS OF GOVERNMENT</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 9B AT THE TIME OF PATIENT REGISTRATION, NON-ELECTIVE SELF-PAY PATIENTS ARE INFORMED OF THE MINIMUM DISCOUNT AVAILABLE UNDER THE FILING ORGANIZATION'S SELF-PAY DISCOUNT POLICY SUCH PATIENTS ARE ALSO INFORMED OF THE FILING ORGANIZATION'S CHARITY CARE POLICY AND TOLD THAT THEY WILL BE REQUIRED TO SUBMIT NECESSARY FINANCIAL DATA IN ORDER TO POTENTIALLY RECEIVE ANY ADDITIONAL DISCOUNTS UNDER THE FILING ORGANIZATION'S FINANCIAL ASSISTANCE POLICY, PERCENTAGE DISCOUNTS ARE APPLIED TO A PATIENT'S ACCOUNT BASED UPON AMOUNTS GENERALLY BILLED TO INDIVIDUALS WHO HAVE INSURANCE COVERING SUCH CARE UNDER THE FILING ORGANIZATION'S POLICIES, PAYMENT PLANS FOR PARTIAL CHARITY ACCOUNTS WILL BE INDIVIDUALLY DEVELOPED WITH THE PATIENT PARTIAL CHARITY ACCOUNTS RESULT WHEN A FINANCIAL ASSISTANCE ELIGIBILITY DETERMINATION ALLOWS FOR A PERCENTAGE REDUCTION BUT LEAVES THE PATIENT WITH A SELF-PAY BALANCE IF THE PATIENT COMPLIES WITH THE AGREED-UPON PAYMENT PLAN, THE FILING ORGANIZATION DOES NOT PURSUE ANY COLLECTION ACTION WITH RESPECT TO THE PATIENT HOWEVER, IF A PATIENT DOES NOT MAKE ANY PAYMENTS FOR THREE CONSECUTIVE MONTHS, THE ACCOUNT MAY BE REFERRED FOR FURTHER COLLECTION ACTIVITY THE FILING ORGANIZATION DOES NOT PURSUE COLLECTION OF AMOUNTS FROM PATIENTS DETERMINED TO QUALIFY FOR A 100% REDUCTION IN CHARGES UNDER ITS CHARITY CARE POLICY</p>

Identifier	ReturnReference	Explanation
	PART III, SECTION B	<p>RECONCILIATION OF SCHEDULE H REPORTED MEDICARE SURPLUS/(SHORTFALL) TO UNREIMBURSED MEDICARE COSTS ASSOCIATED WITH THE PROVISION OF SERVICES TO ALL MEDICARE BENEFICIARIES THE MEDICARE REVENUE AND ALLOWABLE COSTS OF CARE REPORTED IN SECTION B OF PART III OF SCHEDULE H ARE BASED UPON THE AMOUNTS REPORTED IN THE FILING ORGANIZATION'S MEDICARE COST REPORT IN ACCORDANCE WITH THE IRS INSTRUCTIONS FOR SCHEDULE H ON AN ANNUAL BASIS, THE FILING ORGANIZATION ALSO DETERMINES ITS TOTAL UNREIMBURSED COSTS ASSOCIATED WITH PROVIDING SERVICES TO ALL MEDICARE PATIENTS UNREIMBURSED COSTS ARE REPORTED AS A COMMUNITY BENEFIT TO THE ELDERLY AND ARE INCLUDED IN THE CONSOLIDATED ADVENTIST HEALTH SYSTEM (AHS OR THE COMPANY) COMMUNITY BENEFITS REPORT CONTAINED IN THE AHS ANNUAL REPORT DOCUMENT THE PRIMARY RECONCILING ITEMS BETWEEN THE MEDICARE SURPLUS/(SHORTFALL) SHOWN ON LINE 7 OF SECTION B OF PART III OF SCHEDULE H AND THE FILING ORGANIZATION'S UNREIMBURSED COSTS OF SERVICES PROVIDED TO MEDICARE PATIENTS AS REPORTED IN THE AHS COMMUNITY BENEFIT REPORT ARE AS FOLLOWS - MEDICARE SURPLUS/(SHORTFALL) SHOWN ON LINE 7 OF SECTION B OF SCHEDULE H \$ (3,006,178)- DIFFERENCE IN COSTING METHODOLOGY (2,623,005)- UNREIMBURSED COSTS INCURRED FOR SERVICES PROVIDED TO MEDICARE PATIENTS THAT ARE NOT INCLUDED IN THE ORGANIZATION'S MEDICARE COST REPORT (2,109,707) -----TOTAL UNREIMBURSED COSTS OF SERVING ALL MEDICARE PATIENTS PER THE FILING ORGANIZATION'S COMMUNITY BENEFIT REPORTING \$ (7,738,890)AS INDICATED ABOVE, THE PRIMARY DIFFERENCES BETWEEN THE MEDICARE SURPLUS/(SHORTFALL) REPORTED ON SCHEDULE H, PART III, SECTION B, LINE 7 AND THE FILING ORGANIZATION'S PORTION OF THE COMPANY'S ANNUAL COMMUNITY BENEFIT STATEMENT IS DUE TO A DIFFERENCE IN THE COSTING METHODOLOGY AND DIFFERENCES IN THE POPULATION OF MEDICARE PATIENTS WITHIN THE CALCULATION THE COST METHODOLOGY UTILIZED IN CALCULATING ANY MEDICARE SURPLUS/(SHORTFALL) FOR PURPOSES OF THE ANNUAL COMMUNITY BENEFIT REPORTING IS BASED UPON THE COST-TO-CHARGE RATIO OUTLINED IN WORKSHEET 2 OF THE SCHEDULE H INSTRUCTIONS THE SAME COST-TO-CHARGE RATIO IS USED TO DETERMINE THE COSTS ASSOCIATED WITH SERVICES PROVIDED TO CHARITY CARE PATIENTS AND MEDICAID PATIENTS AS REPORTED IN SCHEDULE H, PART I, LINE 7 IN ADDITION, THE MEDICARE COST REPORT EXCLUDES SERVICES PROVIDED TO MEDICARE PATIENTS FOR PHYSICIAN SERVICES, SERVICES PROVIDED TO PATIENTS ENROLLED IN MEDICARE HMOS, AND CERTAIN SERVICES PROVIDED BY OUTPATIENT DEPARTMENTS OF THE FILING ORGANIZATION THAT ARE REIMBURSED ON A FEE SCHEDULE THE COMPANY'S OWN COMMUNITY BENEFIT STATEMENT CAPTURES THE UNREIMBURSED COST OF PROVIDING SERVICES TO ALL MEDICARE BENEFICIARIES THROUGHOUT THE ORGANIZATION</p>

Identifier	ReturnReference	Explanation
	PART III, LINE 4 CONTINUATION OF FOOTNOTE	REVENUE FROM THE MEDICARE AND MEDICAID PROGRAMS REPRESENTS APPROXIMATELY 36% OF THE DIVISION'S PATIENT SERVICE REVENUE FOR THE YEAR ENDED DECEMBER 31, 2011. LAWS AND REGULATIONS GOVERNING THE MEDICARE AND MEDICAID PROGRAMS ARE EXTREMELY COMPLEX AND SUBJECT TO INTERPRETATION. AS A RESULT, THERE IS AT LEAST A REASONABLE POSSIBILITY THAT RECORDED ESTIMATES WILL CHANGE BY A MATERIAL AMOUNT IN THE NEAR TERM. OTHER THAN THE ACCOUNTS RECEIVABLE RELATED TO THE MEDICARE AND MEDICAID PROGRAMS, THERE ARE NO SIGNIFICANT CONCENTRATIONS OF ACCOUNTS RECEIVABLE DUE FROM AN INDIVIDUAL PAYOR AT DECEMBER 31, 2011. THE DIVISION IS SUBJECT TO RETROACTIVE REVENUE ADJUSTMENTS DUE TO FUTURE AUDITS, REVIEWS AND INVESTIGATIONS. RETROACTIVE ADJUSTMENTS ARE CONSIDERED IN THE RECOGNITION OF REVENUE ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED, AND SUCH AMOUNTS ARE ADJUSTED IN FUTURE PERIODS AS ADJUSTMENTS BECOME KNOWN OR AS YEARS ARE NO LONGER SUBJECT TO SUCH AUDITS, REVIEWS AND INVESTIGATIONS. ADJUSTMENTS TO REVENUE RELATED TO PRIOR PERIODS INCREASED PATIENT SERVICE REVENUE BY APPROXIMATELY \$30,500 FOR THE YEAR ENDED DECEMBER 31, 2011.



Identifier	ReturnReference	Explanation
FLORIDA HOSPITAL WATERMAN, INC		PART V, SECTION B, LINE 13G THE FILING ORGANIZATION HAS DEVELOPED A PATIENT-FRIENDLY SUMMARY VERSION OF ITS FINANCIAL ASSISTANCE POLICY (FAP) THE FILING ORGANIZATION'S FAP PROVIDES THAT ITS HOSPITAL FACILITY WILL POST THE PATIENT-FRIENDLY SUMMARY VERSION OF ITS FAP ON THE HOSPITAL'S WEBSITE IN ADDITION, THE FAP OF THE HOSPITAL FACILITY STATES THAT SIGNAGE REGARDING THE AVAILABILITY OF THE HOSPITAL FACILITY'S FAP WILL BE VISIBLE AT POINTS OF ADMISSION AND REGISTRATION, INCLUDING THE EMERGENCY DEPARTMENT

Identifier	ReturnReference	Explanation
FLORIDA HOSPITAL WATERMAN, INC		PART V, SECTION B, LINE 19D IN DETERMINING THE MAXIMUM AMOUNT THAT CAN BE CHARGED TO FINANCIAL ASSISTANCE POLICY-ELIGIBLE INDIVIDUALS FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE, THE HOSPITAL USES THE FOLLOWING METHODOLOGY THE HOSPITAL IDENTIFIES ALL COMMERCIAL PAYORS WHOSE VOLUME OF ACTIVITY WITH THE HOSPITAL EQUALS OR EXCEEDS \$100,000 FOR THE TAXABLE YEAR FOR THOSE IDENTIFIED COMMERCIAL PAYORS, AN AVERAGE OF THE NEGOTIATED COMMERCIAL INSURANCE RATES IS DETERMINED THE AVERAGE OF ALL OF THE NEGOTIATED COMMERCIAL INSURANCE RATES FOR THOSE IDENTIFIED COMMERCIAL PAYORS DETERMINES THE MAXIMUM AMOUNT THAT CAN BE CHARGED TO PATIENTS ELIGIBLE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 THE FILING ORGANIZATION DOES NOT CURRENTLY CONDUCT ANY FORMAL ANNUAL HEALTH CARE NEEDS ASSESSMENT HOWEVER, A VARIETY OF PRACTICES AND PROCESSES ARE IN PLACE TO ENSURE THAT THE FILING ORGANIZATION IS RESPONSIVE TO THE HEALTH NEEDS OF ITS COMMUNITY SUCH PRACTICES AND PROCESSES INVOLVE THE FOLLOWING 1 A HOSPITAL OPERATING/COMMUNITY BOARD COMPOSED OF INDIVIDUALS BROADLY REPRESENTATIVE OF THE COMMUNITY, COMMUNITY LEADERS, AND THOSE WITH SPECIALIZED MEDICAL TRAINING AND EXPERTISE, 2 POST-DISCHARGE PATIENT FOLLOW-UP RELATED TO THE ON-GOING CARE AND TREATMENT OF PATIENTS WHO SUFFER FROM CHRONIC DISEASES, 3 SPONSORSHIP AND PARTICIPATION IN COMMUNITY HEALTH AND WELLNESS ACTIVITIES THAT REACH A BROAD SPECTRUM OF THE FILING ORGANIZATION'S COMMUNITY, AND 4 COLLABORATION WITH OTHER LOCAL COMMUNITY GROUPS TO ADDRESS THE HEALTH CARE NEEDS OF THE FILING ORGANIZATION'S COMMUNITY</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 THE FILING ORGANIZATION HAS A PROCESS IN PLACE WHEREBY PATIENTS ARE INFORMED ABOUT THE HOSPITAL'S CHARITY CARE POLICY AND OTHER FORMS OF FINANCIAL ASSISTANCE, SUCH AS SELF-PAY DISCOUNTS SIGNAGE IS POSTED IN THE EMERGENCY ROOM INDICATING THAT FINANCIAL ASSISTANCE IS AVAILABLE FOR THOSE SELF-PAY PATIENTS MEETING ELIGIBILITY REQUIREMENTS AFTER EMTALA MEDICAL SCREENING AND STABILIZATION REQUIREMENTS ARE MET, REGISTRATION PERSONNEL WILL SECURE FINANCIAL INFORMATION ON AS MANY SELF-PAY PATIENTS AS POSSIBLE AT THE TIME OF SERVICE FOR THOSE WHO APPEAR TO QUALIFY FOR MEDICAID OR UNDER THE HOSPITAL'S CHARITY CARE POLICY, THE FINANCIAL COUNSELORS WILL CONTINUE TO WORK WITH THOSE PATIENTS UNTIL FINAL ACCOUNT RESOLUTION IS ACHIEVED ALL OTHER SELF-PAY PATIENTS ARE COVERED UNDER THIS PROCESS AT ANY TIME DURING THE PROCESS THAT DATA IS PROVIDED SHOWING THAT A PATIENT QUALIFIES FOR ASSISTANCE UNDER THE CHARITY CARE POLICY THE DISCOUNTS EXTENDED UNDER THAT POLICY WILL BE APPLIED AS PART OF THE BILLING PROCESS, THE HOSPITAL'S BILLING STATEMENTS REQUESTS THAT PATIENTS NOTIFY THE HOSPITAL IF THEY NEED CHARITY CARE THE HOSPITAL'S CHARITY CARE POLICY IS ALSO AVAILABLE TO PATIENTS ON THE HOSPITAL'S WEB-SITE IN BOTH AN ENGLISH AND SPANISH VERSION ADDITIONALLY, THE HOSPITAL'S FINANCIAL COUNSELORS ARE AVAILABLE TO WORK WITH EVERY PATIENT DURING THE FIRST 180 DAYS OF THE BILLING PROCESS TO ASSIST THE PATIENT WITH COMPLETING CHARITY CARE APPLICATIONS AND INVESTIGATING OTHER POTENTIAL SOURCES OF THIRD-PARTY ASSISTANCE THE DETERMINATION OF A PATIENT'S ELIGIBILITY FOR CHARITY CARE IS MADE ON A CASE-BY-CASE BASIS VARIOUS FACTORS ARE CONSIDERED IN THAT DETERMINATION EACH INDIVIDUAL PATIENT WHO IS IDENTIFIED AS POTENTIALLY BEING ELIGIBLE TO RECEIVE CHARITY CARE IS SEEN BY A FINANCIAL COUNSELOR AT THE HOSPITAL THE FINANCIAL COUNSELOR WILL WORK WITH THE PATIENT TO MAKE SURE THAT OTHER SOURCES OF ASSISTANCE (PUBLIC OR OTHERWISE) HAVE BEEN SOUGHT TO THE FULLEST EXTENT POSSIBLE WHEN OTHER FORMS OF ASSISTANCE ARE NOT AVAILABLE OR HAVE BEEN EXHAUSTED, THE HOSPITAL WILL GATHER CERTAIN FINANCIAL INFORMATION FROM THE PATIENT TO DETERMINE THE PATIENT'S ABILITY TO PAY BASED UPON LEVEL OF INCOME</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 THE FILING ORGANIZATION (THE HOSPITAL) IS A FULLY CERTIFIED 204-BED ACUTE CARE HOSPITAL LOCATED IN TAVARES, FLORIDA FROM AMBULATORY SURGERY TO UROLOGY, THE HOSPITAL OFFERS AN ARRAY OF SERVICES AND SPECIALITIES COMBINED WITH THE LATEST IN MEDICAL TECHNOLOGY THE HOSPITAL WAS ONE OF THE TOP 100 COMPANIES FOR WORKING FAMILIES AND RECEIVED THE 2011 CUTTING EDGE AWARD FROM THE PRIMARY ORLANDO, FL NEWSPAPER THE HOSPITAL'S EXTENSIVE HOME CARE SERVICES ARE DESIGNED TO ACCOMMODATE THE NEEDS OF IN-HOME PATIENTS THROUGH NURSING CARE, HOME MEDICAL EQUIPMENT AND NON-EMERGENCY TRANSPORTAION, SUCH AS TO DOCTORS APPOINTMENTS THE HOSPITAL'S UNIQUELY DESIGNED "CLOVER LEAF" PATIENT CARE UNITS CONSIST OF THREE 10-BED ZONES WITH 30 BEDS PER NURSE STATION AND 60 BEDS PER FLOOR THE EMERGENCY DEPARTMENT IS SIZED FOR 60,000 VISITS PER YEAR THE HOSPITAL HAS THE ONLY COMPREHENSIVE CANCER PROGRAM AND THE ONLY FELLOWSHIP TRAINED SURGICAL ONCOLOGIST IN LAKE COUNTY FLORIDA HOSPITAL CANCER INSTITUTE WATERMAN IS AFFILIATED WITH FLORIDA HOSPITAL CANCER INSTITUTE (FHCI) THE FHCI AND ITS AFFILIATES TREAT OVER 3,800 NEWLY DIAGNOSED CANCER PATIENTS EACH YEAR - MORE THAN ANY OTHER PROGRAM IN FLORIDA THERE IS 1 COMPETING HOSPITAL LOCATED APPROXIMATELY 15 MILES FROM THE HOSPITAL'S PRIMARY HOSPITAL FACILITY TAVARES, FLORIDA IS LOCATED IN LAKE COUNTY AND IS LOCATED ALONG HIGHWAY 441 THE HOSPITAL'S PRIMARY MARKET HAS A POPULATION OF APPROXIMATELY 159,000, WITH AN ESTIMATED 55,000 OVER THE AGE OF 65 THE WEIGHTED AVERAGE HOUSEHOLD INCOME, BASED ON POPULATION, IN THE PRIMARY MARKET IS APPROXIMATELY \$40,000 HIGH SCHOOL GRADUATES ACCOUNT FOR APPROXIMATELY 85% OF LAKE COUNTY, WITH AN ESTIMATED 20% HAVING A BACHELOR'S DEGREE OR HIGHER IT IS ESTIMATED THAT 10% OF THE INDIVIDUALS RESIDING IN LAKE COUNTY LIVE BELOW THE POVERTY LEVEL AND THE UNEMPLOYMENT RATE IS ABOUT 8% APPROXIMATELY 57.8% OF THE HOSPITAL'S PATIENTS DURING 2011 WERE MEDICARE PATIENTS, ABOUT 12.9% WERE MEDICAID PATIENTS, ABOUT 7.7% WERE SELF-PAY PATIENTS, AND THE REMAINING PERCENTAGE WERE PATIENTS COVERED UNDER COMMERCIAL INSURANCE IN 2011, ABOUT 83% OF THE HOSPITAL'S IN-PATIENTS WERE ADMITTED THROUGH THE HOSPITAL'S EMERGENCY DEPARTMENT</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 5 THE PROVISION OF COMMUNITY BENEFIT IS CENTRAL TO THE FILING ORGANIZATION'S MISSION OF SERVICE AND COMPASSION RESTORING AND PROMOTING THE HEALTH AND QUALITY OF LIFE OF THOSE IN THE COMMUNITIES SERVED BY THE FILING ORGANIZATION IS A FUNCTION OF "EXTENDING THE HEALING MINISTRY OF CHRIST" AND EMBODIES THE FILING ORGANIZATION'S COMMITMENT TO ITS VALUES AND PRINCIPLES THE FILING ORGANIZATION COMMITS SUBSTANTIAL RESOURCES TO PROVIDE A BROAD RANGE OF SERVICES TO BOTH THE UNDERPRIVILEGED AS WELL AS THE BROADER COMMUNITY IN ADDITION TO THE COMMUNITY BENEFIT INFORMATION PROVIDED IN PARTS I, II AND III OF THIS SCHEDULE H, THE HOSPITAL CAPTURES AND REPORTS THE BENEFITS PROVIDED TO ITS COMMUNITY THROUGH FAITH-BASED CARE EXAMPLES OF SUCH BENEFITS INCLUDE THE COST ASSOCIATED WITH CHAPLAINCY CARE PROGRAMS AND MISSION PEER REVIEWS AND MISSION CONFERENCES DURING THE CURRENT YEAR, THE FILING ORGANIZATION PROVIDED \$529,748 OF BENEFIT WITH RESPECT TO THE FAITH-BASED AND SPIRITUAL NEEDS OF THE COMMUNITY IN CONJUNCTION WITH ITS OPERATION OF A COMMUNITY HOSPITAL THE FILING ORGANIZATION ALSO PROVIDES BENEFITS TO ITS COMMUNITY'S INFRASTRUCTURE BY INVESTING IN CAPITAL IMPROVEMENTS TO ENSURE THAT FACILITIES AND TECHNOLOGY PROVIDE THE BEST POSSIBLE CARE TO THE COMMUNITY DURING THE CURRENT YEAR, THE FILING ORGANIZATION EXPENDED \$6,759,428 IN NEW CAPITAL IMPROVEMENTS AS A FAITH-BASED MISSION-DRIVEN COMMUNITY HOSPITAL, THE FILING ORGANIZATION IS CONTINUALLY INVOLVED IN MONITORING ITS COMMUNITY, IDENTIFYING UNMET HEALTH CARE NEEDS AND DEVELOPING SOLUTIONS AND PROGRAMS TO ADDRESS THOSE NEEDS IN ACCORDANCE WITH ITS CONSERVATIVE APPROACH TO FISCAL RESPONSIBILITY, SURPLUS FUNDS OF THE HOSPITAL ARE CONTINUALLY BEING INVESTED IN RESOURCES THAT IMPROVE THE AVAILABILITY AND QUALITY OF DELIVERY OF HEALTH CARE SERVICES AND PROGRAMS TO ITS COMMUNITY</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 THE FILING ORGANIZATION IS A PART OF A FAITH-BASED HEALTHCARE SYSTEM OF ORGANIZATIONS WHOSE PARENT IS ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION (AHSSHC) THE SYSTEM IS KNOWN AS ADVENTIST HEALTH SYSTEM (AHS) AHSSHC IS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3) AHSSHC AND ITS SUBSIDIARY ORGANIZATIONS OPERATE 43 HOSPITALS IN 10 STATES THROUGHOUT THE U S , PRIMARILY IN THE SOUTHEASTERN PORTION OF THE U S AHSSHC AND ITS SUBSIDIARIES ALSO OPERATE 16 NURSING HOME FACILITIES AND OTHER ANCILLARY HEALTH CARE PROVIDER FACILITIES, SUCH AS AMBULATORY SURGERY CENTERS AND DIAGNOSTIC IMAGING CENTERS AS THE PARENT ORGANIZATION OF THE AHS SYSTEM, AHSSHC PROVIDES EXECUTIVE LEADERSHIP AND OTHER PROFESSIONAL SUPPORT SERVICES TO ITS SUBSIDIARY ORGANIZATIONS PROFESSIONAL SUPPORT SERVICES INCLUDE AMONG OTHERS CORPORATE COMPLIANCE, LEGAL, HUMAN RESOURCES, REIMBURSEMENT, RISK MANAGEMENT, AND TAX AS WELL AS TREASURY FUNCTIONS THE PROVISION OF THESE EXECUTIVE AND SUPPORT SERVICES ON A CENTRALIZED BASIS BY AHSSHC PROVIDES AN APPROPRIATE BALANCE BETWEEN PROVIDING EACH AHS SUBSIDIARY HOSPITAL ORGANIZATION WITH MISSION-DRIVEN CONSISTENT LEADERSHIP AND SUPPORT WHILE ALLOWING THE HOSPITAL ORGANIZATION TO FOCUS ITS RESOURCES ON MEETING THE SPECIFIC HEALTH CARE NEEDS OF THE COMMUNITY IT SERVES THE READER OF THIS FORM 990 SHOULD KEEP IN MIND THAT THIS REPORTING ENTITY MAY DIFFER IN CERTAIN AREAS FROM THAT OF A STAND-ALONE HOSPITAL ORGANIZATION DUE TO ITS INCLUSION IN A LARGER SYSTEM OF HEALTHCARE ORGANIZATIONS AS A PART OF A SYSTEM OF HOSPITAL AND OTHER HEALTH CARE ORGANIZATIONS, THE FILING ORGANIZATION BENEFITS FROM REDUCED COSTS DUE TO SYSTEM EFFICIENCIES, SUCH AS LARGE GROUP PURCHASING DISCOUNTS, AND THE AVAILABILITY OF INTERNAL RESOURCES SUCH AS INTERNAL LEGAL COUNSEL EACH AHS SUBSIDIARY PAYS A MANAGEMENT FEE TO AHSSHC FOR THE INTERNAL SERVICES PROVIDED BY AHSSHC AS A RESULT, MANAGEMENT FEE EXPENSE REPORTED BY A AHS SUBSIDIARY ORGANIZATION MAY APPEAR GREATER IN RELATION TO MANAGEMENT FEE EXPENSE THAT MAY BE REPORTED BY A SINGLE STAND-ALONE HOSPITAL THE SINGLE STAND-ALONE HOSPITAL WOULD LIKELY REPORT COSTS ASSOCIATED WITH MANAGEMENT AND OTHER PROFESSIONAL SERVICES ON VARIOUS EXPENSE LINE ITEMS IN ITS STATEMENT OF REVENUE AND EXPENSE AS OPPOSED TO REPORTING SUCH COSTS IN ONE OVERALL MANAGEMENT FEE EXPENSE AS THE REPORTING OF THE FORM 990 IS DONE ON AN ENTITY BY ENTITY BASIS, THERE IS NO SINGLE FORM 990 THAT CAPTURES THE PROGRAMS AND OPERATIONS OF AHS AS A WHOLE THE READER IS DIRECTED TO VISIT THE WEB-SITE OF AHS AT WWW.ADVENTISTHEALTHSYSTEM.COM TO LEARN MORE ABOUT THE MISSION AND OPERATIONS OF AHS AND TO ACCESS AHS'S ANNUAL REPORT THAT CONTAINS FINANCIAL DATA AS WELL AS COMMUNITY BENEFIT REPORTING FOR THE ENTIRE SYSTEM</p>

Identifier	ReturnReference	Explanation
	PART VI, LINE 7	THE ANNUAL COMMUNITY BENEFIT REPORT CONTAINED IN THE ANNUAL REPORT PREPARED BY ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION (AHSSHC) ON BEHALF OF THE ENTIRE AHS SYSTEM OF HEALTHCARE ORGANIZATION IS NOT FILED WITH ANY STATE AGENCIES



**Schedule I  
(Form 990)**

OMB No 1545-0047

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

**2011**

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

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FLORIDA HOSPITAL WATERMAN INC

Employer identification number  
59-3140669

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .  Yes  No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . .

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) LIFESTREAM BEHAVIORAL CENTERPO BOX 491000 LEESBURG, FL 34749	59-1561501	501(C)(3)	253,035				MEDICAL CARE
(2) FLORIDA HOSPITAL WATERMAN FOUNDATION 1500 WATERMAN WAY TAVARES, FL 32778	59-2330166	501(C)(3)	278,773				GENERAL SUPPORT
(3) FLORIDA DEPARTMENT OF HEALTH LAKE COUNTY HEALTH DEPARTMENTPO BOX 1305 TAVARES, FL 32778	59-3502843	GOV'T	75,000				MEDICAL CARE
(4) AMERICAN CANCER SOCIETY 3261 US HIGHWAY 441/27 B2 FRUITLAND PARK, FL 34731	59-0657320	501(C)(3)	10,200				GENERAL SUPPORT
(5) ADVENTIST HEALTH SYSTEMSUNBELT INC DBA FLORIDA HOSPITAL CENTRA CARE 901 N LAKE DESTINY DR 400 MAITLAND, FL 32751	59-3209688	501(C)(3)	89,065				GENERAL SUPPORT

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . **5**
- 3** Enter total number of other organizations listed in the line 1 table . . . . . **0**

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed.

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

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
SCHEDULE I, PART I, LINE 2		GRANTS ARE GENERALLY MADE ONLY TO RELATED ORGANIZATIONS THAT ARE EXEMPT FROM FEDERAL INCOME TAX UNDER 501(C)(3) OR TO OTHER 501(C)(3) ORGANIZATIONS THAT ARE A PART OF THE GROUP EXEMPTION RULING ISSUED TO THE GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS ACCORDINGLY, THE FILING ORGANIZATION HAS NOT ESTABLISHED SPECIFIC PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS IN THE UNITED STATES AS THE FILING ORGANIZATION DOES NOT HAVE A GRANT MAKING PROGRAM THAT WOULD NECESSITATE SUCH PROCEDURES

**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Name of the organization

FLORIDA HOSPITAL WATERMAN INC

Employer identification number

59-3140669

**Part I Questions Regarding Compensation**

Yes No

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel                       | <input checked="" type="checkbox"/> Housing allowance or residence for personal use |
| <input checked="" type="checkbox"/> Travel for companions                    | <input type="checkbox"/> Payments for business use of personal residence            |
| <input checked="" type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees              |
| <input checked="" type="checkbox"/> Discretionary spending account           | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)            |

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

**1b** Yes

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

**2** Yes

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

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

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

**a** Receive a severance payment or change-of-control payment?

**4a** Yes

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**4b** Yes

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

**4c** No

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

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

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

**a** The organization?

**5a** No

**b** Any related organization?

**5b** No

If "Yes," to line 5a or 5b, describe in Part III

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

**a** The organization?

**6a** No

**b** Any related organization?

**6b** No

If "Yes," to line 6a or 6b, describe in Part III

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

**7** No

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

**8** No

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

**9**

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space 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, columns (D) and (E) for that individual

(A) Name		(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 in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) SCHULTZ MICHAEL H	(i)	0	0	0	0	0	0	0
	(ii)	626,408	157,581	511,026	121,215	33,393	1,449,623	82,488
(2) HAUCK MD LORAN D	(i)	0	0	0	0	0	0	0
	(ii)	517,595	120,442	112,353	84,610	37,306	872,306	61,896
(3) MATTISON KENNETH R	(i)	0	0	0	0	0	0	0
	(ii)	345,358	80,590	136,073	45,471	37,126	644,618	31,327
(4) CRUNK FRANCES	(i)	0	0	0	0	0	0	0
	(ii)	230,251	43,046	39,104	33,818	25,556	371,775	13,530
(5) FISH CARRIE L	(i)	0	0	0	0	0	0	0
	(ii)	256,264	36,083	45,025	40,170	23,200	400,742	26,988
(6) EDELSTEIN MD PETER S	(i)	0	0	0	0	0	0	0
	(ii)	170,587	33,599	48,347	17,330	13,366	283,229	24,194
(7) DOLAN PATRICIA R	(i)	0	0	50	0	0	50	0
	(ii)	175,001	0	67,346	9,295	42,337	293,979	0
(8) LAMTUAN	(i)	160,718	11,000	4,660	469	12,030	188,877	0
	(ii)	0	0	0	0	0	0	0
(9) SZALMARCEL	(i)	156,392	1,000	8,177	9,054	25,128	199,751	0
	(ii)	0	0	0	0	0	0	0
(10) BARNESJAMES R	(i)	138,643	9,000	3,944	7,919	20,465	179,971	0
	(ii)	0	0	0	0	0	0	0
(11) DAHLINPATRICIA	(i)	146,162	1,000	1,486	7,679	13,644	169,971	0
	(ii)	0	0	0	0	0	0	0
(12) PEARCERICHARD E	(i)	133,292	8,000	6,050	7,020	14,569	168,931	0
	(ii)	0	0	0	0	0	0	0
(13) SHULL JENNIFER M	(i)	0	0	0	0	0	0	0
	(ii)	167,789	23,840	13,483	10,138	20,677	235,927	0

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
	PART I, LINE 1A	AS DISCUSSED IN OUR RESPONSE TO FORM 990, SECTION B, PART VI, QUESTION 15A & B, THE FILING ORGANIZATION IS A PART OF THE SYSTEM OF HEALTHCARE ORGANIZATIONS KNOWN AS ADVENTIST HEALTH SYSTEM (AHS) MEMBERS OF THE FILING ORGANIZATION'S EXECUTIVE MANAGEMENT TEAM THAT HOLD THE POSITION OF VICE-PRESIDENT OR ABOVE ARE COMPENSATED BY AND ON THE PAYROLL OF ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION (AHSSHC), THE PARENT ORGANIZATION OF AHS. AHSSHC IS EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3). THE FILING ORGANIZATION REIMBURSES AHSSHC FOR THE SALARY AND BENEFIT COST OF THOSE EXECUTIVES ON THE PAYROLL OF AHSSHC THAT PROVIDE SERVICES AND ARE ON THE MANAGEMENT TEAM OF THE FILING ORGANIZATION. TRAVEL FOR COMPANIONS: AHSSHC HAS A CORPORATE EXECUTIVE POLICY THAT PROVIDES A BENEFIT TO ALLOW FOR A TRAVELING AHSSHC EXECUTIVE TO HAVE HIS OR HER SPOUSE ACCOMPANY THE EXECUTIVE ON TWO BUSINESS TRIPS EACH YEAR. TYPICALLY, REIMBURSEMENT IS ONLY PROVIDED TO VICE PRESIDENTS AND ABOVE AND IS LIMITED TO ONE BUSINESS TRIP PER YEAR AND THE ANNUAL AHS PRESIDENT'S COUNCIL BUSINESS MEETING. THE AHSSHC CORPORATE EXECUTIVE SPOUSAL TRAVEL POLICY WAS ORIGINALLY APPROVED AND REVIEWED BY THE AHSSHC BOARD STRATEGY & COMPENSATION COMMITTEE, AN INDEPENDENT BODY OF THE AHSSHC BOARD OF DIRECTORS. ALL SPOUSAL TRAVEL COSTS REIMBURSED TO THE EXECUTIVE ARE CONSIDERED TAXABLE COMPENSATION TO THE EXECUTIVE. TAX INDEMNIFICATION AND GROSS-UP PAYMENTS: AHS HAS A SYSTEM-WIDE POLICY ADDRESSING GROSS-UP PAYMENTS PROVIDED IN CONNECTION WITH EMPLOYER-PROVIDED BENEFITS/OTHER TAXABLE ITEMS. UNDER THE POLICY, CERTAIN TAXABLE BUSINESS-RELATED REIMBURSEMENTS (I.E. TAXABLE BUSINESS-RELATED MOVING EXPENSES, TAXABLE ITEMS PROVIDED IN CONNECTION WITH EMPLOYMENT) PROVIDED TO ANY EMPLOYEE MAY BE GROSSED-UP AT A 25% RATE UPON APPROVAL OF THE FILING ORGANIZATION'S CEO AND CFO. ADDITIONALLY, EMPLOYEES AT THE DIRECTOR LEVEL AND ABOVE ARE ELIGIBLE FOR GROSS-UP PAYMENTS ON GIFTS RECEIVED FOR BOARD OF DIRECTOR SERVICES. DISCRETIONARY SPENDING ACCOUNT: A NOMINAL DISCRETIONARY SPENDING AMOUNT WAS PROVIDED IN THE CURRENT YEAR TO ALL ELIGIBLE EXECUTIVES WHO ATTEND THE ANNUAL AHS PRESIDENT'S COUNCIL BUSINESS MEETING (\$500 PER EXECUTIVE). ELIGIBLE EXECUTIVES INCLUDE ALL AHSSHC VICE PRESIDENTS AND ABOVE AND ALL AHSSHC SUBSIDIARY ORGANIZATION CEOs AND REGIONAL CFOs. THE PAYMENT PROVIDED TO EACH EXECUTIVE WAS CONSIDERED TAXABLE COMPENSATION TO THE EXECUTIVE. HOUSING ALLOWANCE OR RESIDENCE FOR PERSONAL USE: AHSSHC HAS A CORPORATE EXECUTIVE POLICY THAT ADDRESSES ASSISTANCE TO EXECUTIVES WHO HAVE BEEN RELOCATED BY THE COMPANY DURING THE YEAR. RELOCATION ASSISTANCE PROVIDED TO EXECUTIVES MAY INCLUDE RELOCATION ALLOWANCES TO ASSIST WITH DUPLICATE HOUSING EXPENSES. RELOCATION ASSISTANCE IS ADMINISTERED PER AHSSHC POLICY BY AN EXTERNAL RELOCATION COMPANY. ANY TAXABLE REIMBURSEMENTS MADE TO EXECUTIVES IN CONNECTION WITH RELOCATION ASSISTANCE ARE TREATED AS WAGES TO THE EXECUTIVE AND ARE SUBJECT TO ALL PAYROLL WITHHOLDING AND REPORTING REQUIREMENTS.
	PART I, LINES 4A-B	DURING THE YEAR ENDING DECEMBER 31, 2011, PETER S. EDELSTEIN, MD RECEIVED SEVERANCE PAYMENTS IN THE AMOUNT OF \$72,895 PURSUANT TO THE AHSSHC CORPORATE EXECUTIVE POLICY GOVERNING EXECUTIVE SEVERANCE, SEVERANCE AGREEMENTS FOR EXECUTIVES OPERATING AT THE VICE PRESIDENT LEVEL AND ABOVE ARE ENTERED INTO UPON ELIGIBILITY TO FACILITATE THE TRANSITION TO SUBSEQUENT EMPLOYMENT FOLLOWING AN INVOLUNTARY SEPARATION FROM EMPLOYMENT WITH AHS. AS DISCUSSED IN LINE 1A ABOVE, EXECUTIVES ON THE FILING ORGANIZATION'S MANAGEMENT TEAM THAT HOLD THE POSITION OF VICE-PRESIDENT OR ABOVE ARE COMPENSATED BY AND ON THE PAYROLL OF ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION (AHSSHC), THE PARENT ORGANIZATION OF A HEALTHCARE SYSTEM KNOWN AS ADVENTIST HEALTH SYSTEM (AHS). IN RECOGNITION OF THE CONTRIBUTION THAT EACH EXECUTIVE MAKES TO THE SUCCESS OF AHS, AHS PROVIDES TO ELIGIBLE EXECUTIVES PARTICIPATION IN THE AHS EXECUTIVE FLEX BENEFIT PROGRAM (THE PLAN). THE PURPOSE OF THE PLAN IS TO OFFER ELIGIBLE EXECUTIVES AN OPPORTUNITY TO ELECT FROM AMONG A VARIETY OF SUPPLEMENTAL BENEFITS, INCLUDING DEFERRED COMPENSATION BENEFITS TAXABLE UNDER INTERNAL REVENUE CODE (IRC) SECTION 457(F), TO INDIVIDUALLY TAILOR A BENEFITS PROGRAM APPROPRIATE TO EACH EXECUTIVE'S NEEDS. THE PLAN PROVIDES ELIGIBLE PARTICIPANTS A PRE-DETERMINED BENEFITS ALLOWANCE CREDIT THAT IS EQUAL TO A PERCENTAGE OF THE EXECUTIVE'S BASE PAY FROM WHICH IS DEDUCTED THE COST OF MANDATORY AND ELECTIVE EMPLOYEE BENEFITS. THE PRE-DETERMINED BENEFITS ALLOWANCE CREDIT PERCENTAGE IS APPROVED BY THE AHS BOARD STRATEGY & COMPENSATION COMMITTEE, AN INDEPENDENT COMMITTEE OF THE BOARD OF DIRECTORS OF AHSSHC. ANY FUNDS THAT REMAIN AFTER THE COST OF MANDATORY AND ELECTIVE BENEFITS ARE SUBTRACTED FROM THE ANNUAL PRE-DETERMINED BENEFITS ALLOWANCE ARE CONTRIBUTED, AT THE EMPLOYEE'S OPTION, TO EITHER AN IRC 457(F) DEFERRED COMPENSATION ACCOUNT OR TO AN IRC 457(B) ELIGIBLE DEFERRED COMPENSATION PLAN. UPON ATTAINMENT OF AGE 65, ALL PREVIOUS 457(F) DEFERRED AMOUNTS ARE PAID IMMEDIATELY TO THE PARTICIPANT AND ANY FUTURE EMPLOYER CONTRIBUTIONS ARE MADE QUARTERLY FROM THE PLAN DIRECTLY TO THE PARTICIPANT. THE PLAN DOCUMENTS DEFINE AN EMPLOYEE WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN TO GENERALLY INCLUDE THE CHIEF EXECUTIVE OFFICERS OF AHS ENTITIES AND VICE PRESIDENTS OF ALL AHS ENTITIES WHOSE BASE SALARY IS AT LEAST \$204,000. THE PLAN PROVIDES FOR A CLASS YEAR VESTING SCHEDULE (2 YEARS FOR EACH CLASS YEAR) WITH RESPECT TO AMOUNTS ACCUMULATED IN THE EXECUTIVE'S 457(F) DEFERRED COMPENSATION ACCOUNT. DISTRIBUTIONS COULD ALSO BE MADE FROM THE EXECUTIVE'S 457(F) DEFERRED COMPENSATION ACCOUNT UPON ATTAINMENT OF AGE 65 OR UPON AN INVOLUNTARY SEPARATION. THE ACCOUNT IS FORFEITED BY THE EXECUTIVE UPON A VOLUNTARY SEPARATION. IN ADDITION TO THE PLAN, AHS HAS INSTITUTED A DEFINED BENEFIT, NON-TAX-QUALIFIED DEFERRED COMPENSATION PLAN FOR CERTAIN EXECUTIVES WHO HAVE PROVIDED LENGTHY SERVICE TO AHS AND/OR TO OTHER SEVENTH-DAY ADVENTIST CHURCH HOSPITAL OR HEALTH CARE INSTITUTIONS. PARTICIPATION IN THE PLAN IS OFFERED TO AHS EXECUTIVES ON A PRORATA SCHEDULE BEGINNING WITH 20 YEARS OF SERVICE AS AN EMPLOYEE OF AHS AND/OR ANOTHER HOSPITAL OR HEALTH CARE INSTITUTION CONTROLLED BY THE SEVENTH-DAY ADVENTIST CHURCH AND WHO SATISFY CERTAIN OTHER QUALIFYING CRITERIA. THIS SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) WAS DESIGNED TO PROVIDE ELIGIBLE EXECUTIVES WITH THE ECONOMIC EQUIVALENT OF AN ANNUAL INCOME BEGINNING AT NORMAL RETIREMENT AGE EQUAL TO 60% OF THE AVERAGE OF THE PARTICIPANT'S THREE HIGHEST YEARS OF BASE SALARY FROM AHS ACTIVE EMPLOYMENT INCLUSIVE OF INCOME FROM ALL OTHER SEVENTH-DAY ADVENTIST CHURCH HEALTHCARE EMPLOYER-FINANCED RETIREMENT INCOME SOURCES AND INVESTMENT INCOME EARNED ON THOSE CONTRIBUTIONS THROUGH SOCIAL SECURITY NORMAL RETIREMENT AGE AS DEFINED IN THE PLAN. FLEX PLAN/FLEX PLAN/SERP 457(B) CY 457(F) CY 457(F) CY CONTRIB / DISTRIBUTIONS EMPLOYER DISTRIBUTIONS PAYMENT CONTRIB ----- SCHULTZ, MICHAEL H \$107,872 \$ 102,555 \$342,979 \$ 0 HAUCK, MD, LORAN D \$ 87,767 \$ 72,207 \$ 0 \$ 0 MATTISON, KENNETH R \$ 48,628 \$ 39,481 \$ 31,566 \$ 0 CRUNK, FRANCES \$ 20,475 \$ 18,184 \$ 0 \$ 0 FISH, CARRIE L \$ 26,827 \$ 27,079 \$ 0 \$ 0 EDELSTEIN, MD, PETER S \$ 6,214 \$ 30,446 \$ 0 \$ 0
SUPPLEMENTAL INFORMATION	PART III	PART I, QUESTION 3 AS NOTED IN OUR RESPONSE TO QUESTION 15 OF PART VI OF FORM 990, THE INDIVIDUAL WHO SERVES AS THE CEO OF THE FILING ORGANIZATION IS COMPENSATED BY ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION (AHSSHC) FOR THAT INDIVIDUAL'S ROLE IN SERVING AS THE CEO. COMPENSATION AND BENEFITS PROVIDED TO THIS INDIVIDUAL ARE DETERMINED PURSUANT TO POLICIES, PROCEDURES, AND PROCESSES OF AHSSHC THAT ARE DESIGNED TO ENSURE COMPLIANCE WITH THE INTERMEDIATE SANCTIONS LAWS AS SET FORTH IN IRC SECTION 4958. AHSSHC USES ALL OF THE FOLLOWING TO ESTABLISH COMPENSATION OF THE CEO: - COMPENSATION COMMITTEE, - INDEPENDENT COMPENSATION CONSULTANT, - COMPENSATION SURVEY OR STUDY, AND - APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE.

**SCHEDULE M  
(Form 990)**

**NonCash Contributions**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.**  
▶ **Attach to Form 990.**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FLORIDA HOSPITAL WATERMAN INC

Employer identification number  
59-3140669

**Part I Types of Property**

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art . . . . .				
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .				
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .	X	3,107	0	COST
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶ ( _____ ) . . . . .				
26 Other ▶ ( _____ ) . . . . .				
27 Other ▶ ( _____ ) . . . . .				
28 Other ▶ ( _____ ) . . . . .				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .

<b>29</b>	
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	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .	30a	No
b If "Yes," describe the arrangement in Part II		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .	31 Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions? . . . . .	32a	No
b If "Yes," describe in Part II		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

**Part II**

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	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.**

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization  
FLORIDA HOSPITAL WATERMAN INC

**Employer identification number**

59-3140669

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE BY LAWS WERE AMENDED TO PROVIDE THAT ONE OF THE RESPONSIBILITIES OF THE BOARD OF DIRECTORS IS TO ESTABLISH A PROCESS FOR ADDRESSING PATIENT GRIEVANCES, INCLUDING RESOLVING THE GRIEVANCE THEMSELVES OR BY ESTABLISHING A GRIEVANCE COMMITTEE OR SIMILAR BODY AND DELEGATING THE TASK TO SUCH A COMMITTEE.



Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	PETER S EDELSTEIN, MD AND TOM I HOFMEISTER - BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 4	THE BYLAWS WERE AMENDED TO PROVIDE THAT ONE OF THE RESPONSIBILITIES OF THE BOARD OF DIRECTORS IS TO ESTABLISH A PROCESS FOR ADDRESSING PATIENT GRIEVANCES, INCLUDING RESOLVING THE GRIEVANCE UNLESS DELEGATED BY THE BOARD TO A GRIEVANCE COMMITTEE OR SIMILAR BODY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	FLORIDA HOSPITAL WATERMAN, INC (THE FILING ORGANIZATION) HAS ONE MEMBER THE SOLE MEMBER OF THE FILING ORGANIZATION IS ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION (AHSSHC) IS A FLORIDA, NOT-FOR-PROFIT CORPORATION THAT IS EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE (IRC) SECTION 501(C)(3) THERE ARE NO OTHER CLASSES OF MEMBERSHIP IN THE FILING ORGANIZATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE SOLE MEMBER OF THE FILING ORGANIZATION IS AHSSHC. THE BOARD OF DIRECTORS OF THE FILING ORGANIZATION ARE APPOINTED BY THE SOLE MEMBER, AHSSHC, WHO HAS THE RIGHT TO ELECT, APPOINT OR REMOVE ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FILING ORGANIZATION.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	AHSSHC, AS THE SOLE MEMBER OF THE FILING ORGANIZATION, HAS CERTAIN RESERVED POWERS AS SET FORTH IN THE BYLAWS OF THE FILING ORGANIZATION THESE RESERVED POWERS INCLUDE THE FOLLOWING A) TO APPROVE AND DISAPPROVE THE EXECUTIVE AND/OR ADMINISTRATIVE LEADERSHIP OF THE FILING ORGANIZATION, AND THEIR SALARIES. B) TO ADOPT, AMEND, RESTATE, AND REPEAL THE ARTICLES OF INCORPORATION OR BYLAWS OF THE FILING ORGANIZATION, AND THE MEDICAL STAFF BYLAWS, C) TO SET LIMITS AND TERMS FOR THE BORROWING OF FUNDS, D) TO APPROVE OR DISAPPROVE MAJOR BUILDING PROGRAMS AND/OR PURCHASE OR SALE OF PERSONAL PROPERTY OR REAL PROPERTY EQUAL TO OR IN EXCESS OF ONE MILLION DOLLARS, E) TO APPROVE OR DISAPPROVE THE ANNUAL OPERATING AND CAPITAL BUDGETS OF THE FILING ORGANIZATION, F) TO DIRECT THE PLACEMENT OF FUNDS AND CAPITAL OF THE FILING ORGANIZATION, G) TO ESTABLISH GENERAL GUIDING POLICIES, TO IMPLEMENT QUALITY ASSESSMENT, IMPROVEMENT AND UTILIZATION REVIEW PROGRAMS, AND H) TO APPROVE THE APPOINTMENT OF AN AUDITING FIRM AND ELECTION OF THE FISCAL YEAR FOR THE FILING ORGANIZATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FILING ORGANIZATION'S CURRENT YEAR FORM 990 WAS REVIEWED BY THE BOARD CHAIRMAN, BOARD FINANCE COMMITTEE CHAIR, CEO AND BY THE CFO PRIOR TO ITS FILING WITH THE IRS. THE REVIEW CONDUCTED BY THE BOARD CHAIRMAN, BOARD FINANCE COMMITTEE CHAIR, CEO AND THE CFO DID NOT INCLUDE THE REVIEW OF ANY SUPPORTING WORKPAPERS THAT WERE USED IN PREPARATION OF THE CURRENT YEAR FORM 990, BUT DID INCLUDE A REVIEW OF THE ENTIRE FORM 990 AND ALL SUPPORTING SCHEDULES.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE CONFLICT OF INTEREST POLICY OF THE FILING ORGANIZATION APPLIES TO MEMBERS OF ITS BOARD OF DIRECTORS AND ITS PRINCIPAL OFFICERS (TO BE KNOWN AS INTERESTED PERSONS) IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTERESTS, ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FILING ORGANIZATION OR ANY PRINCIPAL OFFICER OF THE FILING ORGANIZATION (I.E. INTERESTED PERSONS) MUST DISCLOSE THE EXISTENCE OF ANY FINANCIAL INTEREST WITH THE FILING ORGANIZATION AND MUST BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS CONCERNING THE FINANCIAL INTEREST/ARRANGEMENT TO THE BOARD OF DIRECTORS OF THE FILING ORGANIZATION OR TO ANY MEMBERS OF A COMMITTEE WITH BOARD DELEGATED POWERS THAT IS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT SUBSEQUENT TO ANY DISCLOSURE OF ANY FINANCIAL INTEREST/ARRANGEMENT AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE RELEVANT BOARD MEMBER OR PRINCIPAL OFFICER, THE REMAINING MEMBERS OF THE BOARD OF DIRECTORS OR COMMITTEE WITH BOARD DELEGATED POWERS SHALL DISCUSS, ANALYZE, AND VOTE UPON THE POTENTIAL FINANCIAL INTEREST/ARRANGEMENT TO DETERMINE IF A CONFLICT OF INTEREST EXISTS. ACCORDING TO THE FILING ORGANIZATION'S CONFLICT OF INTEREST POLICY, AN INTERESTED PERSON MAY MAKE A PRESENTATION TO THE BOARD OF DIRECTORS (OR COMMITTEE WITH BOARD DELEGATED POWERS), BUT AFTER SUCH PRESENTATION, SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT THAT RESULTS IN A CONFLICT OF INTEREST. EACH INTERESTED PERSON, AS DEFINED UNDER THE FILING ORGANIZATION'S CONFLICT OF INTEREST POLICY, SHALL ANNUALLY SIGN A STATEMENT WHICH AFFIRMS THAT SUCH PERSON HAS RECEIVED A COPY OF THE CONFLICT OF INTERESTS POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND UNDERSTANDS THAT THE FILING ORGANIZATION IS A CHARITABLE ORGANIZATION THAT MUST PRIMARILY ENGAGE IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS EXEMPT PURPOSES. THE FILING ORGANIZATION'S CONFLICT OF INTEREST POLICY ALSO REQUIRES THAT PERIODIC REVIEWS SHALL BE CONDUCTED TO ENSURE THAT THE FILING ORGANIZATION OPERATES IN A MANNER CONSISTENT WITH ITS CHARITABLE PURPOSES.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE TOP-TIER PARENT OF THE FILING ORGANIZATION IS ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION (AHSSHC). AHSSHC IS THE PARENT ORGANIZATION OF A HEALTHCARE SYSTEM, KNOWN AS ADVENTIST HEALTH SYSTEM, THAT OPERATES HOSPITALS, NURSING HOME FACILITIES, AND OTHER HEALTHCARE PROVIDER ORGANIZATIONS. AHSSHC IS EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3) PURSUANT TO A GROUP RULING ISSUED TO THE GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS. THE INDIVIDUALS WHO SERVE AS THE CEO, CFO OR VICE PRESIDENT OF THE FILING ORGANIZATION ARE COMPENSATED BY AHSSHC. COMPENSATION AND BENEFITS PROVIDED TO THESE INDIVIDUALS IS DETERMINED PURSUANT TO POLICIES, PROCEDURES, AND PROCESSES OF AHSSHC THAT ARE DESIGNED TO ENSURE COMPLIANCE WITH THE INTERMEDIATE SANCTIONS LAWS AS SET FORTH IN IRC SECTION 4958. AHSSHC HAS TAKEN STEPS TO ENSURE THAT PROCESSES ARE IN PLACE TO SATISFY THE REBUTTABLE PRESUMPTION OF REASONABLENESS STANDARD AS SET FORTH IN TREASURY REGULATION 53.4958-6 WITH RESPECT TO ITS ACTIVE EXECUTIVE-LEVEL POSITIONS. THE AHSSHC BOARD STRATEGY AND COMPENSATION COMMITTEE (THE COMMITTEE) SERVES AS THE GOVERNING BODY FOR ALL EXECUTIVE COMPENSATION MATTERS. THE COMMITTEE IS COMPOSED OF CERTAIN MEMBERS OF THE BOARD OF DIRECTORS (THE BOARD) OF AHSSHC. VOTING MEMBERS OF THE COMMITTEE INCLUDE ONLY INDIVIDUALS WHO SERVE ON THE BOARD AS INDEPENDENT REPRESENTATIVES OF THE COMMUNITY, WHO HOLD NO EMPLOYMENT POSITIONS WITH AHSSHC AND WHO DO NOT HAVE RELATIONSHIPS WITH ANY OF THE INDIVIDUALS WHOSE COMPENSATION IS UNDER THEIR REVIEW THAT IMPACTS THEIR BEST INDEPENDENT JUDGMENT AS FIDUCIARIES OF AHSSHC. THE COMMITTEE'S ROLE IS TO REVIEW AND APPROVE ALL COMPONENTS OF THE EXECUTIVE COMPENSATION PLAN OF AHSSHC. AS AN INDEPENDENT GOVERNING BODY WITH RESPECT TO EXECUTIVE COMPENSATION, IT SHOULD BE NOTED THAT THE COMMITTEE WILL OFTEN CONFER IN EXECUTIVE SESSIONS ON MATTERS OF COMPENSATION POLICY AND POLICY CHANGES. IN SUCH EXECUTIVE SESSIONS, NO MEMBERS OF MANAGEMENT OF AHSSHC ARE PRESENT. THE COMMITTEE IS ADVISED BY AN INDEPENDENT THIRD PARTY COMPENSATION ADVISOR. THIS ADVISOR PREPARES ALL THE BENCHMARK STUDIES FOR THE COMMITTEE. COMPENSATION LEVELS ARE BENCHMARKED WITH A NATIONAL PEER GROUP OF OTHER NOT-FOR-PROFIT HEALTHCARE SYSTEMS AND HOSPITALS OF SIMILAR SIZE AND COMPLEXITY TO AHS AND EACH OF ITS AFFILIATED ENTITIES. THE FOLLOWING PRINCIPLES GUIDE THE ESTABLISHMENT OF INDIVIDUAL EXECUTIVE COMPENSATION - THE SALARY OF THE PRESIDENT/CEO OF AHS WILL NOT EXCEED THE 40TH PERCENTILE OF COMPARABLE SALARIES PAID BY SIMILARLY SITUATED ORGANIZATIONS, AND - OTHER EXECUTIVE SALARIES SHALL BE ESTABLISHED USING MARKET MEDIANS. THE COMPENSATION PHILOSOPHY, POLICIES, AND PRACTICES OF AHSSHC ARE CONSISTENT WITH THE ORGANIZATION'S FAITH-BASED MISSION AND CONFORM TO APPLICABLE LAWS, REGULATIONS, AND BUSINESS PRACTICES. AS A FAITH-BASED ORGANIZATION SPONSORED BY THE SEVENTH-DAY ADVENTIST CHURCH (THE CHURCH), AHSSHC'S PHILOSOPHY AND PRINCIPLES WITH RESPECT TO ITS EXECUTIVE COMPENSATION PRACTICES REFLECT THE CONSERVATIVE APPROACH OF THE CHURCH'S MISSION OF SERVICE AND WERE DEVELOPED IN COUNSEL WITH THE CHURCH'S LEADERSHIP.</p>



Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	AS DISCUSSED IN OUR RESPONSE TO QUESTION 15A & B IN SECTION B OF THIS PART VI, THE FILING ORGANIZATION IS A PART OF THE SYSTEM OF HEALTHCARE ORGANIZATIONS KNOWN AS ADVENTIST HEALTH SYSTEM (AHS) EACH YEAR, AHS PUBLISHES AN ANNUAL REPORT DOCUMENT THAT INCLUDES A FINANCIAL REPORT FOR THE RELEVANT YEAR AS WELL AS A COMMUNITY BENEFIT REPORT THE FINANCIAL REPORT AND COMMUNITY BENEFIT REPORT ARE PRESENTED ON A CONSOLIDATED BASIS AND REPRESENT ALL OF THE ACTIVITIES, RESULTS OF OPERATIONS, AND FINANCIAL POSITION AT YEAR-END OF THE ENTIRE AHS SYSTEM THE FILING ORGANIZATION DOES NOT GENERALLY MAKE ITS GOVERNING DOCUMENTS OR CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
COLUMNS (E) & (F)	PART VII, SECTION A	FOR THOSE BOARD OF DIRECTOR MEMBERS (NOT INCLUDING PHYSICIAN MEMBERS OF THE BOARD), OFFICER (S) AND KEY EMPLOYEES WHO DEVOTE LESS THAN FULL-TIME TO THE FILING ORGANIZATION (BASED UPON THE AVERAGE NUMBER OF HOURS PER WEEK SHOWN IN COLUMN (B) ON PAGE 7 OF THE RETURN) THE COMPENSATION AMOUNTS SHOWN IN COLUMNS (E) AND (F) ON PAGE 7 WERE PROVIDED IN CONJUNCTION WITH THAT PERSON'S RESPONSIBILITIES AND ROLES IN SERVING IN AN EXECUTIVE LEADERSHIP POSITION WITHIN ADVENTIST HEALTH SYSTEM. PHYSICIAN MEMBERS OF THE BOARD OF DIRECTORS RECEIVED COMPENSATION FROM THE FILING ORGANIZATION AS A RESULT OF PROVIDING VARIOUS MEDICAL SERVICES.

Identifier	Return Reference	Explanation
COLUMN (B)	PART VII, SECTION A	THE MEMBERS OF THE BOARD OF DIRECTORS AND OFFICER(S) WHO RECEIVED COMPENSATION FROM A RELATED ORGANIZATION AS SHOWN IN COLUMN (E) AND (F) OF SECTION A EACH DEVOTE APPROXIMATELY 50 HOURS PER WEEK IN CONJUNCTION WITH SERVING IN THEIR RESPECTIVE EXECUTIVE LEADERSHIP POSITION WITHIN ADVENTIST HEALTH SYSTEM

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 19,698 TRANSFERS TO PARENT -1,532,991 ALLOCATIONS FROM TAX-EXEMPT PARENT WITH RESPECT TO DEBT TRANSFERS TO PARENT 256,357 CHANGE IN INTEREST IN FOUNDATION -841,947 GIFTS 3,175,000 ROUNDING -2 TOTAL TO FORM 990, PART XI, LINE 5 1,076,115

Identifier	Return Reference	Explanation
SAVINGS AND TEMPORARY CASH INVESTMENTS	PART X, LINE 2	THE AMOUNTS SHOWN ON LINE 2 OF PART X OF THIS RETURN INCLUDE THE FILING ORGANIZATION'S INTEREST IN A CENTRAL INVESTMENT POOL MAINTAINED BY ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION, THE FILING ORGANIZATION'S TOP-TIER PARENT THE INVESTMENTS IN THE CENTRAL INVESTMENT POOL ARE RECORDED AT MARKET VALUE

SCHEDULE R (Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization FLORIDA HOSPITAL WATERMAN INC

Employer identification number

59-3140669

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

Table with 6 columns: (a) Name, address, and EIN of disregarded entity; (b) Primary activity; (c) Legal domicile (state or foreign country); (d) Total income; (e) End-of-year assets; (f) Direct controlling entity.

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

Table with 7 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile (state or foreign country); (d) Exempt Code section; (e) Public charity status (if section 501(c)(3)); (f) Direct controlling entity; (g) Section 512(b)(13) controlled organization (Yes/No).

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
See Additional Data Table							

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

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

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

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

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

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

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
<b>(1)</b> See Additional Data Table			
<b>(2)</b>			
<b>(3)</b>			
<b>(4)</b>			
<b>(5)</b>			
<b>(6)</b>			



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

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

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

**Part VII Supplemental Information**

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

**Identifier****Return Reference****Explanation****Schedule R (Form 990) 2011**

**Software ID:**  
**Software Version:**  
**EIN:** 59-3140669  
**Name:** FLORIDA HOSPITAL WATERMAN INC

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
ADVENTIST BOLINGBROOK HOSPITAL 500 REMINGTON BLVD BOLINGBROOK, IL 60440 65-1219504	OPERATION OF HOSPITAL & RELATED SERVICES	IL	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
ADVENTIST CARE CENTERS - COURTLAND INC 730 COURTLAND STREET ORLANDO, FL 32804 20-5774723	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	FL	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
ADVENTIST GLENOAKS HOSPITAL 701 WINTHROP AVENUE GLENDALE HEIGHTS, IL 60139 36-3208390	OPERATION OF HOSPITAL & RELATED SERVICES	IL	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
ADVENTIST HLTH MID-AMERICA INC 9100 W 74TH STREET SHAWNEE MISSION, KS 66204 52-1347407	HLTHCARE RELATED SERVICES	KS	501(C) (3)	509(A)(3) TYPE I	ADVENTIST HLTH SYSTEMSUNBELT INC		No
ADVENTIST HLTH PARTNERS INC 1000 REMINGTON BLVD STE 200 BOLINGBROOK, IL 60440 36-4138353	OPERATE OUT-PATIENT PHYSICIAN CLINICS	IL	501(C) (3)	170(B)(1) (A)(III)	AHS MIDWEST MANAGEMENT INC		No
ADVENTIST HLTH SYSTEM AFFILIATED BENEFIT TRUST 111 N ORLANDO AVENUE WINTER PARK, FL 32789 26-6422966	PROMOTION OF HLTHCARE	FL	501(C) (3)	509(A)(3) TYPE I	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP 111 N ORLANDO AVENUE WINTER PARK, FL 32789 59-2170012	MANAGEMENT SERVICES	FL	501(C) (3)	509(A)(3) TYPE I	N/A		No
ADVENTIST HLTH SYSTEMGEORGIA INC 1035 RED BUD ROAD CALHOUN, GA 30701 58-1425000	OPERATION OF HOSPITAL & RELATED SERVICES	GA	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
ADVENTIST HLTH SYSTEMSUNBELT INC 111 N ORLANDO AVENUE WINTER PARK, FL 32789 59-1479658	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
ADVENTIST HLTH SYSTEMTEXAS INC 602 COURTLAND STREET ORLANDO, FL 32804 74-2578952	INACTIVE	TX	501(C) (3)	509(A)(2)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
ADVENTIST HINSDALE HOSPITAL 120 NORTH OAK STREET HINSDALE, IL 60521 36-2276984	OPERATION OF HOSPITAL & RELATED SERVICES	IL	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
AHS MIDWEST MANAGEMENT INC 1000 REMINGTON BLVD STE 200 BOLINGBROOK, IL 60440 36-3354567	OPERATION OF PHYSICIAN PRACTICE MGMT	IL	501(C) (3)	509(A)(3) TYPE I	ADVENTIST HLTH SYSTEMSUNBELT INC		No
AHSCENTRAL TEXAS INC 1301 WONDER WORLD DRIVE SAN MARCOS, TX 78666 74-2621825	PROVIDE OFFICE SPACE - MEDICAL PROFESSIONALS	TX	501(C) (3)	509(A)(3) TYPE III-F	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
APOPKA HLTH CARE PROPERTIES INC 305 E OAK STREET APOPKA, FL 32703 51-0605694	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
BATTLE CREEK ADVENTIST HOSPITAL 1000 REMINGTON BLVD STE 200 BOLINGBROOK, IL 60440 38-1359189	INACTIVE	MI	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
BERT FISH MEDICAL CENTER INC (10110-63011) 401 PALMETTO STREET NEW SMYRNA BEACH, FL 32168 36-2276984	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
BOLINGBROOK HOSPITAL FOUNDATION 1000 REMINGTON BLVD N ENTRANCE 2ND BOLINGBROOK, IL 60440 90-0494445	FUND-RAISING FOR TAX-EXEMPT HOSPITAL	IL	501(C) (3)	170(B)(1) (A)(VI)	MIDWEST HLTH FOUNDATION		No
BRADFORD HEIGHTS HLTH & REHAB CENTER INC 950 HIGHPOINT DRIVE HOPKINSVILLE, KY 42240 20-5782342	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	KY	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
BURLESON NURSING & REHAB CENTER INC 301 HUGULEY BLVD BURLESON, TX 76028 20-5782243	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	TX	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
CALDWELL HLTH CARE PROPERTIES INC 1333 WEST MAIN PRINCETON, KY 42445 51-0605680	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
CENTRAL TEXAS HLTHCARE COLLABORATIVE (112- 123111)  1301 WONDER WORLD DRIVE SAN MARCOS, TX 78666 45-3739929	SUPPORT OPERATION OF HOSPITAL	TX	501 (C)(3)	509(A)(3) TYPE I	ADVENTIST HLTH SYSTEMSUNBELT INC		No
CEDAR CRAG TERRACE INC (630 YEAR END)  RT 5 BOX 900 MANCHESTER, KY 40962 61-1120442	OPERATION OF HOME FOR THE ELDERLY-DISABLED	KY	501 (C)(3)	170(B)(1) (A)(VI)	MEMORIAL HOSPITAL INC		No
CENTRAL TEXAS MEDICAL CENTER FOUNDATION  1301 WONDER WORLD DRIVE SAN MARCOS, TX 78666 74-2259907	FUND-RAISING FOR TAX- EXEMPT HOSPITAL	TX	501 (C)(3)	170(B)(1) (A)(VI)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
CHICKASAW HLTH CARE PROPERTIES INC  250 S CHICKASAW TRAIL ORLANDO, FL 32825 51-0605681	LEASE TO RELATED ORGANIZATION	GA	501 (C)(3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
CHIPPEWA VALLEY HOSPITAL & OAKVIEW CARE CENTER INC  1220 THIRD AVENUE WEST DURAND, WI 54736 39-1365168	OPERATION OF HOSPITAL & RELATED SERVICES	WI	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
COBB MEDICAL ASSOCIATES LLC  3949 SOUTH COBB DRIVE SE SMYRNA, GA 300806342 58-2617089	OPERATION OF PHYSICIAN PRACTICES & MEDICAL SERVICES	GA	501 (C)(3)	170(B)(1) (A)(III)	EMORY- ADVENTIST INC		No
COURTLAND HLTH CARE PROPERTIES INC  730 COURTLAND STREET ORLANDO, FL 32804 51-0605682	LEASE TO RELATED ORGANIZATION	GA	501 (C)(3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
CREEKWOOD PLACE NURSING & REHAB CENTER INC  683 E THIRD STREET RUSSELLVILLE, KY 42276 20-5782260	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	KY	501 (C)(3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
DAIRY ROAD HLTH CARE PROPERTIES INC  7350 DAIRY ROAD ZEPHYRHILLS, FL 33540 51-0605684	LEASE TO RELATED ORGANIZATION	GA	501 (C)(3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
EAST ORLANDO HLTH & REHAB CENTER INC  250 S CHICKASAW TRAIL ORLANDO, FL 32825 20-5774748	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	FL	501 (C)(3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
EMORY-ADVENTIST INC  3949 SOUTH COBB DRIVE SMYRNA, GA 30080 58-2171011	OPERATION OF HOSPITAL & RELATED SVCS	GA	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
FLETCHER HOSPITAL INC  100 HOSPITAL DRIVE HENDERSONVILLE, NC 28792 56-0543246	OPERATION OF HOSPITAL & RELATED SVCS	NC	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
FLNC INC  3355 E SEMORAN BLVD APOPKA, FL 32703 20-5774761	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	FL	501 (C)(3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
FLORIDA HOSPITAL COLLEGE OF HLTH SCIENCES INC (630 YEAR END)  671 LAKE WINYAH DRIVE ORLANDO, FL 32803 59-3069793	EDUCATION/OPERATION OF SCHOOL	FL	501 (C)(3)	170(B)(1) (A)(II)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
FLORIDA HOSPITAL DELAND AUXILIARY INC (11-82411)  701 WEST PLYMOUTH AVENUE DELAND, FL 32720 59-3425543	VOLUNTEER SUPPORT SERVICES	FL	501 (C)(3)	509(A)(3) TYPE III-F	MEMORIAL HOSPITAL WEST VOLUSIA INC		No
FLORIDA HOSPITAL WATERMAN INC  1000 WATERMAN WAY TAVARES, FL 32778 59-3140669	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
FLORIDA HOSPITAL ZEPHYRHILLS INC  7050 GALL BLVD ZEPHYRHILLS, FL 33541 59-2108057	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
FLORIDA HOSPITAL MEDICAL GROUP INC  900 WINDERLEY PLACE MAITLAND, FL 32751 59-3214635	OPERATION OF PHYSICIAN PRACTICES & MEDICAL SERVICES	FL	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
FOUNDATION FOR SHAWNEE MISSION MEDICAL CENTER INC  9100 W 74TH STREET SHAWNEE MISSION, KS 66204 48-0868859	FUND-RAISING FOR TAX- EXEMPT HOSPITAL	KS	501 (C)(3)	509(A)(3) TYPE I	SHAWNEE MISSION MEDICAL CENTER INC		No
GLENOAKS HOSPITAL FOUNDATION  701 WINTHROP AVENUE GLENDALE HEIGHTS, IL 60139 36-3926044	FUND-RAISING FOR TAX- EXEMPT HOSPITAL	IL	501 (C)(3)	170(B)(1) (A)(VI)	MIDWEST HLTH FOUNDATION		No

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
HAYS MEMORIAL HOSPITAL ASSOCIATION OF SEVENTH- DAY ADVENTISTS  1301 WONDER WORLD DRIVE SAN MARCOS, TX 78667 74-1362785	LEASE OF HOSPITAL PERSONNEL	TX	501 (C)(3)	509(A)(3) TYPE II	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
HELEN ELLIS MEMORIAL HOSPITAL AUXILIARY INC  1395 S PINELLAS AVE TARPON SPRINGS, FL 34689 59-2106043	FUND-RAISING FOR TAX- EXEMPT HOSPITAL/FOUNDATION	FL	501 (C)(3)	509(A)(3) TYPE I	TARPON SPRINGS HOSPITAL FOUNDATION INC		No
HELEN ELLIS MEMORIAL HOSPITAL FOUNDATION INC  1395 S PINELLAS AVE TARPON SPRINGS, FL 34689 59-3690149	FUND-RAISING FOR TAX- EXEMPT HOSPITAL	FL	501 (C)(3)	509(A)(3) TYPE I	TARPON SPRINGS HOSPITAL FOUNDATION INC		No
HINSDALE HOSPITAL FOUNDATION  7 SALT CREEK LANE SUITE 203 HINSDALE, IL 60521 52-1466387	FUND-RAISING FOR TAX- EXEMPT HOSPITAL	IL	501 (C)(3)	170(B)(1) (A)(VI)	MIDWEST HLTH FOUNDATION		No
HUGULEY COMMUNITY CARE CORP  11801 SOUTH FREEWAY BURLESON, TX 76028 45-2793120	SUPPORT OPERATION OF HOSPITAL	TX	501 (C)(3)	509(A)(3) TYPE I	ADVENTIST HLTH SYSTEMSUNBELT INC		No
IN-MOTION REHAB INC  602 COURTLAND STREET STE 200 ORLANDO, FL 32804 20-8023411	THERAPY SERVICES TO TAX EXEMPT NURSING HOMES	KS	501 (C)(3)	509(A)(3) TYPE II	SUNBELT HLTH CARE CENTERS INC		No
JELICO COMMUNITY HOSPITAL INC  188 HOSPITAL LANE JELICO, TN 37762 62-0924706	OPERATION OF HOSPITAL & RELATED SERVICES	TN	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
LA GRANGE MEMORIAL HOSPITAL FOUNDATION  5101 S WILLOW SPRINGS RD LA GRANGE, IL 60525 30-0247776	FUND-RAISING FOR TAX- EXEMPT HOSPITAL	IL	501 (C)(3)	170(B)(1) (A)(VI)	MIDWEST HLTH FOUNDATION		No
MEMORIAL HLTH SYSTEMS FOUNDATION INC  770 WEST GRANADA BLVD ORMOND BEACH, FL 32174 31-1771522	FUND-RAISING FOR TAX- EXEMPT HOSPITAL	FL	501 (C)(3)	170(B)(1) (A)(VI)	MEMORIAL HLTH SYSTEMS INC		No
MEMORIAL HLTH SYSTEMS INC  301 MEMORIAL MEDICAL PARKWAY DAYTONA BEACH, FL 32117 59-0973502	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMSUNBELT INC		No
MEMORIAL HOSPITAL FLAGLER INC  60 MEMORIAL MEDICAL PARKWAY PALM COAST, FL 32164 59-2951990	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501 (C)(3)	170(B)(1) (A)(III)	MEMORIAL HLTH SYSTEMS INC		No
MEMORIAL HOSPITAL - WEST VOLUSIA INC  701 WEST PLYMOUTH AVENUE DELAND, FL 32720 59-3256803	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501 (C)(3)	170(B)(1) (A)(III)	MEMORIAL HLTH SYSTEMS INC		No
MEMORIAL HOSPITAL INC  210 MARIE LANGDON DRIVE MANCHESTER, KY 40962 61-0594620	OPERATION OF HOSPITAL & RELATED SERVICES	KY	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
MERRIAM HLTH CARE PROPERTIES INC  9700 WEST 62ND STREET MERRIAM, KS 66203 36-4595806	LEASE TO RELATED ORGANIZATION	KS	501 (C)(3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
METROPLEX ADVENTIST HOSPITAL INC  2201 S CLEAR CREEK ROAD KILLEEN, TX 76549 74-2225672	OPERATION OF HOSPITAL & RELATED SERVICES	TX	501 (C)(3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
METROPLEX CLINIC PHYSICIANS INC  2201 S CLEAR CREEK ROAD KILLEEN, TX 76549 11-3762050	PHYSICIAN HLTHCARE SERVICES TO THE COMMUNITY	TX	501 (C)(3)	170(B)(1) (A)(III)	METROPLEX ADVENTIST HOSPITAL INC		No
MIDWEST HLTH FOUNDATION  120 NORTH OAK STREET HINSDALE, IL 60521 35-2230515	SUPPORT OF SUBSIDIARY FOUNDATIONS	IL	501 (C)(3)	509(A)(3) TYPE II	N/A		No
MILLS HLTH & REHAB CENTER INC  500 BECK LANE MAYFIELD, KY 42066 20-5782320	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	KY	501 (C)(3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
MISSION STRATEGIES INC  602 COURTLAND STREET STE 200 ORLANDO, FL 32804 20-5982365	PROVISION OF SUPPORT TO THE NURSING HOME DIVISION	KS	501 (C)(3)	509(A)(3) TYPE II	SUNBELT HLTH CARE CENTERS INC		No
MISSION STRATEGIES OF GEORGIA INC (1114-123111)  3949 S COBB DRIVE SMYRNA, GA 30080 90-0866024	PROVISION OF SUPPORT TO THE NURSING HOME DIVISION	GA	501 (C)(3)	509(A)(3) TYPE II	SUNBELT HLTH CARE CENTERS INC		No

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

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MISSOURI ADVENTIST HLTH INC 9100 W 74TH STREET SHAWNEE MISSION, KS 66204 43-1224729	SUPPORT HLTH CARE SERVICES	MO	501(C) (3)	509(A)(3) TYPE III-O	ADVENTIST HLTH MID- AMERICA INC		No
NORTH REGIONAL EMS INC 188 HOSPITAL LANE JELICO, TN 37762 26-2653616	EMS SERVICES	TN	501(C) (3)	509(A)(2)	JELICO COMMUNITY HOSPITAL INC		No
ORMOND BEACH MEMORIAL HOSPITAL AUXILIARY INC 301 MEMORIAL MEDICAL PARKWAY DAYTONA BEACH, FL 32117 59-1721962	VOLUNTEER SUPPORT SERVICES	FL	501(C) (3)	509(A)(3) TYPE III-F	MEMORIAL HLTH SYSTEMS INC		No
OVERLAND PARK NURSING & REHAB CENTER INC 6501 WEST 75TH STREET OVERLAND PARK, KS 66204 20-5774821	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	KS	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
PARAGON HLTH CARE PROPERTIES INC 950 HIGHPOINT DRIVE HOPKINSVILLE, KY 42240 51-0605686	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
PASCO-PINELLAS HILLSBOROUGH COMMUNITY HLTH SYSTEM INC 2400 BEDFORD ROAD ORLANDO, FL 32803 20-8488713	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501(C) (3)	170(B)(1) (A)(III)	N/A		No
PORTERCARE ADVENTIST HLTH SYSTEM (630 YEAR END) 2525 S DOWNING STREET DENVER, CO 80210 84-0438224	OPERATION OF HOSPITAL & RELATED SERVICES	CO	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
PORTLAND NURSING & REHAB CENTER INC 215 HIGHLAND CIRCLE DRIVE PORTLAND, TN 37148 20-5774842	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	TN	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
PRINCETON HLTH & REHAB CENTER INC 1333 WEST MAIN PRINCETON, KY 42445 20-5782272	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	KY	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
PRINCETON PROFESSIONAL SERVICES INC 601 E ROLLINS STREET ORLANDO, FL 32803 59-1191045	PROVISION OF HLTHCARE SERVICES	FL	501(C) (3)	509(A)(2)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
QUALITY CIRCLE FOR HLTHCARE INC 111 N ORLANDO AVENUE WINTER PARK, FL 32789 26-3789368	HLTHCARE QUALITY SERVICES	FL	501(C) (3)	509(A)(3) TYPE III-F	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
RESOURCE PERSONNEL INC 602 COURTLAND STREET STE 200 ORLANDO, FL 32804 20-8040875	PROVIDE ADMINISTRATIVE SUPPORT TO TAX EXEMPT NURSING HOMES	FL	501(C) (3)	509(A)(3) TYPE II	SUNBELT HLTH CARE CENTERS INC		No
ROCKY MOUNTAIN ADVENTIST HLTHCARE FOUNDATION (630 YEAR END) 2525 SOUTH DOWNING STREET DENVER, CO 80210 84-0745018	FUND-RAISING FOR TAX-EXEMPT HOSPITAL	CO	501(C) (3)	170(B)(1) (A)(VI)	PORTERCARE ADVENTIST HLTH SYSTEM		No
ROLLINS BEDFORD CORP 602 COURTLAND STREET STE 200 ORLANDO, FL 32804 37-0908840	INACTIVE	FL	501(C) (3)	509(A)(3) TYPE II	SUNBELT HLTH CARE CENTERS INC		No
RUSSELLVILLE HLTH CARE PROPERTIES INC 683 EAST THIRD STREET RUSSELLVILLE, KY 42276 51-0605691	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
SAN MARCOS HLTH CARE PROPERTIES INC 1900 MEDICAL PARKWAY SAN MARCOS, TX 78666 51-0605693	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
SAN MARCOS NURSING & REHAB CENTER INC 1900 MEDICAL PARKWAY SAN MARCOS, TX 78666 20-5782224	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	TX	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
SHAWNEE MISSION HLTH CARE INC 6501 WEST 75TH STREET OVERLAND PARK, KS 66204 48-0952508	LEASE TO RELATED ORGANIZATION	KS	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
SHAWNEE MISSION MEDICAL CENTER INC 9100 W 74TH STREET SHAWNEE MISSION, KS 66204 48-0637331	OPERATION OF HOSPITAL & RELATED SERVICES	KS	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH MID- AMERICA INC		No
SOUTH CENTRAL NURSING HOMES PROPERTIES INC 111 NORTH ORLANDO AVE WINTER PARK, FL 32789 59-3686109	MANAGEMENT SUPPORT	GA	501(C) (3)	509(A)(3) TYPE III-O	SOUTH CENTRAL INC		No

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
SOUTH CENTRAL NURSING HOMES INC  602 COURTLAND STREET ORLANDO, FL 32804 61-1242373	MANAGEMENT SUPPORT	KY	501(C) (3)	509(A)(3) TYPE III-O	SOUTH CENTRAL INC		No
SOUTH CENTRAL PROPERTIES III INC  111 NORTH ORLANDO AVE WINTER PARK, FL 32789 59-3692860	REAL ESTATE	GA	501(C) (2)		SOUTH CENTRAL NURSING HOMES PROPERTIES INC		No
SOUTH CENTRAL PROPERTIES IV INC  111 NORTH ORLANDO AVE WINTER PARK, FL 32789 59-3692862	REAL ESTATE	GA	501(C) (2)		SOUTH CENTRAL NURSING HOMES PROPERTIES INC		No
SOUTH CENTRAL PROPERTIES VI INC  111 NORTH ORLANDO AVE WINTER PARK, FL 32789 59-3692857	REAL ESTATE	GA	501(C) (2)		SOUTH CENTRAL NURSING HOMES PROPERTIES INC		No
SOUTH CENTRAL PROPERTIES INC  111 NORTH ORLANDO AVE WINTER PARK, FL 32789 59-3651692	REAL ESTATE	GA	501(C) (2)		SOUTH CENTRAL NURSING HOMES PROPERTIES INC		No
SOUTH CENTRAL INC  602 COURTLAND STREET ORLANDO, FL 32804 59-3689740	MANAGEMENT SUPPORT	GA	501(C) (3)	509(A)(3) TYPE III-F	N/A		No
SOUTH PASCO HLTH CARE PROPERTIES INC  38250 A AVENUE ZEPHYRHILLS, FL 33542 51-0605679	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
SOUTHWEST VOLUSIA HLTH SERVICES INC  1055 SAXON BLVD ORANGE CITY, FL 327638468 59-3281591	MEDICAL OFFICE BUILDING FOR HOSPITAL	FL	501(C) (3)	509(A)(3) TYPE I	SOUTHWEST VOLUSIA HLTHCARE CORP		No
SOUTHWEST VOLUSIA HLTHCARE CORP  1055 SAXON BLVD ORANGE CITY, FL 327638468 59-3149293	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMS SUNBELT INC		No
SPECIALTY PHYSICIANS OF CENTRAL TEXAS INC  1301 WONDER WORLD DRIVE SAN MARCOS, TX 78666 20-8814408	PHYSICIAN HLTHCARE SERVICES TO THE COMMUNITY	TX	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMS SUNBELT INC		No
SPRING VIEW HLTH & REHAB CENTER INC  718 GOODWIN LANE LEITCHFIELD, KY 42754 20-5782288	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	KY	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
SUNBELT HLTH & REHAB CENTER - AOPKA INC  305 EAST OAK STREET AOPKA, FL 32703 20-5774856	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	FL	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
SUNBELT HLTH CARE CENTERS INC  602 COURTLAND STREET STE 200 ORLANDO, FL 32804 58-1473135	MANAGEMENT SERVICES	TN	501(C) (3)	509(A)(3) TYPE II	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
SUNSYSTEM DEVELOPMENT CORP  111 N ORLANDO AVENUE WINTER PARK, FL 32789 59-2219301	FUND RAISING FOR AFFILIATED TAX- EXEMPT HOSPITALS	FL	501(C) (3)	170(B)(1) (A)(VI)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
TARPON SPRINGS HOSPITAL FOUNDATION INC  1395 S PINELLAS AVE TARPON SPRINGS, FL 34689 59-0898901	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501(C) (3)	170(B)(1) (A)(III)	UNIVERSITY COMMUNITY HOSPITAL INC		No
TARRANT COUNTY HLTH CARE PROPERTIES INC  301 HUGULEY BLVD BURLESON, TX 76028 51-0605677	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
TAYLOR CREEK HLTH CARE PROPERTIES INC  718 GOODWIN LANE LEITCHFIELD, KY 42754 51-0605678	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
TEXAS HLTH HUGULEY INC (76- 123111)  900 HOPE WAY ALTAMONTE SPRINGS, FL 32714 45-2694620	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEMS SUNBELT INC		No
THE VOLUNTEER AUXILIARY OF FLORIDA HOSPITAL - FLAGLER INC  60 MEMORIAL MEDICAL PARKWAY PALM COAST, FL 32164 59-2486582	VOLUNTEER SUPPORT SERVICES	FL	501(C) (3)	509(A)(3) TYPE III-F	MEMORIAL HOSPITAL FLAGLER INC		No
TRINITY NURSING & REHAB CENTER INC  9700 WEST 62ND STREET MERRIAM, KS 66203 20-5774890	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	KS	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
UNIVERSITY COMMUNITY HOSPITAL AUXILIARY INC  3100 E FLETCHER AVE TAMPA, FL 33613 23-7011345	VOLUNTEER SUPPORT SERVICES	FL	501(C) (3)	509(A)(3) TYPE III-F	UNIVERSITY COMMUNITY HOSPITAL INC		No
UNIVERSITY COMMUNITY HOSPITAL FOUNDATION INC  3100 E FLETCHER AVE TAMPA, FL 33613 59-2554889	FUND-RAISING FOR TAX-EXEMPT HOSPITAL	FL	501(C) (3)	509(A)(3) TYPE I	UNIVERSITY COMMUNITY HOSPITAL INC		No
UNIVERSITY COMMUNITY HOSPITAL SPECIALTY CARE INC  3100 E FLETCHER AVE TAMPA, FL 33613 59-3231322	INACTIVE	FL	501(C) (3)	509(A)(3)	UNIVERSITY COMMUNITY HOSPITAL INC		No
UNIVERSITY COMMUNITY HOSPITAL INC  3100 E FLETCHER AVE TAMPA, FL 33613 59-1113901	OPERATION OF HOSPITAL & RELATED SERVICES	FL	501(C) (3)	170(B)(1) (A)(III)	ADVENTIST HLTH SYSTEM SUNBELT HLTHCARE CORP		No
WEST KENTUCKY HLTH CARE PROPERTIES INC  500 BECK LANE MAYFIELD, KY 42066 51-0605676	LEASE TO RELATED ORGANIZATION	GA	501(C) (3)	509(A)(3) TYPE III-F	SUNBELT HLTH CARE CENTERS INC		No
ZEPHYR HAVEN HLTH & REHAB CENTER INC  38250 A AVENUE ZEPHYRHILLS, FL 33542 20-5774930	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	FL	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No
ZEPHYRHILLS HLTH & REHAB CENTER INC  7350 DAIRY ROAD ZEPHYRHILLS, FL 33540 20-5774967	OPERATION OF HOME FOR THE AGED/HLTHCARE DELIVERY	FL	501(C) (3)	509(A)(2)	SUNBELT HLTH CARE CENTERS INC		No





**Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
ADVENTIST HLTH SYS SUNBELT HLTHCARE CORP EMPL BENEFIT TRUST 111 N ORLANDO AVENUE WINTER PARK, FL 32789 58-1318939	ADMINISTRATION OF SELF-INSURED BENEFIT PLANS	FL	N/A	T			
AHS SERVICES INC 11801 SOUTH FREEWAY FORT WORTH, TX 76028 75-2049583	MEDICAL EQUIPMENT	TX	N/A	C			
ALTAMONTE MEDICAL PLAZA CONDOMINIUM ASSOCIATION INC 601 EAST ROLLINS STREET ORLANDO, FL 32803 59-2855792	CONDO ASSOCIATION	FL	N/A	C			
APOPKA MEDICAL PLAZA CONDOMINIUM ASSOCIATION INC 601 EAST ROLLINS STREET ORLANDO, FL 32803 59-3000857	CONDO ASSOCIATION	FL	N/A	C			
ARAPAHOE MEDICAL BUILDING I INC (630 YEAR END) 2525 S DOWNING STREET DENVER, CO 80210 84-1574506	REAL ESTATE LEASING	CO	N/A	C			
ARAPAHOE MEDICAL BUILDING II INC (630 YEAR END) 2525 S DOWNING STREET DENVER, CO 80210 84-1574507	REAL ESTATE LEASING	CO	N/A	C			
CC MOB INC 2201 S CLEAR CREEK ROAD KILLEEN, TX 76549 74-2616875	REAL ESTATE RENTAL	TX	N/A	C			
CENTRAL TEXAS MEDICAL ASSOCIATES 1301 WONDER WORLD DRIVE SAN MARCOS, TX 78666 74-2729873	PHYSICIAN CLINICS	TX	N/A	C			
CENTRAL TEXAS PROVIDER'S NETWORK 1301 WONDER WORLD DRIVE SAN MARCOS, TX 78666 74-2827652	PHYSICIAN HOSPITAL ORG	TX	N/A	C			
FLORIDA HOSPITAL FLAGLER MEDICAL OFFICES ASSOCIATION INC 60 MEMORIAL MEDICAL PARKWAY PALM COAST, FL 32164 26-2158309	CONDO ASSOCIATION	FL	N/A	C			
FLORIDA HOSPITAL HEALTHCARE SYSTEM INC 602 COURTLAND STREET ORLANDO, FL 32804 59-3215680	PHO/TPA	FL	N/A	C			
FLORIDA MEDICAL PLAZA CONDO ASSOCIATION INC 601 EAST ROLLINS STREET ORLANDO, FL 32803 59-2855791	CONDO ASSOCIATION	FL	N/A	C			
FLORIDA MEMORIAL HEALTH NETWORK INC 770 W GRANADA BLVD STE 317 ORMOND BEACH, FL 32174 59-3403558	PHYSICIAN HOSPITAL ORG	FL	N/A	C			
HARVARD PARK EAST INC (630 YEAR END) 2525 S DOWNING STREET DENVER, CO 80210 84-1574365	REAL ESTATE LEASING	CO	N/A	C			
HELEN ELLIS MEMORIAL HOSPITAL REAL ESTATE CORP 1395 S PINELLAS AVE TARPON SPRINGS, FL 34689 59-3375731	REAL ESTATE RENTAL	FL	N/A	C			
HUGULEY ALLIANCE FOUNDATION 11801 SOUTH FREEWAY FORT WORTH, TX 76115 75-2642209	INACTIVE	TX	N/A	C			
HUGULEY MEDICAL ASSOCIATES INC 11801 SOUTH FREEWAY BURLESON, TX 76028 75-2547668	PHYSICIAN CLINICS	TX	N/A	C			
KISSIMMEE MULTISPECIALTY CLINIC CONDOMINIUM ASSOCIATION INC 201 HILDA STREET SUITE 30 KISSIMMEE, FL 34741 59-3539564	CONDO ASSOCIATION	FL	N/A	C			
MIDWEST MANAGEMENT SERVICES INC 9100 WEST 74TH STREET SHAWNEE MISSION, KS 66204 48-0901551	REAL ESTATE RENTAL	KS	N/A	C			
METROPLEX ADVENTIST HOSPITAL CRNA 2201 S CLEAR CREEK ROAD KILLEEN, TX 76549 26-0760794	SUPPORT HOSPITAL - PROVIDE ALLIED HEALTH PROFESSIONALS	TX	N/A	C			

**Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust**

<b>(a)</b> Name, address, and EIN of related organization	<b>(b)</b> Primary activity	<b>(c)</b> Legal Domicile (State or Foreign Country)	<b>(d)</b> Direct Controlling Entity	<b>(e)</b> Type of entity (C corp, S corp, or trust)	<b>(f)</b> Share of total income (\$)	<b>(g)</b> Share of end-of-year assets (\$)	<b>(h)</b> Percentage ownership
NORTH AMERICAN HEALTH SERVICES INC & SUBS 111 N ORLANDO AVENUE WINTER PARK, FL 32789 62-1041820	LESSOR/HOLDING CO	TN	N/A	C			
ORMOND PROFESSIONAL CONDO ASSOCIATION (430 YEAR END) 770 W GRANADA BLVD STE 101 ORMOND BEACH, FL 32174 59-2694434	CONDO ASSOCIATION	FL	N/A	C			
PARK RIDGE PROPERTY OWNER'S ASSOCIATION INC 1 PARK PLACE NAPLES ROAD FLETCHER, NC 28732 03-0380531	CONDO ASSOCIATION	NC	N/A	C			
PORTER AFFILIATED HLTH SERVICES INC DBA DIVERSIFIED AFFILIATED HLTH SVCS 2525 S DOWNING STREET DENVER, CO 80210 84-0956175	HEALTHCARE SERVICES	CO	N/A	C			
PORTER MEDICAL PLAZA INC (630 YEAR END) 2525 S DOWNING STREET DENVER, CO 80210 84-1574369	REAL ESTATE LEASING	CO	N/A	C			
SAN MARCOS REGIONAL MRI INC 1301 WONDER WORLD DRIVE SAN MARCOS, TX 78666 77-0597968	HOLDING COMPANY	TX	N/A	C			
SOUTHEAST VOLUSIA MEDICAL SERVICES INC (10110-63011) 401 PALMETTO STREET NEW SMYRNA BEACH, FL 32168 59-3287185	INACTIVE	FL	N/A	C			
THE GARDEN RETIREMENT COMMUNITY INC 602 COURTLAND STREET STE 200 ORLANDO, FL 32804 59-3414055	REAL ESTATE RENTAL	FL	N/A	C			
UNIVERSITY COMMUNITY HEALTH INSURANCE COMPANY SPC LTD C/O AON INSURANCE MANAGERS PO BOX GRAND CAYMAN CJ	CAPTIVE INSURANCE	CJ	N/A	C			
UCH SERVICES INC 3100 EAST FLETCHER AVE TAMPA, FL 33613 59-3508454	MANAGEMENT COMPANY	FL	N/A	C			
WEST COAST MEDICAL GROUP INC 1395 S PINELLAS AVE TARPON SPRINGS, FL 34689 59-3537305	PHYSICIAN CLINICS	FL	N/A	C			
WINTER PARK MEDICAL OFFICE BUILDING I CONDO ASSOC INC (330-123111) 200 LAKEMONT AVE WINTER PARK, FL 32792 45-2228478	PHYSICIAN CLINICS	FL	N/A	C			

**Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORP	L	1,766,325	% OF FACILITY'S OPER EXP
(2) ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORP DBA AHS IS	L	6,423,330	% OF FACILITY'S OPER EXP
(3) ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORP	O	6,245,336	COST
(4) ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORP	B	1,532,991	AMOUNT GIVEN
(5) FLORIDA PHYSICIANS MEDICAL GROUP INC	L	2,825,535	COST PLUS APPROPRIATE MARGIN
(6) FLORIDA PHYSICIANS MEDICAL GROUP INC	I	241,917	COST PLUS APPROPRIATE MARGIN
(7) ADVENTIST HEALTH SYSTEMSUNBELT INC	O	110,000	COST
(8) ADVENTIST HEALTH SYSTEMSUNBELT INC	L	407,356	COST PLUS APPROPRIATE MARGIN
(9) ADVENTIST HEALTH SYSTEMSUNBELT INC	B	89,065	AMOUNT GIVEN
(10) ADVENTIST HEALTH SYSTEMSUNBELT INC	P	78,693	COST
(11) ADVENTIST HEALTH SYSTEMSUNBELT INC	J	443,042	COST PLUS APPROPRIATE MARGIN

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 59-3140669

**Name:** FLORIDA HOSPITAL WATERMAN INC

**Form 990, Special Condition Description:**

**Special Condition Description**

**Audited  
Combined  
Financial  
Statements  
and Other  
Financial  
Information**

*December 31, 2011*

**Adventist Health System –  
Florida Division Hospitals**

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# Combined Balance Sheet

December 31, 2011

(dollars in thousands)

## ASSETS

### Current Assets

Cash and cash management deposits	\$ 1,961,755
Investments	865
Current portion of assets whose use is limited	2,156
Patient accounts receivable, less allowance for uncollectible accounts of \$151,219	141,580
Other receivables	198,995
Inventories	88,614
Prepaid expenses and other current assets	<u>31,676</u>
	2,425,641

### Property and Equipment

2,679,467

### Assets Whose Use is Limited, net of current portion

64,524

### Other Assets

192,796

\$ 5,362,428

## LIABILITIES AND NET ASSETS

### Current Liabilities

Accounts payable and accrued liabilities	\$ 276,168
Estimated settlements to third parties	53,286
Other current liabilities	119,700
Short-term financings	82,122
Current maturities of long-term debt	<u>40,991</u>
	572,267

### Long-Term Debt, net of current maturities

1,630,104

### Other Noncurrent Liabilities

46,985

2,249,356

### Net Assets

Unrestricted	2,995,207
Temporarily restricted	<u>117,865</u>
	3,113,072

### Commitments and Contingencies

\$ 5,362,428

Adventist Health  
System – Florida  
Division Hospitals

The accompanying notes are an integral part of these combined financial statements



# Combined Statement of Operations and Changes in Net Assets

For the year ended  
December 31, 2011

(dollars in thousands)

<b>Revenue</b>		
Patient service	\$	3,819,453
Provision for bad debts		(139,444)
Net patient service revenue		<u>3,680,009</u>
EHR incentive payments		28,070
Other		38,481
Total operating revenue		<u>3,746,560</u>
<b>Expenses</b>		
Employee compensation		1,662,589
Supplies		732,086
Professional fees		323,485
Other		442,211
Interest		88,218
Depreciation and amortization		<u>220,888</u>
Total operating expenses		<u>3,469,477</u>
<b>Income from Operations</b>		277,083
<b>Nonoperating Losses, Net</b>		<u>(12,906)</u>
<b>Excess of Revenue over Expenses and Losses</b>		264,177
<b>Unrestricted Net Assets</b>		
Net assets released from restrictions for purchase of property and equipment		21,171
Removal of Bert Fish Medical Center's net assets from the Division		(28,147)
Transfers from affiliates		15,198
Pension related changes other than net periodic pension benefit		(15,591)
Other changes		<u>2,310</u>
		259,118
<b>Temporarily Restricted Net Assets</b>		
Investment income		899
Gifts and grants		20,456
Net assets released from restrictions for purchase of property and equipment or use in operations		(25,684)
Removal of Bert Fish Medical Center's net assets from the Division		(21)
Other		<u>(2,407)</u>
		<u>(6,757)</u>
<b>Increase in Net Assets</b>		252,361
Net assets, beginning of year		<u>2,860,711</u>
Net assets, end of year	\$	<u><u>3,113,072</u></u>

Adventist Health  
System – Florida  
Division Hospitals

The accompanying notes are an integral part of these combined financial statements

# Combined Statement of Cash Flows

For the year ended  
December 31, 2011

	<i>(dollars in thousands)</i>	
<b>Operating Activities</b>		\$ 409,295
<b>Investing Activities</b>		
Purchases of property and equipment, net	(297,780)	
Decrease in assets whose use is limited	53,284	
Purchase of investments	(703)	
Increase in other assets	(6,168)	
Removal of Bert Fish Medical Center's cash from the Division	(5,166)	
		<u>(256,533)</u>
<b>Financing Activities</b>		
Additional long-term borrowings	52,452	
Repayments of long-term borrowings	(117,839)	
Repayments of short-term borrowings	(11,521)	
Payment of deferred financing costs	(2,291)	
Transfers from affiliates	17,612	
Restricted gifts and grants and investment income	21,355	
Other financing activities	(570)	
		<u>(40,802)</u>
<b>Increase in Cash and Cash Management Deposits</b>		111,960
Cash and cash management deposits at beginning of year		<u>1,849,795</u>
<b>Cash and Cash Management Deposits at End of Year</b>		<u>\$ 1,961,755</u>
<b>Operating Activities</b>		
Increase in net assets	\$ 252,361	
Removal of Bert Fish Medical Center's net assets from the Division	28,168	
Depreciation – operating	219,647	
Depreciation – nonoperating	7,502	
Amortization of intangible assets	1,241	
Amortization of prepaid data processing fees	10,512	
Amortization of deferred financing costs and original issue discounts and premiums	169	
Restricted gifts and grants and investment income	(21,355)	
Transfers from affiliates	(15,198)	
<b>Change in operating assets and liabilities</b>		
Patient accounts receivable	(13,441)	
Other receivables	(8,027)	
Inventories	(9,851)	
Prepaid expenses and other current assets	(4,905)	
Accounts payable and accrued liabilities	(5,446)	
Estimated settlements to third parties	(17,599)	
Other current liabilities	19,750	
Other noncurrent liabilities	(34,233)	
		<u>\$ 409,295</u>
<b>Supplemental Disclosures of Significant Noncash Transactions</b>		
Transfer of deferred financing costs, original issue discounts and premiums and debt service reserve funds to affiliated entity		<u>\$ 2,414</u>

Adventist Health  
System – Florida  
Division Hospitals

The accompanying notes are an integral part of these combined financial statements

# Notes to Combined Financial Statements

*For the year ended  
December 31, 2011  
(dollars in thousands)*

**Adventist Health  
System – Florida  
Division Hospitals**

## 1. Significant Accounting Policies

### Reporting Entity

Adventist Health System – Florida Division Hospitals (Division) is a group of not-for-profit, general acute care hospitals, exempt from state and federal income taxes. These hospitals are located in the State of Florida. These hospitals are controlled affiliates of Adventist Health System Sunbelt Healthcare Corporation d/b/a Adventist Health System (Parent Corporation).

The Division includes Florida Hospital Medical Center, Florida Hospital Heartland Medical Center and Florida Hospital Wauchula, divisions of Adventist Health System/Sunbelt, Inc (Corporation), Florida Hospital Zephyrhills, Inc, Southwest Volusia Healthcare Corporation, Memorial Hospital – West Volusia, Inc, Florida Hospital Memorial Medical Center and Florida Hospital – Oceanside, divisions of Memorial Health Systems, Inc, Memorial Hospital – Flagler, Inc, Florida Hospital Waterman, Inc, Bert Fish Medical Center, Inc (BFMC) through June 30, 2011 (see note 2) and University Community Hospital, Inc (UCH). UCH includes Florida Hospital Tampa/Pepin Heart Institute, Florida Hospital Carrollwood, Tarpon Springs Hospital Foundation, Inc and Florida Hospital at Connerton Long Term Acute Care Hospital. These hospitals are included in the accompanying combined financial statements. All significant intercompany accounts and transactions have been eliminated in the combination.

The Division provides a full range of inpatient and outpatient services as permitted by the licenses issued to the Division's hospitals from the State of Florida. Activities associated with the provision of healthcare services within the hospital setting are the major and central operations of the Division. Revenue and expenses arise from, and are recorded based upon, the Division's activities.

The Division also engages in activities and transactions that do not relate to the direct care of patients within the hospital setting and are therefore incidental or peripheral to the Division's major ongoing operations. Activities and transactions that are incidental or peripheral to the operations of the Division are recorded as nonoperating gains or losses.

The Parent Corporation is controlled by the Lake Union Conference of Seventh-day Adventists, the Mid-America Union Conference of Seventh-day Adventists, the Southern Union Conference of Seventh-day Adventists and the Southwestern Union Conference of Seventh-day Adventists, and was organized to provide managerial, financial and other services to members of the Division, other hospitals and other healthcare facilities (collectively referred to as the System).

SunSystem Development Corporation (Development) is a charitable foundation operated by the System for the benefit of its hospitals. The board of directors is appointed by the board of directors of the System. The Division includes Florida Hospital Medical Center Foundation, Florida Hospital Zephyrhills Foundation, Florida Hospital Heartland Medical Center Foundation, Florida Hospital Wauchula Foundation, Florida Hospital Fish Memorial Foundation, Florida Hospital Deland Foundation and Florida Hospital Flagler Foundation (Foundations). The Foundations operate as divisions of Development and each have a service area community board of directors appointed or approved by the Parent Corporation and are involved in philanthropic activities for the respective hospital. The accounts of the Foundations are included in the accounts of the Division.

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## **Use of Estimates**

The preparation of these combined financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

## **Recent Accounting Pronouncements**

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-23, *Measuring Charity Care for Disclosure* (ASU 2010-23). The provisions of ASU 2010-23 are intended to reduce the diversity in how charity care is calculated and disclosed by healthcare entities. Charity care is required to be measured at cost, defined as the direct and indirect costs of providing the charity care. As the Division does not recognize revenue when charity care is provided, ASU 2010-23 had no effect on the combined statement of operations and changes in net assets. ASU 2010-23 only requires additional disclosures, including the method used to estimate the cost of charity care.

In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS)* (ASU 2011-04). The amendments in ASU 2011-04 result in common fair value measurement and disclosure requirements in GAAP and IFRS. ASU 2011-04 also changes the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. This new guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011. The adoption of this standard in 2012 is not expected to have a material impact on the Division's combined financial position or results of operations.

In July 2011, the FASB issued ASU No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU 2011-07). The provisions of ASU 2011-07 require healthcare entities that recognize significant amounts of patient service revenue at the time services are rendered even though they do not assess the patient's ability to pay to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue in the statement of operations rather than as an operating expense. Additional disclosures relating to sources of patient service revenue and the allowance for uncollectible accounts are also required. This new guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The Division adopted the provisions of ASU 2011-07 as of and for the year ended December 31, 2011 and retrospectively applied the presentation requirements to all periods presented.

In September 2011, the FASB issued ASU No. 2011-08, *Testing Goodwill for Impairment* (ASU 2011-08). ASU 2011-08 gives entities the option to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If entities determine, on the basis of qualitative factors, that the fair value of a reporting unit is more likely than not less than the carrying amount, the two-step impairment test under the Intangibles-Goodwill and Other Topic of the Accounting Standards Codification (ASC) (ASC 350) would be required. Otherwise, further testing would not be needed. This new guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The Division adopted ASU 2011-08 as of September 30, 2011. The adoption did not have an impact on the Division's combined financial position or results of operations.

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In September 2011, the FASB issued ASU No. 2011-09, *Disclosures about an Employer's Participation in a Multiemployer Plan* (ASU 2011-09). The provisions of ASU 2011-09 increase the quantitative and qualitative disclosures an employer is required to provide about its participation in significant multiemployer plans that offer pension or other postretirement benefits. This new guidance is effective for fiscal years ending after December 15, 2011. The Division adopted the new disclosure requirement in its combined financial statements for the year ended December 31, 2011.

## Net Patient Service Revenue, Patient Accounts Receivable and Allowance for Uncollectible Accounts

The Division's patient acceptance policy is based on its mission to improve and enhance local communities that it serves in harmony with Christ's healing ministry and its charitable purposes. Accordingly, the Division accepts patients in immediate need of care, regardless of their ability to pay. The Division serves certain patients whose medical care costs are not paid at established rates. These patients include those sponsored under government programs such as Medicare and Medicaid, those sponsored under private contractual agreements, charity patients and other uninsured patients who have limited ability to pay. A patient is classified as a charity patient based on the established policies of the Division, which require that the patient provide certain information to qualify for charity. Patients that qualify for charity are provided services for which no payment is due for all or a portion of the patient's bill from either the patient or other third parties. For financial reporting purposes, charity care is excluded from patient service revenue.

For all other patients, patient service revenue is reported at estimated net realizable amounts for services rendered. The Division recognizes patient service revenue associated with patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, revenue is recognized on the basis of discounted rates in accordance with the Division's policy.

Patient service revenue is reduced by the provision for bad debts and accounts receivable are reduced by an allowance for uncollectible accounts. These amounts are based on management's assessment of historical and expected net collections for each major payor source, considering business and economic conditions, trends in healthcare coverage and other collection indicators. Management regularly reviews collections data by major payor sources in evaluating the sufficiency of the allowance for uncollectible accounts. On the basis of historical experience, a significant portion of the Division's self-pay patients will be unable or unwilling to pay for the services provided. Thus, the Division records a significant provision for bad debts in the period services are provided related to self-pay patients. The Division's allowance for uncollectible accounts for self-pay patients was 97% of self-pay accounts receivable as of December 31, 2011. For receivables associated with patients who have third-party coverage, the Division analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary. Accounts receivable are written off after collection efforts have been followed in accordance with the Division's policies.

Patient service revenue is not recognized for those patients that qualify for charity under the Division's policies. For all other patients, patient service revenue, net of contractual allowances and self-pay discounts and before the provision for bad debts, recognized from major payor sources for the year ended December 31, 2011, is as follows:

Third-party payors, net of contractual allowance	\$ 3,724,724
Self-pay patients, net of discounts	94,729
	<hr/>
	\$ 3,819,453

# Notes to Combined Financial Statements

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The Division changed its uninsured discount policy, effective January 1, 2011, as required by the Patient Protection and Affordable Care Act (Act). The Act has resulted in an increase in self-pay discounts, which are a reduction of patient service revenue, and a corresponding decrease in self-pay write-offs that are included in the provision for bad debts. Overall, the total of self-pay discounts and write-offs has not changed significantly for the year ended December 31, 2011. The Division has not experienced significant changes in write-off trends and has not changed its charity care policy for the year ended December 31, 2011.

The Division has determined, based on an assessment at the reporting-entity level, that patient service revenue is primarily recorded prior to assessing the patient's ability to pay and as such, the entire provision for bad debts is recorded as a deduction from patient service revenue in the accompanying combined statements of operations and changes in net assets.

Revenue from the Medicare and Medicaid programs represents approximately 36% of the Division's patient service revenue for the year ended December 31, 2011. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Other than the accounts receivable related to the Medicare and Medicaid programs, there are no significant concentrations of accounts receivable due from an individual payor at December 31, 2011.

The Division is subject to retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations. Adjustments to revenue related to prior periods increased patient service revenue by approximately \$30,500 for the year ended December 31, 2011.

## Charity Care

As discussed previously, the Division's patient acceptance policy is based on its mission statement and its charitable purposes and as such, the Division accepts patients in immediate need of care, regardless of their ability to pay. Patients that provide the necessary information to qualify for charity are provided services for which no payment is due for all or a portion of the patient's bill. Therefore, charity care is excluded from patient service revenue and the cost of providing such care is recognized within operating expenses.

The Division estimates the direct and indirect costs of providing charity care by applying a cost to gross charges ratio to the gross uncompensated charges associated with providing charity care to patients. The Division also receives certain funds to offset or subsidize charity services provided. These funds are primarily received from uncompensated care programs sponsored by the state, whereby healthcare providers within the state pay into an uncompensated care fund and the pooled funds are then redistributed based on state specific criteria. The cost of providing charity care, amounts paid by the Division into uncompensated care funds and amounts received by the Division to offset or subsidize charity services are as follows for the year ended December 31, 2011:

Cost of providing charity care	\$ 186,375
Funds paid into trusts (included in other expenses)	\$ (45,005)
Funds received to offset or subsidize charity services (included in net patient service revenue)	15,472
	<u>\$ (29,533)</u>

# Notes to Combined Financial Statements

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## **EHR Incentive Payments**

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement or upgrade certified EHR technology. Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments.

The Division accounts for HITECH incentive payments as a gain contingency. Income from Medicare incentive payments is recognized as revenue after the Division has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the cost report period that will be used to determine the final incentive payment has ended. The Division recognized revenue from Medicaid incentive payments after it adopted certified EHR technology. Incentive payments totaling \$28,070 for the year ended December 31, 2011 are included in total operating revenue in the accompanying combined statement of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Division's compliance with the meaningful use criteria is subject to audit by the federal government.

## **Excess of Revenue over Expenses and Losses**

The combined statement of operations and changes in net assets includes excess of revenue over expenses and losses, which is analogous to income from continuing operations of a for-profit enterprise. Changes in unrestricted net assets that are excluded from excess of revenue over expenses and losses, consistent with industry practice, include pension related changes other than net periodic pension costs, permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets).

## **Nonoperating Losses, Net**

Nonoperating losses, net, represent the net operations of activities or transactions incidental or peripheral to the direct care of patients within the hospital setting and primarily include home health services, certain physician practices, the activity of the Foundations, equity income of affiliates and investment income.

## **Contributed Resources**

Resources restricted by donors for specific operating purposes or a specified time period are held in temporarily restricted net assets until expended for the intended purpose or until the specified time restrictions are met, at which time they are included in nonoperating losses, net. Resources restricted by donors for additions to property and equipment are held as temporarily restricted net assets until the assets are placed in service, at which time they are reported as transfers to unrestricted net assets. Gifts, grants and bequests not restricted by donors are included in nonoperating losses, net. At December 31, 2011, temporarily restricted net assets are available for various programs and capital expenditures at the Division's hospitals.

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## **Cash Equivalents**

Cash equivalents include all highly liquid investments including certificates of deposit and commercial paper with maturities not in excess of three months when purchased. Interest income on cash equivalents is reported as nonoperating losses, net. Cash equivalents are included in cash and cash management deposits in the accompanying combined balance sheet.

## **Functional Expenses**

The Division does not present expense information by functional classification because its resources and activities are primarily related to providing healthcare services. Further, since the Division receives substantially all of its resources from providing healthcare services in a manner similar to a business enterprise, other indicators contained in these combined financial statements are considered important in evaluating how well management has discharged its stewardship responsibilities.

## **Assets Whose Use is Limited**

Certain of the Division's investments are limited as to use through board resolution and under the terms of bond indentures. These investments are classified as assets whose use is limited in the accompanying combined balance sheet. Interest and dividend income and realized gains and losses on assets whose use is limited are included in nonoperating losses, net in the accompanying combined statement of operations and changes in net assets.

## **Sale of Patient Accounts Receivable**

The System and certain of its member affiliates maintain a program (Program) for the continuous sale of certain patient accounts receivable to the Highlands County Health Facilities Authority (Highlands) on a nonrecourse basis. Highlands has partially financed the purchase of the patient accounts receivable through the issuance of tax-exempt bonds (Bonds), of which Highlands had \$304,230 outstanding as of December 31, 2011. These Bonds are supported by a bank letter of credit arrangement that expires in December 2013. As of December 31, 2011, the estimated net realizable value, as defined in the underlying agreements, of patient accounts receivable sold and removed from the accompanying combined balance sheet was \$377,663. The patient accounts receivable sold consist primarily of amounts due from government programs and commercial insurers. The proceeds from Highlands consist of the Division's allocation of cash from the Bonds, a note on a subordinated basis with the Bonds and a note on a parity basis with the Bonds. The note on a subordinated basis with the Bonds is in an amount to provide the required over-collateralization of the Bonds and was \$57,744 at December 31, 2011. The note on a parity basis with the Bonds is the excess of eligible accounts receivable sold over the sum of cash received and the subordinated note, and was \$111,125 at December 31, 2011. These notes are included in other receivables (current) in the accompanying combined balance sheet. Due to the nature of the patient accounts receivable sold, collectability of the subordinated and parity notes is not significantly impacted by credit risk.

## **Inventories**

Inventories (primarily pharmaceutical and medical supplies) are stated at the lower of cost or market under the first-in, first-out method of valuation.

## **Property and Equipment**

Property and equipment are reported on the basis of cost, except for donated items, which are recorded at fair value at the date of the donation. Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Depreciation is computed primarily utilizing the straight-line method over the expected useful lives of the assets.



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Amortization of capitalized leased assets is included in depreciation expense and allowances for depreciation

## **Goodwill**

Goodwill represents the excess of the purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of the businesses acquired. These amounts are included in other assets (noncurrent) in the accompanying combined balance sheet and are evaluated annually for impairment or when there is an indicator of impairment.

Upon adoption of ASU 2011-08 in 2011, in performing the annual assessment, the Division first completes a qualitative assessment to determine whether it is more likely than not that the fair value of its reporting units is less than their carrying amount. Management has determined that it is not more likely than not that the fair value of the Division's reporting units is less than their carrying amount. Therefore, the two-step impairment test under ASC 350 was not required.

## **Deferred Financing Costs**

Direct financing costs are included in other assets (noncurrent) in the accompanying combined balance sheet and deferred and amortized over the remaining lives of the financings using the effective interest method.

## **Interest in the Net Assets of Unconsolidated Foundations**

Interest in the net assets of unconsolidated foundations represents contributions received on behalf of the Division or its member affiliates by independent fund-raising foundations. As the Division cannot influence the foundations to the extent that it can determine the timing and amount of distributions, the Division's interest in the net assets of the foundations is included in other assets (noncurrent) in the accompanying combined balance sheet and changes in that interest are included in temporarily restricted net assets.

## **Impairment of Long-Lived Assets**

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets. Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on discounted net cash flows or other estimates of fair value.

## **Bond Discounts and Premiums**

Bonds payable, including related original issue discounts and/or premiums, are included in long-term debt. Discounts and premiums are being amortized over the life of the bonds using the effective interest method.

## **Income Taxes**

The Division follows the Income Taxes Topic of the ASC (ASC 740), which prescribes the accounting for uncertainty in income tax positions recognized in financial statements. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

# Notes to Combined Financial Statements

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## 2. Removal of Bert Fish Medical Center

Effective July 1, 2010, the Parent Corporation became the sole member of BFMC and assumed a lease of a hospital facility with the Southeast Volusia Hospital District (District). Subsequent to the acquisition of BFMC by the Parent Corporation, the Bert Fish Foundation, Inc. filed a lawsuit against the District, BFMC and the Parent Corporation (Parties). The lawsuit alleged that the acquisition was not completed in accordance with applicable Florida statutes and sought to unwind the transaction. In late February 2011, Florida's Seventh Judicial Circuit Court (Court) ordered the Parties to submit a plan to return the control of BFMC from the Parent Corporation to the District. On June 24, 2011, the Court approved a transition agreement in which control of BFMC was transferred to the District on June 30, 2011. Accordingly, BFMC's net assets of \$28,168 were removed from the Division as of June 30, 2011, which included \$54 of excess of expenses and losses over revenue, in the accompanying combined statement of operations and changes in net assets.

## 3. Cash Management Deposits

The Division, along with other member affiliates of the System, participates in a cash management program managed by the Parent Corporation. This cash management program maintains separate accounts for each hospital in the Division and member affiliate at one central bank. Cash management deposits have the general characteristics of demand deposits in that the Division may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty, subject to limitations and controls established by the Parent Corporation. Certain deposits are federally insured in limited amounts. Amounts are transferred each day to or from a central investment pool maintained by the Parent Corporation. Cash management deposits approximated \$1,951,000 at December 31, 2011, and are included in cash and cash management deposits in the accompanying combined balance sheet.

The central investment pool primarily invests in fixed income instruments, equity instruments and alternative investments (primarily hedge funds) through partnership investment trusts and a wholly-owned subsidiary. See note 12 for allocation of investments in the central investment pool. Fixed income and equity instruments within the central investment pool, excluding alternative investments accounted for under the equity method, are recorded at fair value. The Parent Corporation has designated all fixed income instruments within the central investment pool as other than trading securities and, accordingly, changes in unrealized gains and losses are included in the Parent Corporation's unrestricted net assets and allocated to the participants in the central investment pool when realized. During 2011, the central investment pool's primary equity investment portfolio included various domestic stock exchange indices and equity options, including puts and calls. The Parent Corporation designated these equity instruments within the primary equity investment portfolio as trading securities and, accordingly, changes in unrealized gains and losses are included in the Parent Corporation's excess of revenue and gains over expenses and are allocated to the participants in the period they occur. As of December 31, 2011, the Parent Corporation had divested its primary equity investment portfolio and reallocated these amounts primarily to alternative investments. Ownership interest in certain alternative investments is accounted for under the equity method. Accordingly, the Parent Corporation recognizes its share of these hedge funds' income or loss, both realized and unrealized, as investment income or loss and are allocated to the participants in the period they occur.

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The Parent Corporation also has a wholly-owned subsidiary, AHS-K2 Alternatives Portfolio, Ltd (Fund), that invests in alternative investments through partnership investment trusts. The Fund follows the Financial Services – Investment Companies Topic of the ASC (ASC 946), which requires that the investments in the underlying funds be recorded at fair value. Unrealized appreciation and depreciation resulting from valuing the underlying funds is recognized as investment income or loss in the period they occur. Certain other equity investments, primarily held by the Division's Foundations, are designated as other than trading and the related change in unrealized gains and losses are included in the Division's unrestricted net assets. Investment income on the accompanying combined statement of operations and changes in net assets includes the Division's allocated share of the central investment pool's income, which includes interest and dividend income, realized gains and losses, certain unrealized gains and losses and income or loss from hedge funds. The Parent Corporation accounts for investments on a settlement-date basis. See note 4 for details of investment income for the year ended December 31, 2011.

The central investment pool participates in securities lending transactions with its custodian, whereby a portion of its investments is loaned to certain brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned, usually on a short-term basis. Collateral provided by brokers is maintained at levels approximating 102% of the fair value of the securities on loan and is adjusted for daily market fluctuations.

## 4. Assets Whose Use is Limited

Assets whose use is limited include investments held by bond trustees and investments designated by boards for capital expenditures. Amounts to be used for the payment of current liabilities are classified as current assets.

Indenture requirements of tax-exempt financings that are allocated to the Division provide for the establishment and maintenance of various accounts with trustees. These arrangements require the trustee to control the expenditure of debt proceeds, as well as the payment of interest and the payment of debt to bondholders. Investments held by trustees required under indenture agreements are allocated to the Division by the Parent Corporation in connection with the debt allocated to the Division (see note 7). Board designated funds for capital expenditures are invested in the central investment pool. See note 12 for the composition of the central investment pool.

A summary of the major limitations as to the use of these assets consists of the following at December 31, 2011:

Investments held by bond trustees – allocated required bond funds	\$ 12,930
Board designated funds for capital expenditures	53,750
	<u>66,680</u>
Less amounts to pay current liabilities	(2,156)
	<u>\$ 64,524</u>

Allocated trust funds are comprised of the following at December 31, 2011:

U S government agencies and sponsored entities	73%
Cash and cash equivalents	26
Accrued interest receivable	1
	<u>100%</u>

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Total investment income from the central investment pool allocation (see note 3) and assets whose use is limited, which is included in nonoperating losses in the accompanying combined statement of operations and changes in net asset, amounted to \$23,943 and is comprised of the following for the year ended December 31, 2011

Interest and dividend income	\$ 14,733
Net realized and unrealized gains/losses	15,249
The Division's share of alternative investments' loss	<u>(6,039)</u>
	<u>\$ 23,943</u>

## 5. Property and Equipment

Property and equipment consists of the following at December 31, 2011

Land and improvements	\$ 376,682
Buildings and improvements	2,031,853
Equipment	<u>2,114,590</u>
	4,523,125
Less allowances for depreciation	<u>(1,912,780)</u>
	2,610,345
Construction in progress	<u>69,122</u>
	<u>\$ 2,679,467</u>

Certain hospitals have entered into construction projects for which costs have been incurred and included in construction in progress. These and other committed projects will be financed through operations, proceeds of borrowings and board designated funds (see note 4). The estimated costs to complete these projects approximated \$28,400 at December 31, 2011.

During periods of construction, interest costs are capitalized to the respective property accounts. Interest capitalized approximated \$2,400 for the year ended December 31, 2011.

## 6. Other Assets

Other assets consists of the following at December 31, 2011

Goodwill	\$ 54,774
Deferred financing costs	12,426
Notes and loans receivable	30,667
Prepaid data processing fees (see note 11)	23,876
Interests in net assets of unconsolidated foundations	41,401
Investment in unconsolidated entities	21,413
Other noncurrent assets	<u>8,239</u>
	<u>\$ 192,796</u>

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## 7. Long-Term Debt

Long-term debt consists of the following at December 31, 2011

Fixed-rate hospital revenue bonds, interest rates from 2.00% to 6.00%, payable through 2039	\$ 1,162,626
Variable-rate hospital revenue bonds, payable through 2037	467,534
Capitalized leases payable	31,128
Other indebtedness	230
Unamortized original issue premiums, net	9,577
	<u>1,671,095</u>
Less current maturities	(40,991)
	<u>\$ 1,630,104</u>

### Master Trust Indenture

Long-term debt has been issued primarily on a tax-exempt basis. Certain members of the Division and certain other affiliates controlled by the Parent Corporation comprise the Adventist Health System/Sunbelt Obligated Group (Obligated Group). The Obligated Group is a group of not-for-profit corporations, which are jointly and severally liable under a Master Trust Indenture (MTI) to make all payments required with respect to obligations under the MTI. Total obligations under the MTI were approximately \$3,266,000 at December 31, 2011. At December 31, 2011, the Obligated Group had unrestricted net assets of approximately \$4,522,000. The obligations are secured under the MTI, which provides, among other things, for the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property and limitations on additional borrowings. In addition, the MTI requires certain covenants and reporting requirements to be met by the Obligated Group.

The Corporation allocates debt and the related proceeds to individual facilities based on capital funding needs. Subsequently, the individual facility's debt is managed under a pooled debt methodology. Under this methodology, each facility is allocated debt balances in the same ratio of fixed-rate to variable-rate debt balances that exist at the Corporation. Each facility is allocated interest expense using a weighted-average interest rate based on the total interest expense of the Corporation.

### Variable-Rate Bonds

Certain variable-rate bonds may be put to the Corporation at the option of the bondholder. The variable-rate bond indentures generally provide to the Corporation the option to remarket the obligations at the then prevailing market rates for periods ranging from one day to the maturity dates.

The obligations have been primarily marketed for seven-day periods during 2011, with interest rates ranging from 0.03% to 3.25%. The Corporation has various sources of liquidity in the event any variable-rate bonds are put and not remarketed, including bank letter of credit agreements. The bank letter of credit agreements provide, among other things, that in the event a market for these obligations is not sustained, the bank would purchase the obligations at rates that vary with prime or in certain cases, the London Interbank Offer Rate (LIBOR). The Corporation's obligation to the bank would be payable in accordance with the variable-rate bonds' original maturities over the remaining term of the letter of credit agreements, with the remaining amount due upon expiration of the letter of credit agreements.

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The System had a revolving credit agreement (Revolving Note) with a syndicate of banks (Syndicate) in the aggregate amount of \$1,885,200 for letters of credit, liquidity facilities and general corporate needs, including working capital, capital expenditures and acquisitions that had an expiration date in December 2011. In December 2010, the System amended the Revolving Note (New Revolving Note) with a revised group of banks (New Syndicate). The New Revolving Note totals \$1,750,000 and has an expiration date in December 2015. The New Revolving Note became effective in March 2011, upon the replacement of the existing letters of credit with letters of credit issued by the New Syndicate (LOC Substitutions). At December 31, 2011, the System has \$637,490 of the applicable revolving credit agreements committed to letter of credit agreements that secure variable-rate bonds.

Variable-rate bonds that are not supported by bank letter of credit agreements or are supported by agreements that expire within a year are included in short-term financings in the accompanying combined balance sheet.

## 2011 Debt Transactions

During 2011, the System extinguished certain debt obligations with par amounts totaling \$154,570. These obligations were retired using existing funds. During November 2011, the System issued bonds with par amounts totaling \$80,000 that have a fixed rate of 2.4% through a mandatory tender date of November 2021. The interest rate on the bonds may be reset at the respective mandatory tender dates to either a fixed-rate or variable-rate mode. With the proceeds, the System financed or refinanced certain costs of the acquisition, construction, renovation and equipping of certain facilities.

In connection with the extinguishments noted above, the Division transferred net assets in the amount of \$2,414 to the Corporation, which included deferred financing costs, original issue discounts or premiums and debt service reserve funds related to the obligations that were extinguished. This amount is included in transfers from affiliated entities in the accompanying combined statement of operations and changes in net assets.

Maturities of long-term debt consist of the following:

2012	\$	40,991
2013		39,865
2014		40,887
2015		40,239
2016		42,608
Thereafter		1,456,928

Interest expense approximated the cash paid for interest during the year ended December 31, 2011.

## 8. Retirement Plans

### Defined Contribution Plan

The Division participates with other Seventh-day Adventist healthcare entities in a defined contribution retirement plan (Plan) that covers substantially all full-time employees who are at least 18 years of age. The Plan is exempt from the Employee Retirement Income Security Act of 1974. The Plan provides, among other things, that the employer contribute 2.6% of wages, plus additional amounts for very highly paid employees. Additionally, the Plan provides that the employer match 50% of the employee's contributions up to 4% of the contributing employee's wages, resulting in a maximum available match of 2% of the contributing employee's wages each year.

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(dollars in thousands)*

Contributions for the Plan are included in employee compensation in the accompanying combined statement of operations and changes in net assets in the amount of \$48,978 for the year ended December 31, 2011

## **Defined Benefit Plan – Multiemployer Plan**

Prior to January 1, 1992, substantially all of the hospitals within the Division, in addition to other entities within the System, participated in a multiemployer, noncontributory defined benefit retirement plan, the Seventh-day Adventist Hospital Retirement Plan Trust (Old Plan) administered by the General Conference of Seventh-day Adventists that is exempt from the Employee Retirement Income Security Act of 1974. The risks of participating in multiemployer plans is different from single-employer plans in the following aspects:

Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

If an entity chooses to stop participating in the multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as withdrawal liability.

During 1992, the Old Plan was suspended and the Plan was established. The participating hospitals within the Division, along with the other participants in the Old Plan, may be required to make future contributions to the Old Plan to fund any difference between the present value of the Old Plan benefits and the fair value of the Old Plan assets. Future funding amounts and the funding time periods have not been determined by the Old Plan administrators, however, management believes the impact of any such future decisions will not have a material adverse effect on the Division's combined financial statements.

The plan assets and benefit obligation data for the Old Plan as of December 31, 2009 is as follows:

Total plan assets	\$ 792,099
Actuarial present value of accumulated plan benefits	858,199
Funded status	92.3%

The most current plan assets data is as of December 31, 2010 and totaled \$830,043. The participating hospitals within the Division did not make contributions to the Old Plan for the year ended December 31, 2011.

## **Defined Benefit Plan – Frozen Pension Plan**

As of the date of the acquisition by the Parent Corporation, both UCH and BFMC sponsored a noncontributory defined benefit pension plan (UCH Pension Plan and BFMC Pension Plan or collectively, Pension Plans). The Pension Plans were frozen in December 2010, such that no new benefits will be accrued in the future. The projected and accumulated benefit obligation and the fair value of plan assets of the BFMC Pension Plan were removed from the 2011 end of year obligation as a result of the removal of BFMC from the Division. ASC 715, Compensation – Retirement Benefits, requires employers that sponsor defined benefit plans to recognize the funded status of their postretirement benefit plans in the statement of financial position, measure the fair value of plan assets and benefit obligations as of the date of the year-end statement of financial position and provide additional disclosures.

# Notes to Combined Financial Statements

*For the year ended  
December 31, 2011  
(dollars in thousands)*

The following table sets forth the remaining combined projected and accumulated benefit obligations and the assets of the Pension Plans at December 31, 2011, the components of net periodic benefit costs for the year then ended and a reconciliation of the amounts recognized in the accompanying combined financial statements

Accumulated benefit obligation, end of year	<u>\$ 171,238</u>
Change in projected benefit obligation	
Projected benefit obligation, beginning of year	\$ 196,206
Projected benefit obligation of entity removed from the Division	(37,954)
Interest cost	8,537
Benefits paid	(4,637)
Actuarial loss	9,086
Projected benefit obligation, end of year	<u>171,238</u>
Change in plan assets	
Fair value of plan assets, beginning of year	126,269
Fair value of plan assets of entity removed from the Division	(17,414)
Actual return on plan assets	674
Employer contributions	44,797
Benefits paid	(4,637)
Fair value of plan assets, end of year	<u>149,689</u>
Deficiency of fair value of plan assets over projected benefit obligation, included in other noncurrent liabilities	<u>\$ (21,549)</u>

No plan assets are expected to be returned to the Division during the fiscal year ending December 31, 2011

Included in unrestricted net assets at December 31, 2011, are unrecognized actuarial gains of \$5,999 that have not yet been recognized in net periodic pension expense. None of the actuarial gain included in unrestricted net assets is expected to be recognized in net periodic pension cost during the year ending December 31, 2012

Changes in plan assets and benefit obligations recognized in unrestricted net assets at December 31, 2011 include

Net actuarial loss	\$ 15,405
Amortization of net actuarial loss	186
Total recognized in unrestricted net assets	<u>\$ 15,591</u>

The components of net periodic pension cost for the year ended December 31, 2011, were as follows

Interest cost	\$ 8,537
Expected return on plan assets	(7,302)
Recognized net actuarial gain	(186)
Net periodic pension cost	<u>\$ 1,049</u>

The assumptions used to determine the benefit obligation and net periodic pension cost for the UCH Pension Plan at December 31, 2011 are set forth below

<b>Used to determine projected benefit obligation</b>	
Discount rate	5 13%



# Notes to Combined Financial Statements

For the year ended  
December 31, 2011  
(dollars in thousands)

## Used to determine benefit cost

Discount rate	5.47%
Expected long-term rate of return on plan assets	5.50%
Rate of compensation increase	N/A

The UCH Pension Plan's assets are invested in a portfolio designed to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. Diversification is achieved by allocating funds to various asset classes and investment styles and by retaining multiple investment managers with complementary styles, philosophies and approaches.

The UCH Pension Plan's assets are managed solely in the interest of the participants and their beneficiaries. The expected long-term rate of return on the UCH Pension Plan's assets is based on historical and projected rates of return for current and planned asset categories in the investment portfolio. Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates. Based on the target allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets. During 2011 the System reallocated the investment portfolio of the Pension Plan to include primarily fixed income securities and alternative investments. The target investment allocation for the UCH Pension Plan is 50% fixed income and 50% equity securities. This allocation is particularly achieved through investments in alternative investments that have fixed income or equity strategies.

The following table presents the Pension Plan's financial instruments as of December 31, 2011, measured at fair value on a recurring basis by the valuation hierarchy defined in note 12.

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 12.906	\$ 12.906	\$ -	\$ -
<b>Debt securities</b>				
U.S. government agencies and sponsored entities	30.269	6.581	23.688	-
U.S. corporate bonds	33.906	-	33.906	-
Commercial mortgage- backed	808	-	808	-
Collateralized debt obligations	6.200	-	6.200	-
<b>Equity securities</b>				
Domestic equities	6.626	6.626	-	-
Foreign equities	2.966	2.966	-	-
<b>Alternative investments</b>				
Alternate strategies	22.100	-	22.100	-
Commodity	3.750	-	3.750	-
Currency	2.726	-	2.726	-
Event driven	4.852	-	3.371	1.481
Global macro	3.713	-	3.713	-
Long/short	11.108	-	11.108	-
Multi-strategy	1.001	-	-	1.001
Relative value	1.159	-	1.159	-
Specialist credit	5.599	-	3.746	1.853
<b>Total plan assets</b>	<u>\$ 149.689</u>	<u>\$ 29.079</u>	<u>\$ 116.275</u>	<u>\$ 4.335</u>

Adventist Health  
System – Florida  
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# Notes to Combined Financial Statements

*For the year ended  
December 31, 2011  
(dollars in thousands)*

Fair value methodologies for Levels 1, 2 and 3 are consistent with the inputs described in note 12

The changes in financial assets classified as Level 3 during the year ended December 31, 2011 were as follows

	Alternative Investments			Total
	Event Driven	Multi- Strategy	Specialist Credit	
Beginning balance	\$ –	\$ –	\$ –	\$ –
Purchases	1,936	1,235	2,694	5,865
Sales	–	–	(368)	(368)
Unrealized losses	(455)	(234)	(473)	(1,162)
Ending balance	<u>\$ 1,481</u>	<u>\$ 1,001</u>	<u>\$ 1,853</u>	<u>\$ 4,335</u>

The following represents the expected benefit plan payments for the next five years and the five years thereafter

Year ending December 31	
2012	\$ 4,806
2013	5,678
2014	6,147
2015	6,713
2016	7,247
2017-2021	46,251

## 9. Medical Malpractice

The Division participates in a self-insured revocable trust (Trust), which covers the System's facilities for claims below a specified level (Excess Level) Claims above the Excess Level are covered by a claims-made policy with a commercial insurance company An Excess Level of \$2,000 was established for the year ended December 31, 2001 The Excess Level was increased to \$7,500 and \$15,000, effective January 1, 2002 and 2003, respectively, and has remained at \$15,000 through December 31, 2011

The assets and liabilities related to the Trust are recorded in the Parent Corporation's consolidated financial statements

## 10. Commitments and Contingencies

### Operating Leases

The Division leases certain property and equipment under operating leases Lease and rental expense was approximately \$39,100 for the year ended December 31, 2011

Net future minimum lease payments under noncancelable operating leases as of December 31, 2011, are as follows

2012	\$ 20,078
2013	15,441
2014	13,091
2015	11,667
2016	8,628
Thereafter	10,514

**Adventist Health  
System – Florida  
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# Notes to Combined Financial Statements

*For the year ended  
December 31, 2011  
(dollars in thousands)*

## Litigation

Certain of the Division's facilities are involved in litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the Division's combined financial statements.

## 11. Transactions with Related Organizations

Certain transactions are made with the Parent Corporation on a routine basis. These transactions are comprised of information technology services, medical malpractice, management fees (includes fees for management and other services provided by the Parent Corporation), workers' compensation and other fees (includes legal fees, taxes, professional fees and other items, initially paid for by the Parent Corporation).

Management fees and allocated costs consist of the following for the year ended December 31, 2011:

Information technology services	\$ 72,058
Medical malpractice insurance	56,757
Management fees	55,616
Workers' compensation insurance	13,639
Other fees	7,390
	<u>\$ 205,460</u>

During 2011, the Division transferred \$24,375 to the Parent Corporation to assist in funding various System operating and capital needs. Additionally, in 2011 the Division received \$41,987 from an affiliated entity to assist in the funding of the UCH Pension Plan.

Receivables from and payables to related organizations are principally related to the Parent Corporation and other affiliated organizations. These amounts consist of the following at December 31, 2011:

Receivables from related organizations included in other receivables (current)	\$ 10,428
Payables to related organizations included in other current liabilities	104,707

The Division serves patients under a contractual agreement with a managed care provider, which is a controlled affiliate of the Parent Corporation. Payments under this contractual agreement are based upon discounts from established charges. Services under the agreement represented approximately \$60,900 of the Division's patient service revenue for the year ended December 31, 2011. Premiums paid to the affiliate for employee health benefits approximated \$90,500 for the year ended December 31, 2011, and are included in employee compensation.

The Division pays professional fees to an affiliate for physician services related to physicians employed by the affiliate. Fees paid during 2011 approximated \$31,200 and are included in professional fees in the accompanying combined statement of operations and changes in net assets.

# Notes to Combined Financial Statements

For the year ended  
December 31, 2011  
(dollars in thousands)

The Division has prepaid for certain data processing services to a related organization. The amount paid during 2011 was approximately \$13,200. The unamortized portion of the prepaid fees is included in other current assets and other assets (see note 6) in the accompanying combined balance sheet and will be amortized in future years.

## 12. Fair Value Measurements

The Division follows ASC 820, which provides a framework for measuring fair value of certain assets and liabilities and disclosures about fair value measurements. As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of the Division's financial assets and financial liabilities are measured at fair value on a recurring basis, including fixed income and equity instruments. The three levels of the fair value hierarchy defined by ASC 820 and a description of the valuation methodologies used for instruments measured at fair value are as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Division has the ability to access.

*Level 2* – Financial assets and liabilities whose values are based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in nonactive markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

### Fair Values

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The fair value of financial assets that are measured at fair value on a recurring basis at December 31, 2011, was as follows:

	Total	Level 1	Level 2	Level 3
<b>Investments</b>				
U.S. government agencies and sponsored entities	\$ 409	\$ –	\$ 409	\$ –
Domestic equities	116	116	–	–
Foreign equities	10	10	–	–
<b>Total</b>	<u>\$ 535</u>	<u>\$ 126</u>	<u>\$ 409</u>	<u>\$ –</u>

# Notes to Combined Financial Statements

For the year ended  
December 31, 2011  
(dollars in thousands)

The fair value of financial assets that comprise the central investment pool and allocated trustee-held funds that are measured at fair value on a recurring basis at December 31, 2011, were measured at fair value based on inputs categorized as follows

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	29%	29%	–%	–%
U S government agencies and sponsored entities	39	1	38	–
U S corporate bonds	3	–	3	–
Residential mortgage-backed	3	–	3	–
Commercial mortgage- backed	1	–	1	–
Collateralized debt obligations	2	–	2	–
Student loan asset-backed	1	–	1	–
Alternative investments	22	–	22	–
Total	100%	30%	70%	–%

The carrying values of accounts receivable and accounts payable are reasonable estimates of their fair value due to the short-term nature of these financial instruments. The fair values of the Division's allocated fixed-rate bonds are based on quoted market prices for the same or similar issues and approximate \$1,230,000 as of December 31, 2011. The carrying amount approximates fair value for all other long-term debt (see note 7).

## Reconciliation to the Combined Balance Sheet

Financial assets are reflected in the combined balance sheet at December 31, 2011 as follows

Investments measured at fair value	\$ 535
Certificates of deposit	330
Total investments	\$ 865
Assets whose use is limited measured at fair value	\$ –
Allocated trustee-held funds	12,930
Cash management deposits	53,750
Total assets whose use is limited	\$ 66,680

## Valuation Techniques and Inputs

Within the central investment pool and for those financial assets held by the Division, the fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of Level 2 financial assets and liabilities were determined as follows

*Cash equivalents, U S government agencies and sponsored entities, U S corporate bonds, residential mortgage-backed, commercial mortgage-backed, collateralized debt obligations and student loan asset-backed* – These Level 2 securities were valued through the use of third party pricing services that use evaluated bid prices adjusted for specific bond characteristics and market sentiment

# Notes to Combined Financial Statements

*For the year ended  
December 31, 2011  
(dollars in thousands)*

*Alternative investments* – These underlying funds are valued using the net asset value (NAV) as a practical expedient to determine fair value. Several factors are considered in appropriately classifying the underlying funds in the fair value hierarchy. An underlying fund is generally classified as Level 2 if the Parent Corporation has the ability to withdraw its investment with the underlying fund at NAV at the measurement date or within the near term. An underlying fund is generally classified as Level 3 if the Parent Corporation does not have the ability to redeem its investment with the underlying fund at NAV within the near term. Those alternative investments classified as Level 3 as of December 31, 2011, were classified as such because they could not be redeemed in the near term.

## **13. Subsequent Events**

The Division evaluated events and transactions occurring subsequent to December 31, 2011 through March 22, 2012, the date the combined financial statements were available for issuance. During this period, there were no subsequent events that required recognition in the combined financial statements. Additionally, there were no nonrecognized subsequent events that required disclosure.

## **Supplementary Information**

Adventist Health System - Florida Division Hospitals

Combining Balance Sheet

December 31, 2011

	Florida Hospital Medical Center	Florida Hospital Zephyrhills, Inc.	Florida Hospital Heartland Medical Center	Florida Hospital Wauchula	Southwest Volusia Healthcare Corporation	Memorial Hospital - West Volusia, Inc.
<i>(dollars in thousands)</i>						
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash management deposits	\$ 1,198,585	\$ 88,028	\$ 78,101	\$ 1,086	\$ 71,213	\$ 47,955
Investments	–	535	–	–	–	–
Current portion of assets whose use is limited	1,164	85	86	–	81	43
Patient accounts receivable - net	53,662	1,236	154	674	1,190	196
Other receivables	129,598	10,012	9,862	11,549	8,546	7,232
Inventories	57,800	2,396	2,608	120	2,139	1,373
Prepaid expenses and other current assets	10,603	1,250	1,766	132	1,712	1,472
	<u>1,451,412</u>	<u>103,542</u>	<u>92,577</u>	<u>13,561</u>	<u>84,881</u>	<u>58,271</u>
<b>Property and Equipment</b>	1,442,010	71,656	75,929	4,159	64,173	50,987
<b>Assets Whose Use is Limited, net of current portion</b>	5,489	400	404	–	380	202
<b>Other Assets</b>	52,221	4,669	3,865	–	2,963	2,112
	<u>\$ 2,951,132</u>	<u>\$ 180,267</u>	<u>\$ 172,775</u>	<u>\$ 17,720</u>	<u>\$ 152,397</u>	<u>\$ 111,572</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities	\$ 152,498	\$ 10,367	\$ 9,642	\$ 1,080	\$ 7,887	\$ 6,423
Estimated settlements to third parties	22,059	1,962	3,840	2,190	1,294	1,530
Other current liabilities	66,373	2,408	13,151	–	2,106	2,184
Short-term financings	44,330	3,229	3,264	–	3,070	1,635
Current maturities of long-term debt	22,136	1,207	1,220	–	1,451	946
	<u>307,396</u>	<u>19,173</u>	<u>31,117</u>	<u>3,270</u>	<u>15,808</u>	<u>12,718</u>
<b>Long-Term Debt, net of current maturities</b>	877,824	63,273	63,951	–	60,200	32,032
<b>Other Noncurrent Liabilities</b>	15,908	–	108	130	12	62
	<u>1,201,128</u>	<u>82,446</u>	<u>95,176</u>	<u>3,400</u>	<u>76,020</u>	<u>44,812</u>
<b>Net Assets</b>						
Unrestricted net asset (deficit)	1,677,071	96,441	77,447	14,108	75,558	66,431
Temporarily restricted net asset	72,933	1,380	152	212	819	329
	<u>1,750,004</u>	<u>97,821</u>	<u>77,599</u>	<u>14,320</u>	<u>76,377</u>	<u>66,760</u>
<b>Commitments and Contingencies</b>						
	<u>\$ 2,951,132</u>	<u>\$ 180,267</u>	<u>\$ 172,775</u>	<u>\$ 17,720</u>	<u>\$ 152,397</u>	<u>\$ 111,572</u>



Florida Hospital Memorial Medical Center and Florida Hospital - Oceanside	Memorial Hospital - Flagler, Inc.	Florida Hospital Waterman, Inc.	Florida Hospital Tampa / Pepin Heart Institute	Florida Hospital Carrollwood	Florida Hospital at Connetton Long Term Acute Care	Tarpon Springs Hospital Foundation, Inc.	Elimination Entries	Combed Total
\$ 106 487	\$ 138 369	\$ 172 206	\$ 52 804	\$ 4 382	\$ 2 367	\$ 172	\$ -	\$ 1 961 755
-	-	-	330	-	-	-	-	865
194	97	134	171	67	34	-	-	2 156
1 289	2 831	3 117	45 845	15 961	5 351	10 074	-	141 580
13 886	5 768	10 890	9 985	29 839	7	-	(48 179)	198 995
4 635	2 936	3 674	7 662	1 765	256	1 250	-	88 614
2 477	1 272	2 462	5 037	1 017	123	2 353	-	31 676
<u>128 968</u>	<u>151 273</u>	<u>192 483</u>	<u>121 834</u>	<u>53 031</u>	<u>8 138</u>	<u>13 849</u>	<u>(48 179)</u>	<u>2 425 641</u>
268 927	77 816	134 195	348 947	98 364	24 049	18 255	-	2 679 467
913	459	635	54 557	317	162	606	-	64 524
24 511	17 450	20 979	51 633	4 578	2 360	5 455	-	192 796
<u>\$ 423 319</u>	<u>\$ 246 998</u>	<u>\$ 348 292</u>	<u>\$ 576 971</u>	<u>\$ 156 290</u>	<u>\$ 34 709</u>	<u>\$ 38 165</u>	<u>\$ (48 179)</u>	<u>\$ 5 362 428</u>
\$ 14 334	\$ 8 304	\$ 11 930	\$ 35 208	\$ 7 972	\$ 2 343	\$ 8 180	\$ -	\$ 276 168
3 391	3 136	3 779	7 662	1 456	97	890	-	53 286
3 893	2 506	5 254	33 318	1 023	6 674	28 989	(48 179)	119 700
7 375	3 708	5 127	6 513	2 561	1 310	-	-	82 122
4 196	1 386	2 683	3 639	1 340	585	202	-	40 991
<u>33 189</u>	<u>19 040</u>	<u>28 773</u>	<u>86 340</u>	<u>14 352</u>	<u>11 009</u>	<u>38 261</u>	<u>(48 179)</u>	<u>572 267</u>
145 314	72 795	101 262	130 053	50 942	25 796	6 662	-	1 630 104
950	125	237	20 981	2 892	105	5 475	-	46 985
<u>179 453</u>	<u>91 960</u>	<u>130 272</u>	<u>237 374</u>	<u>68 186</u>	<u>36 910</u>	<u>50 398</u>	<u>(48 179)</u>	<u>2 249 356</u>
240 454	153 939	201 503	320 276	88 104	(2 201)	(13 924)	-	2 995 207
3 412	1 099	16 517	19 321	-	-	1 691	-	117 865
<u>243 866</u>	<u>155 038</u>	<u>218 020</u>	<u>339 597</u>	<u>88 104</u>	<u>(2 201)</u>	<u>(12 233)</u>	<u>-</u>	<u>3 113 072</u>
<u>\$ 423 319</u>	<u>\$ 246 998</u>	<u>\$ 348 292</u>	<u>\$ 576 971</u>	<u>\$ 156 290</u>	<u>\$ 34 709</u>	<u>\$ 38 165</u>	<u>\$ (48 179)</u>	<u>\$ 5 362 428</u>

# Adventist Health System - Florida Division Hospitals

## Combining Statement of Revenue and Expenses

Year ended December 31, 2011

	Florida Hospital Medical Center	Florida Hospital Zephyrhills, Inc	Florida Hospital Heartland Medical Center	Florida Hospital Wauchula	Southwest Volusia Healthcare Corporation	Memorial Hospital - West Volusia, Inc	Florida Hospital Memorial Medical Center and Florida Hospital - Oceanside
<i>(dollars in thousands)</i>							
<b>Revenue</b>							
Patient service	\$ 2,232,725	\$ 135,653	\$ 142,276	\$ 20,477	\$ 127,456	\$ 114,274	\$ 207,800
Provision for bad debts	(76,992)	(3,689)	(6,161)	(1,629)	(7,273)	(6,705)	(6,649)
Net patient service revenue	2,155,733	131,964	136,115	18,848	120,183	107,569	201,151
EHR incentive payments	4,499	3,048	3,800	104	2,886	2,892	3,354
Other	13,309	404	1,064	73	769	875	1,392
Total operating revenue	2,173,541	135,416	140,979	19,025	123,838	111,336	205,897
<b>Expenses</b>							
Employee compensation	1,011,952	55,228	61,858	8,998	52,226	48,822	81,933
Supplies	416,235	25,197	26,016	1,027	21,836	16,869	48,248
Professional fees	162,256	16,622	18,985	5,382	11,659	14,091	19,763
Other	210,298	15,374	17,856	3,724	17,438	15,079	29,857
Interest	46,358	3,447	3,430	-	3,128	1,769	8,065
Depreciation and amortization	122,322	7,034	5,640	601	6,181	5,893	18,785
Total operating expenses	1,969,421	122,902	133,785	19,732	112,468	102,523	206,651
<b>Income (Loss) from Operations</b>	204,120	12,514	7,194	(707)	11,370	8,813	(754)
<b>Nonoperating Gains (Losses)</b>	(8,797)	(4,657)	(1,811)	(120)	(1,168)	(1,370)	1,269
<b>Excess (Deficiency) of Revenue and Gains over Expenses and Losses</b>	\$ 195,323	\$ 7,857	\$ 5,383	\$ (827)	\$ 10,202	\$ 7,443	\$ 515

Memorial Hospital - Flagler, Inc	Florida Hospital Waterman, Inc	Florida Hospital Tampa / Pepin Heart Institute	Florida Hospital Carrollwood	Florida Hospital at Connerton Long Term Acute Care	Tarpon Springs Hospital Foundation, Inc	Bert Fish Medical Center	Combined Total
\$ 113,374 (5,187)	\$ 190,617 (9,731)	\$ 315,475 (2,643)	\$ 93,448 (4,644)	\$ 23,116 (902)	\$ 64,597 (3,881)	\$ 38,165 (3,358)	\$ 3,819,453 (1,39,444)
108,187	180,886	312,832	88,804	22,214	60,716	34,807	3,680,009
2,461	3,611	842	201	-	372	-	28,070
405	5,721	4,857	320	156	291	8,845	38,481
111,053	190,218	318,531	89,325	22,370	61,379	43,652	3,746,560
37,533	78,321	135,469	31,418	10,539	31,584	16,708	1,662,589
17,094	36,434	66,131	29,532	2,826	15,288	9,353	732,086
9,770	20,708	25,810	6,228	2,760	7,400	2,051	323,485
13,765	21,733	52,840	14,975	2,741	14,749	11,782	442,211
3,964	5,517	7,180	2,766	1,391	1,039	164	88,218
6,568	11,157	26,256	5,963	1,026	1,191	2,271	220,888
88,694	173,870	313,686	90,882	21,283	71,251	42,329	3,469,477
22,359	16,348	4,845	(1,557)	1,087	(9,872)	1,323	277,083
2,902	4,056	(1,165)	77	36	(781)	(1,377)	(12,906)
\$ 25,261	\$ 20,404	\$ 3,680	\$ (1,480)	\$ 1,123	\$ (10,653)	\$ (54)	\$ 264,177

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**Report of  
Independent  
Certified  
Public  
Accountants**

The Board of Directors  
Adventist Health System Sunbelt Healthcare Corporation  
d/b/a Adventist Health System

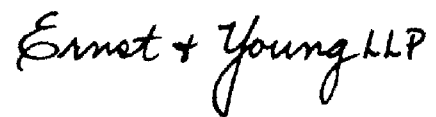
We have audited the accompanying combined balance sheet of Adventist Health System – Florida Division Hospitals (the Division) as of December 31, 2011, and the related combined statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Division’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Division’s internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Adventist Health System – Florida Division Hospitals at December 31, 2011 and the combined results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

As discussed in note 1 to the combined financial statements, the Division changed the presentation of the provision for bad debts as a result of the adoption of the amendments to the FASB Accounting Standards Codification resulting from Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, effective January 1, 2010.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining details appearing in conjunction with the combined financial statements are presented for purposes of additional analysis. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.



**Adventist Health  
System – Florida  
Division Hospitals**

Orlando, Florida  
March 22, 2012