

PUBLIC DISCLOSURE COPY

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the **2019** calendar year, or tax year beginning **OCT 1, 2019** and ending **SEP 30, 2020**

| | | |
|--|--|--|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization MARCO ISLAND HOSPITAL, INC. Doing business as MARCO HEALTHCARE CENTER Number and street (or P.O. box if mail is not delivered to street address) Room/suite 40 S. HEATHWOOD DRIVE City or town, state or province, country, and ZIP or foreign postal code MARCO ISLAND, FL 34145 F Name and address of principal officer: RICK WYLES SAME AS C ABOVE | D Employer identification number 59-2315435 E Telephone number 239-624-6338 G Gross receipts \$ 3,604,066. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶ |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | |
| J Website: ▶ WWW.NCHMD.ORG | | |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | L Year of formation: 1983 |
| | | M State of legal domicile: FL |

| Part I Summary | | | |
|--|--|--|-------------|
| | 1 Briefly describe the organization's mission or most significant activities: <u>HELPING EVERYONE LIVE A LONGER, HAPPIER, AND HEALTHIER LIFE.</u> | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| Activities & Governance | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 9 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 8 |
| | 5 Total number of individuals employed in calendar year 2019 (Part V, line 2a) | 5 | 40 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 39 |
| | 7 a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0. |
| | b Net unrelated business taxable income from Form 990-T, line 39 | 7b | 0. |
| | Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year |
| 9 Program service revenue (Part VIII, line 2g) | | 0. | 0. |
| 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | | 3,791,628. | 3,487,267. |
| 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | | 0. | 0. |
| 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | | 75,195. | 66,884. |
| 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | | 3,866,823. | 3,554,151. |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 2,000. | 0. |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 0. | 0. |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 1,942,417. | 1,996,973. |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0. | 0. |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ | 0. | 0. |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 929,959. | 925,054. |
| 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 2,874,376. | 2,922,027. | |
| 19 Revenue less expenses. Subtract line 18 from line 12 | 992,447. | 632,124. | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | 21 Total liabilities (Part X, line 26) | 5,317,054. | 5,093,077. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 304,896. | 258,158. |
| 22 Net assets or fund balances. Subtract line 21 from line 20 | 5,012,158. | 4,834,919. | |

| | | | | | | | | | | | | | | | | |
|---|--|--|---|-------------------|---|-------------------|--------------------------|-------------------------|--|--|--|--|--|------------------------|--|--|
| Part II Signature Block | | | | | | | | | | | | | | | | |
| Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. | | | | | | | | | | | | | | | | |
| Sign Here | Signature of officer _____ Date _____ RICK WYLES, CHIEF FINANCIAL OFFICER Type or print name and title | | | | | | | | | | | | | | | |
| Paid Preparer Use Only | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>Print/Type preparer's name REBEKUH ELEY</td> <td>Preparer's signature</td> <td>Date 08/12/21</td> <td>Check if self-employed <input type="checkbox"/></td> <td>PTIN P01247672</td> </tr> <tr> <td>Firm's name ▶ RSM US LLP</td> <td colspan="2">Firm's EIN ▶ 42-0714325</td> <td colspan="2"></td> </tr> <tr> <td colspan="2">Firm's address ▶ 30 S. WACKER DRIVE, STE 3300 CHICAGO, IL 60606</td> <td colspan="3">Phone no. 312-634-3400</td> </tr> </table> | Print/Type preparer's name REBEKUH ELEY | Preparer's signature | Date 08/12/21 | Check if self-employed <input type="checkbox"/> | PTIN P01247672 | Firm's name ▶ RSM US LLP | Firm's EIN ▶ 42-0714325 | | | | Firm's address ▶ 30 S. WACKER DRIVE, STE 3300 CHICAGO, IL 60606 | | Phone no. 312-634-3400 | | |
| Print/Type preparer's name REBEKUH ELEY | Preparer's signature | Date 08/12/21 | Check if self-employed <input type="checkbox"/> | PTIN P01247672 | | | | | | | | | | | | |
| Firm's name ▶ RSM US LLP | Firm's EIN ▶ 42-0714325 | | | | | | | | | | | | | | | |
| Firm's address ▶ 30 S. WACKER DRIVE, STE 3300 CHICAGO, IL 60606 | | Phone no. 312-634-3400 | | | | | | | | | | | | | | |

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III []

1 Briefly describe the organization's mission:

HELPING EVERYONE LIVE A LONGER, HAPPIER, AND HEALTHIER LIFE.

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 [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

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

4a (Code:) (Expenses \$ 2,503,160. including grants of \$) (Revenue \$ 3,508,399.)
MARCO ISLAND HOSPITAL OPERATES AN 11 1/2-HOUR/7-DAYS A WEEK URGENT CARE FACILITY AND SERVICES PATIENTS WITHOUT REGARD TO THEIR ABILITY TO PAY. DURING FYE 9/30/20, 7,033 PATIENTS WERE TREATED. OF THESE PATIENTS, 8.22% WERE CLASSIFIED AS MEDICAID, CHARITY, OR BAD DEBTS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 2,503,160.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|---|-----|----|
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | | X |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | X | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | | X |
| 24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| 24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| 24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 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> | | X |
| 26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i> | | X |
| 27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | X | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | X | |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | X | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O | X | |

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

| | Yes | No |
|---|-----|----|
| 1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | | |
| b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | X | |

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee counts, tax returns, business income, foreign accounts, prohibited transactions, and charitable contributions.

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

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

Section A. Governing Body and Management

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

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed FL
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[X] Own website [] Another's website [X] Upon request [] Other (explain on Schedule O)
19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records
RICK WYLES, CHIEF FINANCIAL OFFICER - (239) 624-4005
350 7TH STREET NORTH, NAPLES, FL 34102

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and 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. See instructions for the order in which to list the persons above.

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) ALLEN S. WEISS, M.D. TERM 01/19 FORMER PRESIDENT/CEO/TRUSTEE | 0.00 0.00 | | | | | | | 0. | 1,036,752. | 26,002. |
| (2) PHILLIP DUTCHER CHIEF OPERATING OFFICER SYSTEM | 1.00 44.00 | | | X | | | | 0. | 794,620. | 13,684. |
| (3) KEVIN D. COOPER TERM 01/19 FORMER CHIEF OF STAFF | 0.00 0.00 | | | | | | X | 0. | 595,431. | 22,324. |
| (4) FRANK ASTOR M.D. TERM 11/19 CHIEF MEDICAL OFFICER | 1.00 44.00 | | | X | | | | 0. | 567,013. | 28,107. |
| (5) RICK WYLES CFO/ASSISTANT TREASURER | 1.00 44.00 | | | X | | | | 0. | 474,496. | 33,122. |
| (6) JONATHAN KLING, R.N. CHIEF NURSING OFFICER/COO NNH | 1.00 44.00 | | | X | | | | 0. | 468,304. | 32,450. |
| (7) ZACHARY BOSTOCK TERM 03/20 CHIEF ADMINISTRATIVE OFFICER | 1.00 44.00 | | | X | | | | 0. | 463,099. | 33,703. |
| (8) LINDA ROEBACK TERM 05/20 CHIEF COUNSEL | 1.00 44.00 | | | X | | | | 0. | 383,672. | 25,908. |
| (9) RENEE M. THIGPEN CHIEF HR OFFICER | 1.00 44.00 | | | X | | | | 0. | 336,163. | 28,917. |
| (10) MICHAEL RILEY CHIEF STRATEGY OFFICER | 1.00 44.00 | | | X | | | | 0. | 333,178. | 28,007. |
| (11) GARY TOMCIK, TERM 04/20 CHIEF EXPERIENCE OFFICER | 1.00 44.00 | | | X | | | | 0. | 294,837. | 33,712. |
| (12) PAUL HILTZ PRESIDENT/CEO/TRUSTEE | 1.00 44.00 | X | | X | | | | 0. | 286,692. | 6,163. |
| (13) JIM MAHON, START 11/19 CHIEF PHILANTHROPY OFFICER | 1.00 44.00 | | | X | | | | 0. | 83,489. | 0. |
| (14) KEVIN M. FITZGERALD CHAIRMAN | 2.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (15) JOHN L. (JACK) PATTERSON 1ST VICE CHAIRMAN | 2.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (16) RICHARD ADAMS 2ND VICE CHAIRMAN/SECRETARY/TREAS. | 2.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (17) LISA GANDY TRUSTEE | 2.00 0.00 | X | | | | | | 0. | 0. | 0. |

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) DAVID CARUSO TRUSTEE | 2.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (19) DIANNA DOHM TRUSTEE | 2.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (20) PATRICIA KAUFMAN TRUSTEE | 2.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (21) SANDRA MONSON TRUSTEE | 2.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (22) KRISTIN MASCOTTI, M.D. CHIEF MEDICAL OFFICER START 06/20 | 1.00 44.00 | | | X | | | | 0. | 0. | 0. |
| (23) PAMELA ZIPPERER-DAVIS START CHIEF ADMINISTRATIVE OFFICER 06/20 | 1.00 44.00 | | | X | | | | 0. | 0. | 0. |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1b Subtotal | | | | | | | | 0. | 6,117,746. | 312,099. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | | | | | | | | 0. | 6,117,746. | 312,099. |

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 **0**

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

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 |
|----------------------------------|--------------------------------|---------------------|
| NONE | | |
| | | |
| | | |
| | | |
| | | |

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 **0**

Part VIII Statement of Revenue

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

| | | | (A) | (B) | (C) | (D) | |
|---|---|--------------------------------|----------------|------------------------------------|----------------------------|--|--|
| | | | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512 - 514 | |
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a Federated campaigns | 1a | | | | | |
| | b Membership dues | 1b | | | | | |
| | c Fundraising events | 1c | | | | | |
| | d Related organizations | 1d | | | | | |
| | e Government grants (contributions) | 1e | | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above ... | 1f | | | | | |
| | g Noncash contributions included in lines 1a-1f | 1g \$ | | | | | |
| | h Total. Add lines 1a-1f | | | | | | |
| Program Service Revenue | 2 a NET PATIENT SVC REV | Business Code 621400 | 3,487,267. | 3,487,267. | | | |
| | b | | | | | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f All other program service revenue | | | | | | |
| | g Total. Add lines 2a-2f | | | 3,487,267. | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | | | | | |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | | |
| | 5 Royalties | | | | | | |
| | 6 a Gross rents | 6a | (i) Real | 95,667. | | | |
| | | | (ii) Personal | | | | |
| | | | | | | | |
| | b Less: rental expenses ... | 6b | | 49,915. | | | |
| | c Rental income or (loss) | 6c | | 45,752. | | | |
| | d Net rental income or (loss) | | | 45,752. | | 45,752. | |
| | 7 a Gross amount from sales of assets other than inventory | 7a | (i) Securities | | | | |
| | | | (ii) Other | | | | |
| | | | | | | | |
| | b Less: cost or other basis and sales expenses | 7b | | | | | |
| | c Gain or (loss) | 7c | | | | | |
| d Net gain or (loss) | | | | | | | |
| 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | 8a | | | | | | |
| | | | | | | | |
| | | | | | | | |
| b Less: direct expenses | 8b | | | | | | |
| c Net income or (loss) from fundraising events | | | | | | | |
| 9 a Gross income from gaming activities. See Part IV, line 19 | 9a | | | | | | |
| | | | | | | | |
| | | | | | | | |
| b Less: direct expenses | 9b | | | | | | |
| c Net income or (loss) from gaming activities | | | | | | | |
| 10 a Gross sales of inventory, less returns and allowances | 10a | | | | | | |
| | | | | | | | |
| | | | | | | | |
| b Less: cost of goods sold | 10b | | | | | | |
| c Net income or (loss) from sales of inventory | | | | | | | |
| Miscellaneous Revenue | 11 a MIH PULMONARY REHAB | Business Code 621990 | 12,176. | 12,176. | | | |
| | b AUXILIARY SALES REV | 453000 | 8,799. | 8,799. | | | |
| | c OTHER INCOME | 522100 | 157. | 157. | | | |
| | d All other revenue | | | | | | |
| | e Total. Add lines 11a-11d | | | 21,132. | | | |
| 12 Total revenue. See instructions | | | 3,554,151. | 3,508,399. | 0. | 45,752. | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ... | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | | | | |
| 6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 1,684,111. | 1,432,000. | 252,111. | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 63,623. | 54,099. | 9,524. | |
| 9 Other employee benefits | 129,246. | 109,898. | 19,348. | |
| 10 Payroll taxes | 119,993. | 102,030. | 17,963. | |
| 11 Fees for services (nonemployees): | | | | |
| a Management | | | | |
| b Legal | | | | |
| c Accounting | | | | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 200,741. | 170,690. | 30,051. | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | 229,138. | 194,836. | 34,302. | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 109,341. | 92,973. | 16,368. | |
| 17 Travel | | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials ... | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 226,119. | 192,269. | 33,850. | |
| 23 Insurance | 35,737. | 30,387. | 5,350. | |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a MEDICAL SUPPLIES | 121,585. | 121,585. | | |
| b BAD DEBT EXPENSE | 2,393. | 2,393. | | |
| c _____ | | | | |
| d _____ | | | | |
| e All other expenses _____ | | | | |
| 25 Total functional expenses. Add lines 1 through 24e | 2,922,027. | 2,503,160. | 418,867. | 0. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

| | | (A) | | (B) |
|---|--|------------------------|------------|-----------------------|
| | | Beginning of year | | End of year |
| Assets | 1 Cash - non-interest-bearing | 5,383. | 1 | 9,459. |
| | 2 Savings and temporary cash investments | | 2 | |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 455,602. | 4 | 384,292. |
| | 5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | | 8 | |
| | 9 Prepaid expenses and deferred charges | | 9 | |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 11,012,917. | | |
| | b Less: accumulated depreciation | 10b 6,314,806. | 4,854,854. | 10c 4,698,111. |
| | 11 Investments - publicly traded securities | | 11 | |
| | 12 Investments - other securities. See Part IV, line 11 | | 12 | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets. See Part IV, line 11 | 1,215. | 15 | 1,215. |
| 16 Total assets. Add lines 1 through 15 (must equal line 33) | 5,317,054. | 16 | 5,093,077. | |
| Liabilities | 17 Accounts payable and accrued expenses | 265,807. | 17 | 219,902. |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 39,089. | 25 | 38,256. |
| | 26 Total liabilities. Add lines 17 through 25 | 304,896. | 26 | 258,158. |
| Net Assets or Fund Balances | Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33. | | | |
| | 27 Net assets without donor restrictions | 5,012,158. | 27 | 4,834,919. |
| | 28 Net assets with donor restrictions | | 28 | |
| | Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33. | | | |
| | 29 Capital stock or trust principal, or current funds | | 29 | |
| | 30 Paid-in or capital surplus, or land, building, or equipment fund | | 30 | |
| | 31 Retained earnings, endowment, accumulated income, or other funds | | 31 | |
| | 32 Total net assets or fund balances | 5,012,158. | 32 | 4,834,919. |
| 33 Total liabilities and net assets/fund balances | 5,317,054. | 33 | 5,093,077. | |

Part XI Reconciliation of Net Assets

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

| | | | |
|-----------|--|-----------|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 3,554,151. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 2,922,027. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 632,124. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) | 4 | 5,012,158. |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain on Schedule O) | 9 | -809,363. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 4,834,919. |

Part XII Financial Statements and Reporting

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

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? _____
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? _____
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____
- 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 on Schedule O and describe any steps taken to undergo such audits _____

| | Yes | No |
|-----------|-----|----|
| 2a | | X |
| 2b | X | |
| 2c | X | |
| 3a | | X |
| 3b | | |

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

| | |
|--|---|
| Name of the organization MARCO ISLAND HOSPITAL, INC. | Employer identification number 59-2315435 |
|--|---|

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 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 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.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-10 above (see instructions)) | (iv) Is the organization listed in your governing document? | | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|---|---|----|---|---|
| | | | Yes | No | | |
| | | | | | | |
| | | | | | | |
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| | | | | | | |
| Total | | | | | | |

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2015 | (b) 2016 | (c) 2017 | (d) 2018 | (e) 2019 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4. | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2015 | (b) 2016 | (c) 2017 | (d) 2018 | (e) 2019 | (f) Total |
|--|----------|----------|----------|----------|----------|--------------------------|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|----|--------------------------|
| 14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2018 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2019. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 33 1/3% support test - 2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 17a 10% -facts-and-circumstances test - 2019. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 10% -facts-and-circumstances test - 2018. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | <input type="checkbox"/> |

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

(Complete only if you checked the box on line 10 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) 2015 | (b) 2016 | (c) 2017 | (d) 2018 | (e) 2019 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2015 | (b) 2016 | (c) 2017 | (d) 2018 | (e) 2019 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|---|
| 15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2018 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|--|-----------|---|
| 17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2018 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2019. 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 - 2018. 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 Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

| | Yes | No |
|--|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i> | | |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i> | | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i> | | |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i> | | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i> | | |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i> | | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i> | | |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i> | | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i> | | |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document? | | |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control? | | |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i> | | |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i> | | |
| b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i> | | |
| c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i> | | |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i> | | |
| b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i> | | |

Part IV Supporting Organizations (continued)

| | Yes | No |
|--|-----|----|
| 11 Has the organization accepted a gift or contribution from any of the following persons? | | |
| a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization? | | |
| b A family member of a person described in (a) above? | | |
| c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i> | | |

Section B. Type I Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i> | | |
| 2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i> | | |

Section C. Type II Supporting Organizations

| | Yes | No |
|--|-----|----|
| 1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i> | | |

Section D. All Type III Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? | | |
| 2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i> | | |
| 3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i> | | |

Section E. Type III Functionally Integrated Supporting Organizations

| | | |
|---|--|--|
| 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions). | | |
| a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below. | | |
| b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below. | | |
| c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions). | | |
| 2 Activities Test. Answer (a) and (b) below. | | |
| a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i> | | |
| b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i> | | |
| 3 Parent of Supported Organizations. Answer (a) and (b) below. | | |
| a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i> | | |
| b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i> | | |

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| Section A - Adjusted Net Income | | (A) Prior Year | (B) Current Year (optional) |
|---------------------------------|--|----------------|-----------------------------|
| 1 | Net short-term capital gain | 1 | |
| 2 | Recoveries of prior-year distributions | 2 | |
| 3 | Other gross income (see instructions) | 3 | |
| 4 | Add lines 1 through 3. | 4 | |
| 5 | Depreciation and depletion | 5 | |
| 6 | Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6 | |
| 7 | Other expenses (see instructions) | 7 | |
| 8 | Adjusted Net Income (subtract lines 5, 6, and 7 from line 4) | 8 | |

| Section B - Minimum Asset Amount | | (A) Prior Year | (B) Current Year (optional) |
|----------------------------------|---|----------------|-----------------------------|
| 1 | Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): | | |
| a | Average monthly value of securities | 1a | |
| b | Average monthly cash balances | 1b | |
| c | Fair market value of other non-exempt-use assets | 1c | |
| d | Total (add lines 1a, 1b, and 1c) | 1d | |
| e | Discount claimed for blockage or other factors (explain in detail in Part VI): | | |
| 2 | Acquisition indebtedness applicable to non-exempt-use assets | 2 | |
| 3 | Subtract line 2 from line 1d. | 3 | |
| 4 | Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions). | 4 | |
| 5 | Net value of non-exempt-use assets (subtract line 4 from line 3) | 5 | |
| 6 | Multiply line 5 by .035. | 6 | |
| 7 | Recoveries of prior-year distributions | 7 | |
| 8 | Minimum Asset Amount (add line 7 to line 6) | 8 | |

| Section C - Distributable Amount | | (A) Prior Year | Current Year |
|----------------------------------|---|----------------|--------------|
| 1 | Adjusted net income for prior year (from Section A, line 8, Column A) | 1 | |
| 2 | Enter 85% of line 1. | 2 | |
| 3 | Minimum asset amount for prior year (from Section B, line 8, Column A) | 3 | |
| 4 | Enter greater of line 2 or line 3. | 4 | |
| 5 | Income tax imposed in prior year | 5 | |
| 6 | Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions). | 6 | |
| 7 | <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions). | | |

Schedule A (Form 990 or 990-EZ) 2019

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

| Section D - Distributions | Current Year |
|---|--------------|
| 1 Amounts paid to supported organizations to accomplish exempt purposes | |
| 2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | |
| 3 Administrative expenses paid to accomplish exempt purposes of supported organizations | |
| 4 Amounts paid to acquire exempt-use assets | |
| 5 Qualified set-aside amounts (prior IRS approval required) | |
| 6 Other distributions (describe in Part VI). See instructions. | |
| 7 Total annual distributions. Add lines 1 through 6. | |
| 8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions. | |
| 9 Distributable amount for 2019 from Section C, line 6 | |
| 10 Line 8 amount divided by line 9 amount | |

| Section E - Distribution Allocations (see instructions) | (i) Excess Distributions | (ii) Underdistributions Pre-2019 | (iii) Distributable Amount for 2019 |
|--|-----------------------------|--|---|
| 1 Distributable amount for 2019 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions. | | | |
| 3 Excess distributions carryover, if any, to 2019 | | | |
| a From 2014 | | | |
| b From 2015 | | | |
| c From 2016 | | | |
| d From 2017 | | | |
| e From 2018 | | | |
| f Total of lines 3a through e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2019 distributable amount | | | |
| i Carryover from 2014 not applied (see instructions) | | | |
| j Remainder. Subtract lines 3g, 3h, and 3i from 3f. | | | |
| 4 Distributions for 2019 from Section D, line 7: \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2019 distributable amount | | | |
| c Remainder. Subtract lines 4a and 4b from 4. | | | |
| 5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions. | | | |
| 6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions. | | | |
| 7 Excess distributions carryover to 2020. Add lines 3j and 4c. | | | |
| 8 Breakdown of line 7: | | | |
| a Excess from 2015 | | | |
| b Excess from 2016 | | | |
| c Excess from 2017 | | | |
| d Excess from 2018 | | | |
| e Excess from 2019 | | | |

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization: MARCO ISLAND HOSPITAL, INC. Employer identification number: 59-2315435

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions regarding donor property and grant fund usage.

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

Form with multiple sections: 1. Purpose(s) of conservation easements (checkboxes for land, habitat, open space, historic area, structure). 2. Conservation contribution details (2a-2d table). 3-9. Monitoring and enforcement details (states, policy, hours, expenses, requirements).

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

Form with sections 1a-1b and 2. 1a: Text of footnote for art collection. 1b: Amounts for art collection (revenue/assets). 2: Amounts for art collection for financial gain (revenue/assets).

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

- 3** Using the organization's acquisition, accession, and other records, check any of the following that make 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 program
 - e** Other _____
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? **Yes** **No**

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

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

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

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

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶ _____ %
 - b** Permanent endowment ▶ _____ %
 - c** Term endowment ▶ _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|---------------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 1,959,284. | | 1,959,284. |
| b Buildings | | 6,484,978. | 4,094,414. | 2,390,564. |
| c Leasehold improvements | | | | |
| d Equipment | | 2,154,646. | 1,806,383. | 348,263. |
| e Other | | 414,009. | 414,009. | 0. |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) | | | | 4,698,111. |

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) Financial derivatives | | |
| (2) Closely held equity interests | | |
| (3) Other | | |
| (A) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶ | | |

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶ | | |

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description | (b) Book value |
|---|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | |

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | |
| (2) ACCRUED EXP - PROF/GEN LIAB INSURANCE | 29,900. |
| (3) ACCRUED EXP - WORKER ' S COMP | 8,356. |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | 38,256. |

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

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

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

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information.

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

PART X, LINE 2:

THE SYSTEM AND ALL OF ITS NOT-FOR-PROFIT SUBSIDIARIES ARE EXEMPT FROM
 FEDERAL INCOME TAXES ON RELATED INCOME UNDER SECTION 501(A) OF THE
 INTERNAL REVENUE CODE (THE CODE). THE SYSTEM AND ALL OF ITS NOT-FOR-PROFIT
 SUBSIDIARIES DO NOT HAVE SIGNIFICANT UNRELATED BUSINESS INCOME; HOWEVER,
 SUCH STATUS IS SUBJECT TO FINAL DETERMINATION UPON EXAMINATION OF THE
 RELATED INCOME TAX RETURNS BY THE APPROPRIATE TAXING AUTHORITIES. THE
 SYSTEM IS GENERALLY NO LONGER SUBJECT TO TAX EXAMINATIONS IN THE MAJOR
 U.S. TAXING JURISDICTIONS IN WHICH THEY OPERATE FOR TAX YEARS PRIOR TO
 2016.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

| | |
|--|---|
| Name of the organization MARCO ISLAND HOSPITAL, INC. | Employer identification number 59-2315435 |
|--|---|

Part I Financial Assistance and Certain Other Community Benefits at Cost

| | | Yes | No |
|--|-----------|-----|----|
| 1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a | 1a | X | |
| b If "Yes," was it a written policy? | 1b | X | |
| 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities | | | |
| 3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year. | | | |
| a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: | 3a | X | |
| <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % | | | |
| b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: | 3b | X | |
| <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ % | | | |
| c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care. | | | |
| 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? | 4 | X | |
| 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | 5a | X | |
| b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? | 5b | | X |
| c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? | 5c | | |
| 6a Did the organization prepare a community benefit report during the tax year? | 6a | X | |
| b If "Yes," did the organization make it available to the public? | 6b | X | |

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

| | (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 |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| Financial Assistance and Means-Tested Government Programs | | | | | | |
| a Financial Assistance at cost (from Worksheet 1) | | 7,033 | 10,528. | | 10,528. | .36% |
| b Medicaid (from Worksheet 3, column a) | | | 48,678. | 39,311. | 9,367. | .32% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total. Financial Assistance and Means-Tested Government Programs | | 7,033 | 59,206. | 39,311. | 19,895. | .68% |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | 2 | 362 | 4,072. | | 4,072. | .14% |
| f Health professions education (from Worksheet 5) | | | | | | |
| g Subsidized health services (from Worksheet 6) | | | | | | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | | | | |
| j Total. Other Benefits | 2 | 362 | 4,072. | | 4,072. | .14% |
| k Total. Add lines 7d and 7j | 2 | 7,395 | 63,278. | 39,311. | 23,967. | .82% |

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

| | Yes | No |
|--|-----|----|
| 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? | X | |
| 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount | | |
| 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit | | |
| 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements. | | |
| Section B. Medicare | | |
| 5 Enter total revenue received from Medicare (including DSH and IME) | | |
| 6 Enter Medicare allowable costs of care relating to payments on line 5 | | |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall) | | |
| 8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other | | |
| Section C. Collection Practices | | |
| 9a Did the organization have a written debt collection policy during the tax year? | X | |
| 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 | X | |

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

| (a) Name of entity | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership % | (e) Physicians' profit % or stock ownership % |
|--------------------|---|--|--|---|
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Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group MARCO ISLAND HOSPITAL, INC.

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

| | Yes | No |
|---|-----|----|
| Community Health Needs Assessment | | |
| 1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? | | X |
| 2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C | | X |
| 3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 | X | |
| If "Yes," indicate what the CHNA report describes (check all that apply): | | |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The significant health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s) | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |
| 4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 18</u> | | |
| 5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | X | |
| 6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C | X | |
| b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C | | X |
| 7 Did the hospital facility make its CHNA report widely available to the public? | X | |
| If "Yes," indicate how the CHNA report was made widely available (check all that apply): | | |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>HTTP://WWW.NCHMD.ORG/ABOUT-US/ANNUAL-REPORTS</u> | | |
| b <input type="checkbox"/> Other website (list url): _____ | | |
| c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Section C) | | |
| 8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 | X | |
| 9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 18</u> | | |
| 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? | X | |
| a If "Yes," (list url): <u>HTTP://WWW.NCHMD.ORG/ABOUT-US/ANNUAL-REPORTS</u> | | |
| b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? | | |
| 11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed. | | |
| 12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | | X |
| b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? | | |
| c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ | | |

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group MARCO ISLAND HOSPITAL, INC.

| | | Yes | No |
|---|---|-----|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that: | | | |
| 13 | Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? | X | |
| If "Yes," indicate the eligibility criteria explained in the FAP: | | | |
| a | <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> % | | |
| b | <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C) | | |
| c | <input checked="" type="checkbox"/> Asset level | | |
| d | <input checked="" type="checkbox"/> Medical indigency | | |
| e | <input checked="" type="checkbox"/> Insurance status | | |
| f | <input checked="" type="checkbox"/> Underinsurance status | | |
| g | <input checked="" type="checkbox"/> Residency | | |
| h | <input checked="" type="checkbox"/> Other (describe in Section C) | | |
| 14 | Explained the basis for calculating amounts charged to patients? | X | |
| 15 | Explained the method for applying for financial assistance? | X | |
| If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply): | | | |
| a | <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application | | |
| b | <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application | | |
| c | <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process | | |
| d | <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications | | |
| e | <input type="checkbox"/> Other (describe in Section C) | | |
| 16 | Was widely publicized within the community served by the hospital facility? | X | |
| If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | | | |
| a | <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u> | | |
| b | <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</u> | | |
| c | <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u> | | |
| d | <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| e | <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| f | <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| g | <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention | | |
| h | <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP | | |
| i | <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations | | |
| j | <input type="checkbox"/> Other (describe in Section C) | | |

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group MARCO ISLAND HOSPITAL, INC.

| | Yes | No |
|---|-----|----|
| <p>17 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 all of the actions the hospital facility or other authorized party may take upon nonpayment?</p> | X | |
| <p>18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:</p> <p>a <input type="checkbox"/> Reporting to credit agency(ies)</p> <p>b <input type="checkbox"/> Selling an individual's debt to another party</p> <p>c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP</p> <p>d <input type="checkbox"/> Actions that require a legal or judicial process</p> <p>e <input type="checkbox"/> Other similar actions (describe in Section C)</p> <p>f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted</p> | | |
| <p>19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?</p> <p>If "Yes," check all actions in which the hospital facility or a third party engaged:</p> <p>a <input type="checkbox"/> Reporting to credit agency(ies)</p> <p>b <input type="checkbox"/> Selling an individual's debt to another party</p> <p>c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP</p> <p>d <input type="checkbox"/> Actions that require a legal or judicial process</p> <p>e <input type="checkbox"/> Other similar actions (describe in Section C)</p> | | X |
| <p>20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):</p> <p>a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)</p> <p>b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)</p> <p>c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)</p> <p>d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)</p> <p>e <input type="checkbox"/> Other (describe in Section C)</p> <p>f <input type="checkbox"/> None of these efforts were made</p> | | |

Policy Relating to Emergency Medical Care

| | | |
|--|---|--|
| <p>21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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?</p> <p>If "No," indicate why:</p> <p>a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions</p> <p>b <input type="checkbox"/> The hospital facility's policy was not in writing</p> <p>c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)</p> <p>d <input type="checkbox"/> Other (describe in Section C)</p> | X | |
|--|---|--|

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group MARCO ISLAND HOSPITAL, INC.

| | | Yes | No |
|-----------|---|-----|----|
| 22 | Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care. | | |
| a | <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period | | |
| b | <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period | | |
| c | <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period | | |
| d | <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method | | |
| 23 | During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C. | 23 | X |
| 24 | During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C. | 24 | X |

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

MARCO ISLAND HOSPITAL, INC.:

PART V, SECTION B, LINE 5: CHNA TAKING INTO ACCOUNT INPUT FROM THE

COMMUNITY

THE NCH LEADERSHIP TEAM IS ACTIVELY INVOLVED AND PARTICIPATES IN MANY

COMMUNITY RELATED ORGANIZATIONS AND GROUPS THAT ARE CONTINUALLY ASSESSING

UNMET NEEDS WITHIN COLLIER COUNTY. NCH HAS HISTORICALLY WORKED WITH OUR

BOARD OF TRUSTEES, COLLIER COUNTY CHILDREN'S ALLIANCE, COLLIER COUNTY

PUBLIC SCHOOLS, BLUE ZONES PROJECT OF SWFL AND OTHER AGENCIES THROUGHOUT

THE COMMUNITY IN ASSESSING AND COLLABORATING IN EFFORTS TO IMPROVE THE

HEALTH OF OUR COMMUNITY.

NCH WORKS COLLABORATIVELY WITH THE FLORIDA DEPARTMENT OF HEALTH IN COLLIER

COUNTY, THE COUNTY AND CITY GOVERNMENT, THE NAPLES AREA CHAMBER OF

COMMERCE AND SEVERAL OTHER COMMUNITY GROUPS TO FORM THE COMMUNITY

ASSESSMENT DESIGN GROUP. THE PURPOSE IS TO ASSESS THE COMMUNITY'S

STRENGTHS AND OPPORTUNITIES. A NEW COMMUNITY HEALTH ASSESSMENT WAS

COMPLETED IN 2019. THE 2020-2023 COMMUNITY HEALTH IMPROVEMENT PLAN (CHIP)

PRIORITIES WERE ESTABLISHED IN 2020 BY THE HEALTHY COLLIER EXECUTIVE

COMMITTEE BASED ON THE RESULTS FROM THE CHA. DOH-COLLIER FACILITATED THE

CHIP PROCESS BY USING THE NATIONAL ASSOCIATION OF CITY AND COUNTY HEALTH

OFFICIALS MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIP (MAPP)

STRATEGIC PLANNING MODEL.

USING THE MOBILIZING FOR ACTION THROUGH THE PLANNING AND PARTNERSHIP

(MAPP) FRAMEWORK, THE LEADERSHIP FOR COMMUNITY HEALTH IMPROVEMENT PLANNING

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

(LCHIP) COMMITTEE REVIEWED THE 2019 COMMUNITY HEALTH ASSESSMENT (CHA) AND

HELD DISCUSSIONS REGARDING GROUP PRIORITIES AND OBJECTIVES GOING FORWARD.

THE COMMITTEE AGREED THAT THE RESULTS STRONGLY CORROBORATED THE RESULTS OF

OTHER RECENT COMMUNITY ASSESSMENTS AND ACCURATELY REFLECT THE NEEDS OF

COLLIER COUNTY.

THE 2020-2023 CHIP WAS THEN SHAPED USING THE FIVE HIGHEST RANKED HEALTH

PRIORITY AREAS FROM THE CHA RESULTS. THEY INCLUDE MENTAL HEALTH, CHRONIC

DISEASES, ACCESS TO CARE, ALCOHOL AND DRUG USE, AND HEALTH OF OLDER

ADULTS. MENTAL HEALTH AND ALCOHOL & DRUG USE WERE COMBINED INTO THE

MENTAL HEALTH & SUBSTANCE ABUSE WORKGROUP.

IN FEBRUARY AND MARCH OF 2020, THE DOH-COLLIER FACILITATORS CONVENED THE

HEALTH PRIORITY WOKGROUPS TO FINALIZE THE GOALS, STRATEGIES, AND

OBJECTIVES THAT EACH GROUP WILL WORK ON FOR THE NEXT THREE YEARS.

HEALTH PRIORITY: MENTAL HEALTH AND SUBSTANCE ABUSE

GOAL: IMPROVE IDENTIFICATION AND TREATMENT OF MENTAL HEALTH AND SUBSTANCE

USE DISORDERS.

OBJECTIVES:

1. INCREASE THE NUMBER OF PRIMARY CARE PROVIDER OFFICES AND URGENT CARE

FACILITIES IN COLLIER COUNTY THAT ARE USING THE COLLABORATION/INTEGRATION

CARE MODEL FROM 12 IN 2019 TO 25 BY THE END OF 2022. PROGRESS: AT THE

END OF 2020, THE NUMBER OF PRIMARY CARE PROVIDER OFFICES AND URGENT CARE

FACILITIES USING THE MODEL INCREASED TO 14.

2. INCREASE THE NUMBER OF INDIVIDUALS TRAINED PER YEAR IN YOUTH AND ADULT

MENTAL HEALTH FIRST AID FROM 1060 IN 2019 TO 3000 BY THE END OF 2021.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

PROGRESS: COVID-19 AFFECTED PROGRESS IN 2020 AND GREATLY REDUCED THE

NUMBER OF OPPORTUNITIES TO OFFER THE MHFA CLASS. AS A RESULT, THE NUMBER

OF INDIVIDUALS TRAINED IN 2020 WERE 524.

HEALTH PRIORITY: CHRONIC DISEASES

GOAL: DELIVER CULTURALLY RELEVANT HEALTH EDUCATION TO COLLIER COUNTY

RESIDENTS IN POPULATIONS WITH DISPARITIES IN HEALTH OUTCOMES.

OBJECTIVES:

1. INCREASE THE NUMBER OF BLUE ZONES APPROVED WORKSITES FROM 49 IN 2019 TO

65 BY THE END OF 2022. PROGRESS: FOUR NEWLY APPROVED WORKSITES WERE ADDED

IN 2020 WHICH RESULTED IN A TOTAL OF 53 APPROVED WORKSITES.

2. INCREASE THE NUMBER OF WORKSITES IN COLLIER COUNTY USING THE CDC

WORKSITE WELLNESS SCORECARD FROM ONE IN 2019 TO FOUR BY THE END OF 2022.

PROGRESS: THERE WERE NO NEW CDC WORKSITE WELLNESS SCORECARD SITES ADDED

IN 2020. DOH-COLLIER'S RESPONSE TO THE COVID-19 PANDEMIC SLOWED PROGRAM

DEVELOPMENT AND ONBOARDING.

3. INCREASE THE NUMBER OF TOBACCO FREE WORKPLACE POLICIES IN COLLIER

COUNTY WITH CESSATION SERVICES NEW OR ADDED FROM ONE IN FISCAL YEAR 2019

TO THREE IN FISCAL YEAR 2020. PROGRESS: TWO NEW WORKSITES WITH CESSATION

POLICIES WERE ADDED IN FISCAL YEAR 2019-2020. THE EXECUTIVE COMMITTEE

AGREED TO REMOVING THIS OBJECTIVE BECAUSE THE NEW PROGRAM GRANT CYCLE

BEGINNING IN JUNE 2021 DOES NOT HAVE A WORKSITES FOCUS AND THE NEW PROGRAM

OBJECTIVE WILL NOT BE FINALIZED UNTIL JUNE.

HEALTH PRIORITY: ACCESS TO CARE

GOAL: INCREASE ACCESS TO BLOOD PRESSURE SCREENING SERVICES FOR UNINSURED

COLLIER COUNTY RESIDENTS.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

OBJECTIVE:

1. INCREASE THE NUMBER OF UNINSURED RESIDENTS PER YEAR IN COLLIER COUNTY

WHO RECEIVED A BLOOD PRESSURE SCREENING FROM 12,404 IN 2019 TO 14,000 IN

2022, AN INCREASE OF ABOUT 5% PER YEAR. PROGRESS: THE DEMAND FOR

COVID-19 TESTING BROUGHT MORE UNINSURED PEOPLE TO THE CLINICS IN 2020

CREATING MORE OPPORTUNITIES TO OFFER HEALTH SCREENINGS INCLUDING BLOOD

PRESSURE. THIS DEMAND RESULTED IN 13,403 UNINSURED RESIDENTS RECEIVING

BLOOD PRESSURE SCREENINGS.

HEALTH PRIORITY: HEALTH OF OLDER ADULTS

GOAL: INCREASE CAPACITY FOR OLDER ADULTS (AGE 60+) TO COMFORTABLY AND

SAFELY AGE IN PLACE WITH APPROPRIATE RESOURCES IN A LIVABLE COMMUNITY.

OBJECTIVES:

1. COMPLETE 100% OF THE STEPS REQUIRED TO SUBMIT A SUCCESSFUL APPLICATION

IN DECEMBER OF 2020 TO JOIN THE AARP NETWORK OF AGE-FRIENDLY COMMUNITIES.

PROGRESS: THE APPLICATION PACKAGE WAS SUBMITTED TO AARP AND COLLIER

COUNTY OFFICIALLY RECEIVED DESIGNATION AS AN AARP AGE-FRIENDLY COMMUNITY

IN DECEMBER 2020.

2. COMPLETE 100% OF THE STEPS REQUIRED TO ESTABLISH A DEMENTIA CARE AND

CURE TASKFORCE IN COLLIER COUNTY BY DECEMBER 2020. PROGRESS: COLLIER

COUNTY DCCI TASKFORCE WAS ESTABLISHED AND DEVELOPED THE MISSION AND

VISION. THE STATUS OF THIS OBJECTIVE IS COMPLETED.

THE CHIP SERVES AS A ROADMAP FOR CONTINUOUS IMPROVEMENT. THE CHIP WILL

CONTINUE TO EVALUATE THE NEEDS OF THE COMMUNITY AND BY WORKING TOGETHER,

WE CAN HAVE A SIGNIFICANT IMPACT ON COLLIER COUNTY'S HEALTH AND WELL-BEING

AWARENESS.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

MARCO ISLAND HOSPITAL, INC.:

PART V, SECTION B, LINE 6A: CHNA CONDUCTED WITH ONE OR MORE HOSPITAL

FACILITIES

AS PART OF AN INTEGRATED HEALTHCARE SYSTEM, THE CHNA FOR NAPLES COMMUNITY

HOSPITAL AND MARCO ISLAND HOSPITAL WAS PREPARED JOINTLY.

MARCO ISLAND HOSPITAL, INC.:

PART V, SECTION B, LINE 11: ADDRESSING THE NEEDS IDENTIFIED IN THE CHNA

THE CHNA IDENTIFIED PROBLEM AREAS THAT NEEDED TO BE ADDRESSED. THESE

INCLUDE SUFFICIENT JOB EMPLOYMENT, ECONOMIC OPPORTUNITIES, ACCESS TO

AFFORDABLE HOUSING, DRUG AND ALCOHOL ABUSE, SAFE ROADWAYS FOR BICYCLIST

AND PEDESTRIANS, PRIMARY CARE RESOURCES, ACCESS TO AFFORDABLE HEALTHY

FOOD, ACCESS TO LONG TERM CARE NEEDS, COMMUNICABLE DISEASE, OBESITY,

CHRONIC DISEASE, MENTAL HEALTH, DENTAL HEALTH, ACCESS TO CARE,

DISABILITIES AND UNINTENTIONAL INJURIES.

UPON REVIEW OF THE FINDINGS OF THE CHNA, THE NCH LEADERSHIP TEAM CAME UP

WITH FIVE KEY AREAS TO FOCUS ON WHICH INCLUDED MENTAL HEALTH, CHRONIC

DISEASE (ONCOLOGY), MATERNAL AND INFANT HEALTH, HEALTH OF THE OLDER

POPULATION AND HEALTH BEHAVIORS AND OUTCOMES. BELOW IS A SUMMARY OF

ACTIVITIES AND INITIATIVES NCH ACHIEVED IN THE PAST THREE YEARS IN THESE

SPECIFIC KEY AREAS.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

MENTAL HEALTH

IN AN EFFORT TO EXPAND ACCESS OF OUTPATIENT BEHAVIORAL HEALTH SERVICE NCH
CO-LOCATED PHYSICIAN PRACTICES AND NCH HAS BEEN PARTICIPATING IN THE
COLLIER COUNTY COMMISSIONERS AD HOC TASK FORCE ON MENTAL HEALTH AND
ADDITION NEEDS IN COLLIER COUNTY. THE COMMITTEE SPONSORED A ONE-CENT
SALES TAX, WHICH WAS APPROVED FOR \$25 MILLION FOR IMPROVING MENTAL HEALTH
IN COLLIER.

IN RESPONSE TO MANAGING HIGH-RISK PSYCHIATRIC PATIENTS, NCH HAS PLACED
CASE MANAGERS IN NCH EMERGENCY DEPARTMENTS TO WORK WITH FREQUENT USERS OF
ED AND INPATIENT SERVICES.

IN ORDER TO TARGET SEVERE DEPRESSION NCH WILL SOON BE IMPLEMENTING AN
ELECTRO CONVULSIVE THERAPY PROGRAM (ECT) AND A TRANS MAGNETIC SIMULATION
PROGRAM (TMS), AS WELL AS IV KETAMINE AND INTRA NASAL KETAMINE PROGRAMS
WHEN APPROVED BY THE FDA.

CHRONIC DISEASE (ONCOLOGY)

MAMMOGRAM SCREENINGS ARE OFFERED AND PROVIDED TO UNINSURED AND
UNDERINSURED PATIENTS. IN ADDITION, A COMMUNITY FAIR IS SCHEDULED EACH
YEAR AT LOCAL CHURCHES, CP-3 SCREENINGS AND AN AMERICAN CANCER ASSOCIATION
STUDY HAS ALSO BEEN COMPLETED.

NCH HIRED CARDIO THORACIC SURGEONS WHO DEVELOPED A COMPREHENSIVE LUNG

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

CANCER PROGRAM FOCUSING ON SCREENING, NAVIGATION, SURVIVORSHIP AND

SURGICAL INTERVENTION.

NCH EXPANDED ITS NURSE NAVIGATION PROGRAM WITH FOCUS ON FOLLOWING ONCOLOGY

PATIENTS THROUGHOUT THE CONTINUUM OF CARE WITH SPECIAL EMPHASIS ON BREAST

AND LUNG PATIENTS AS WELL AS SCREENING ACTIVITIES.

MATERNAL AND INFANT HEALTH

NCH'S INITIAL LATCH MEASUREMENT IS 82%. NCH IS IMPLEMENTING SKIN TO SKIN

IN THE DELIVERY ROOM. THE SKIN TO SKIN RATE IS 87%. ALL REGISTERED NURSES

IN LABOR AND DELIVERY, MOTHER/BABY, NEONATAL INTENSIVE CARE UNIT,

PEDIATRICS AND PEDIATRICS ED ARE EDUCATED IN BREASTFEEDING.

NCH MAINTAINS A BREASTFEEDING RATE OF 46%. NCH EMPLOYS 1 FULL-TIME AND 1

PART-TIME EQUIVALENT LACTATION CONSULTANTS WHICH ARE AVAILABLE 7 DAYS A

WEEK 16 HOURS PER DAY. NCH ALSO HOSTS THE COLLIER COUNTY BREASTFEEDING

COALITION WITH AN OVERALL GOAL TO INCREASE BREASTFEEDING RATES IN COLLIER

COUNTY.

NCH IS A HOST MEMBER OF A SUBSTANCE ABUSE COALITION AND SPONSORS REGULAR

MEETINGS HELD AT NCH. THE COALITION REPORTS DATA TO THE STATE AND ALSO

SUPPORTS NURSE EDUCATIONAL PROGRAMS FOR PARENTS ON THE DETRIMENTAL EFFECTS

OF SUBSTANCE ABUSE FOR NEWBORNS. ALL PATIENTS AND PARENTS ARE OFFERED TDAP

IMMUNIZATION AND CURRENTLY ON WOMEN AND CHILDREN'S AND PEDIATRIC NURSING

UNITS A STANDING ORDER FOR TDAP ADMINISTRATION IF STATUS IS UNKNOWN. IN

ADDITION, IN WOMEN AND CHILDREN'S AND PEDIATRIC NURSING UNITS ALL NCH

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

STAFF HAVE RECEIVED THE TDAP VACCINE AS WELL AS ANY NEW STAFF.

HEALTH OF THE OLDER POPULATION

NCH HAS EXPANDED GERIATRIC MEDICINE TO MULTIPLE NCH PHYSICIAN PRACTICES.

TWO NCH PHYSICIANS ARE MEDICAL DIRECTORS OF TWO SKILLED NURSING FACILITIES

IN COLLIER COUNTY.

DIABETES MANAGEMENT

NCH HEALTHCARE SYSTEM'S VON ARX DIABETES CENTER HAS TWO RECOGNIZED

AMERICAN DIABETES PROGRAMS THAT MAINTAIN DATA COLLECTION AND REPORTING

REQUIREMENTS. DIABETES SUPPORT GROUPS ARE PROVIDED TO THE COMMUNITY.

ALSO, FREE PRE-DIABETES SEMINARS AND COMMUNITY LECTURES ARE OFFERED

THROUGHOUT THE YEAR.

PHILANTHROPIC FUNDS HAVE BEEN ALLOCATED FOR PEDIATRICS TO ASSURE THEY HAVE

APPOINTMENTS SCHEDULED WITH REGISTERED DIETICIANS OR NURSES FOR

UNDERINSURED OR UNINSURED CHILDREN. PHILANTHROPIC FUNDS ARE ALSO USED FOR

GESTATIONAL PATIENTS PROVIDING EDUCATIONAL CLASSES, AND SUPPLIES.

OUR RESULTS INCLUDE 80% OF WOMEN ACHIEVED TARGET RANGES FOR BLOOD GLUCOSE

LEVELS AND 85% OF BABIES BORN MET BIRTH WEIGHT GOALS (<9 LBS.).

ACCOMPLISHMENTS FOR 2020 INCLUDE, BUT ARE NOT LIMITED TO:

I. THE VON ARX DIABETES CENTER SERVED 4,634 OUTPATIENT VISITS;

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

II. SERVICES WERE EXPANDED TO MARCO ISLAND AND BONITA SPRINGS;

III. EXPANDED GROCERY STORE TOURS;

IV. MAINTAINED ACCREDITATION WITH THE AMERICAN DIABETES ASSOCIATION

NCH WORKING WITH THE FLORIDA DEPARTMENT OF HEALTH - COLLIER COUNTY

PARTICIPATED AGAIN IN THE COLLIER COUNTY COMMUNITY ASSESSMENT DESIGN

GROUP. THE SCOPE OF THE GROUP IS TO DESIGN A COMMUNITY

STRENGTHS/OPPORTUNITIES SURVEY. A SURVEY WAS PREPARED AND SENT OUT TO THE

HEALTH CARE LEADERS, COMMUNITY FOCUS GROUPS AND HEALTH CARE STAFF.

IDENTIFIED PROBLEM AREAS INCLUDED THE FOLLOWING:

CHRONIC DISEASE AND MORTALITY

INFECTIOUS DISEASE

MATERNAL AND INFANT HEALTH

INJURIES

ACCESS TO HEALTHCARE

HEALTH BEHAVIORS AND HEALTH STATUS

MENTAL HEALTH

ORAL HEALTH

THE HEALTH OF THE OLDER POPULATION

SUBSEQUENTLY, THE LEADERSHIP FOCUS GROUP MET TO DISCUSS BOTH THE POSITIVE

AND NEGATIVE FACTORS THAT INFLUENCED THESE AREAS.

THE NEXT STEP IN THE PROCESS WAS TO CONDUCT GEOGRAPHICAL AREA COMMUNITY

FOCUS GROUPS. THESE GROUPS WERE CHOSEN TO REFLECT AND INCLUDE THE

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

DIVERSITY OF COMMUNITY LOCATIONS, ETHNICITY, AND SOCIO-ECONOMIC FACTORS.

THE DISTINCT AREAS OF THE COUNTY REPRESENTED UNIQUE DEMOGRAPHIC AND

SOCIOECONOMIC CHARACTERISTICS. THE DIFFERENCES WERE VALUABLE AND USEFUL

FOR ASSESSING AND PRIORITIZING HEALTHCARE NEEDS WITHIN OUR COMMUNITY.

IN ADDITION, WE PROVIDED INPUT INTO THE ANALYSIS ON VARIOUS HEALTH

INDICATORS WHICH INCLUDED THE FOLLOWING:

POPULATION

SOCIOECONOMIC CHARACTERISTICS

INFECTIOUS DISEASE

HEALTH BEHAVIORS AND HEALTH STATUS

MORTALITY INDICATORS

MATERNAL AND INFANT HEALTH

HEALTH OF THE OLDER POPULATION

UPON REVIEW OF THE FINDINGS OF THE (CHNA) THE NCH LEADERSHIP TEAM REVIEWED

THE FINDINGS. A PRIORITIZATION SESSION WAS COMPLETED WHICH WAS BASED ON

THE MISSION, VISION AND CORE VALUES OF THE NCH HEALTHCARE SYSTEM WITH A

PRIMARY FOCUS ON THE GOAL OF COLLIER COUNTY BECOMING THE HEALTHIEST COUNTY

IN THE UNITED STATES. UPON MUCH DISCUSSION THE TEAM CAME UP WITH FOUR KEY

AREAS OF FOCUS WHICH INCLUDE:

MENTAL HEALTH

ACCESS TO CARE

CHRONIC DISEASE

HEALTH OF OLDER ADULTS

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

UNADDRESSED IDENTIFIED NEEDS

ALTHOUGH SEVERAL COMMUNITY NEEDS WERE IDENTIFIED, NCH MUST FOCUS OUR EXISTING CLINICAL STRENGTHS AND INFRASTRUCTURE WHERE WE CAN MAXIMIZE OUR RESOURCES TO BENEFIT THE GREATEST NUMBER OF PEOPLE IN THE COMMUNITY. NCH WILL CONTINUE TO RE-EVALUATE THE UNADDRESSED IDENTIFIED NEEDS AND PURSUE ACTION WHEN AND WHERE RESOURCES ALLOW.

MARCO ISLAND HOSPITAL, INC.:

PART V, SECTION B, LINE 13B: NCH HEALTHCARE SYSTEM, INC., WHICH INCLUDES MIH, HAS A POLICY THAT ALLOWS A DISCOUNT FOR SELF-PAY UNINSURED OR UNDERINSURED PATIENTS WITH INCOME AND ASSETS GREATER THAN 200% OF FPG WHEN THE FAP APPPLICATION AND SUPPORTING DOCUMENTATION IS PROVIDED.

MIH RETAINS DISCRETION TO PROVIDE FINANCIAL ASSISTANCE TO PATIENTS WHO FALL OUTSIDE THE FPG INCOME GUIDELINES. OTHER CONSIDERATIONS TO INCOME LEVEL ARE PERCENTAGE OF TOTAL AMOUNT CHARGED BASED ON SERVICES PROVIDED TO THE PATIENT COMPARED TO PATIENTS INCOME.

MARCO ISLAND HOSPITAL, INC.:

PART V, SECTION B, LINE 13H: MIH BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS.

OTHER CRITERIA USED TO DETERMINE ELIGIBILITY ARE PATIENTS WHO ARE ELIGIBLE

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

TO RECEIVE BENEFITS FROM A GOVERNMENTAL AGENCY AS THE VICTIM OF A VIOLENT

CRIME OR SEXUAL ASSAULT AND THE TREATMENT IS RELATED TO THE VIOLENT CRIME

OR SEXUAL ASSAULT.

MARCO ISLAND HOSPITAL, INC.

PART V, LINE 16A, FAP WEBSITE:

[HTTP://WWW.NCHMD.ORG/PATIENTS-AND-VISITORS/BILLING-INFO](http://WWW.NCHMD.ORG/PATIENTS-AND-VISITORS/BILLING-INFO)

MARCO ISLAND HOSPITAL, INC.

PART V, LINE 16B, FAP APPLICATION WEBSITE:

[HTTP://WWW.NCHMD.ORG/PATIENTS-AND-VISITORS/BILLING-INFO](http://WWW.NCHMD.ORG/PATIENTS-AND-VISITORS/BILLING-INFO)

MARCO ISLAND HOSPITAL, INC.

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

[HTTP://WWW.NCHMD.ORG/PATIENTS-AND-VISITORS/BILLING-INFO](http://WWW.NCHMD.ORG/PATIENTS-AND-VISITORS/BILLING-INFO)

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

How many non-hospital health care facilities did the organization operate during the tax year? 0

| Name and address | Type of Facility (describe) |
|------------------|-----------------------------|
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Part VI Supplemental Information

Provide the following information.

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

PART I, LINE 3C:

FORM 990 SCHEDULE H

MIH USES OTHER FACTORS OTHER THAN FPG TO DETERMINE ELIGIBILITY FOR PROVIDING FREE OR DISCOUNTED CARE AS DESCRIBED BELOW.

PRESUMPTIVE ELIGIBILITY

PATIENTS MAY BE ELIGIBLE FOR A DISCOUNT OF THE FULL UNPAID BALANCE IN THE ABSENCE OF A COMPLETED FINANCIAL ASSISTANCE APPLICATION FORM IF THE PATIENT MEETS ONE OF THE FOLLOWING:

- 1. IS HOMELESS
- 2. IS DECEASED AND HAS NO KNOWN ESTATE AVAILABLE TO PAY MEDICAL BILLS
- 3. IS CURRENTLY ELIGIBLE FOR MEDICAID (AS PRIMARY INSURANCE) BUT WAS NOT AT DATE OF SERVICE OR MEDICAID BENEFITS ARE EXHAUSTED.
- 4. IS ELIGIBLE TO RECEIVE BENEFITS FROM A GOVERNMENTAL AGENCY AS THE

VICTIM OF A VIOLENT CRIME OR SEXUAL ASSAULT AND THE TREATMENT IS RELATED

Part VI Supplemental Information (Continuation)

TO THE VIOLENT CRIME OR SEXUAL ASSAULT.

5. A DEMONSTRATED INABILITY TO PAY FOR SERVICES BASED ON ALL AVAILABLE

ASSETS. PATIENTS RECEIVING CARE IN OR FROM THE EMERGENCY DEPARTMENT WHO

ARE WITHOUT FINANCIAL RESOURCES MAY BE ELIGIBLE FOR THE FAP IF THEY ARE

UNEMPLOYED OR SELF-EMPLOYED AND CANNOT PROVIDE INCOME AN INCOME TAX

STATEMENT, ARE INDIGENT WITHOUT ACCESS TO THE REQUIRED APPLICATION

DOCUMENTATION MAY STILL BE ELIGIBLE FOR FINANCIAL ASSISTANCE.

PART I, LINE 6A:

RELATED PARTY DISCLOSURES

MARCO ISLAND HOSPITAL, INC. ("MIH") IS AN AFFILIATE OF NCH HEALTHCARE

SYSTEM, INC. ("NCHS"). NCHS PREPARES A COMMUNITY BENEFIT REPORT ANNUALLY

AND INCLUDES THIS REPORT WITH ITS FORM 990 TAX RETURN FILING.

THE COMMUNITY BENEFIT REPORT PREPARED INCLUDES ALL ORGANIZATIONS OF THE

SYSTEM, INCLUDING MARCO ISLAND HOSPITAL, INC.

PART I, LINE 7:

COSTING METHOD USED

THE COSTING METHODOLOGY USED IN CALCULATING THE AMOUNTS REPORTED ON THE

LINE 7 TABLE ARE BASED ON A COST TO CHARGE RATIO. THE COST TO CHARGE RATIO

WAS DERIVED FROM FORM 990, SCH. H, WORKSHEET 2.

PART I, LN 7 COL(F):

BAD DEBT EXPENSE INCLUDED FORM 990, PART IX, LINE 25

Part VI Supplemental Information (Continuation)

THE BAD DEBT EXPENSE AMOUNT INCLUDED ON FORM 990, PART IX, LINE 25 WAS \$

2,393 FOR THE YEAR ENDED SEPTEMBER 30, 2020. THIS AMOUNT HAS BEEN

SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES REPORTED ON THE

SCHEDULE H, PART I, LINE 7 TABLE.

PART III, LINE 2:

BAD DEBT EXPENSE, COSTING METHODOLOGY USED

BAD DEBT EXPENSE IN THE FINANCIAL STATEMENTS IS DETERMINED BY PATIENTS

THAT HAVE FILED FOR BANKRUPTCY AND/OR HAVE LOSS OF EMPLOYMENT AFTER THE

DATE OF SERVICE.

PART III, LINE 3:

BAD DEBT EXPENSE

THE COSTING METHODOLOGY USED IN DETERMINING THE AMOUNT REPORTED ON LINE 2

IS BASED ON A COST TO CHARGE RATIO. THE COST TO CHARGE RATIO WAS DERIVED

FROM FORM 990, SCH. H, WORKSHEET 2.

PART III, LINE 4:

BAD DEBT EXPENSE FOOTNOTE

BAD DEBTS REPRESENT CHARGES DEEMED UNCOLLECTIBLE DUE TO EITHER: (A) A

PATIENT'S INABILITY TO QUALIFY AS CHARITY, WELFARE, OR MEDICAID, YET CLEAR

FINANCIAL INDICATIONS EXIST THAT DEMONSTRATE AN INABILITY TO PAY, OR (B) A

PATIENT'S REFUSAL TO PAY FOR SERVICES PROVIDED AND THE SYSTEM'S DECISION

TO CEASE FURTHER COLLECTION EFFORTS. BAD DEBT EXPENSE IN THE FINANCIAL

STATEMENTS IS DETERMINED BY PATIENTS THAT HAVE FILED FOR BANKRUPTCY AND/OR

Part VI Supplemental Information (Continuation)

HAVE LOSS OF EMPLOYMENT AFTER THE DATE OF SERVICE.

THE BAD DEBT EXPENSE FOOTNOTE DISCLOSURE CAN BE FOUND ON PAGES 17 AND 18

OF THE ATTACHED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NCH HEALTHCARE

SYSTEM, INC. AND SUBSIDIARIES.

PART III, LINE 8:

COSTING METHODOLOGY, MEDICARE SHORTFALL

THE COSTING METHODOLOGY USED IN DETERMINING THE AMOUNT REPORTED ON LINE 6

IS BASED ON A COST TO CHARGE RATIO. THE COST TO CHARGE RATIO WAS DERIVED

FROM FORM 990, SCHEDULE H, WORKSHEET 2.

CONSISTENT WITH THE CHARITABLE HEALTHCARE MISSION OF MARCO ISLAND

HOSPITAL, INC. AND THE COMMUNITY BENEFIT STANDARD SET FORTH IN IRS REVENUE

RULING 69-545, THE HOSPITAL PROVIDES CARE FOR ALL PATIENTS COVERED BY

MEDICARE SEEKING MEDICAL CARE. SUCH CARE IS PROVIDED REGARDLESS OF WHETHER

THE REIMBURSEMENT PROVIDED FOR SUCH SERVICES MEETS OR EXCEEDS THE COSTS

INCURRED BY THE HOSPITAL TO PROVIDE SUCH SERVICES.

AS A RESULT, MARCO ISLAND HOSPITAL, INC. VIEWS ANY SHORTFALL REPORTED IN

LINE 7 AS AN ADDITIONAL ITEM OF COMMUNITY BENEFIT PROVIDED BY THE

ORGANIZATION.

PART III, LINE 9B:

COLLECTION PRACTICES

MARCO ISLAND HOSPITAL, INC. PROVIDES CARE WITHOUT CHARGE OR AT AMOUNTS

Part VI Supplemental Information (Continuation)

LESS THAN ITS ESTABLISHED RATES TO PATIENTS WHO MEET SPECIFIC CRITERIA

UNDER THE STATE'S CHARITY CARE GUIDELINES. BECAUSE MARCO ISLAND HOSPITAL,

INC. DOES NOT PURSUE COLLECTION OF ACCOUNTS DETERMINED TO QUALIFY AS

CHARITY CARE, THESE AMOUNTS ARE NOT REPORTED AS REVENUE.

PART VI, LINE 2:

NEEDS ASSESSMENT

THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITIES IT

SERVES IN VARIOUS WAYS. OUR LEADERSHIP TEAM IS ACTIVELY INVOLVED AND

PARTICIPATES IN MANY COMMUNITY RELATED ORGANIZATIONS AND GROUPS THAT ARE

CONTINUALLY ASSESSING UNMET NEEDS WITHIN COLLIER COUNTY. WE HAVE

HISTORICALLY WORKED WITH OUR BOARD OF TRUSTEES, COLLIER COUNTY CHILDREN'S

ALLIANCE, COLLIER COUNTY PUBLIC SCHOOLS, THE IMMOKALEE FOUNDATION,

CHILDREN'S MEDICAL SERVICES, AND OTHER AGENCIES THROUGHOUT OUR COMMUNITY

IN ASSESSING AND COLLABORATING IN EFFORTS TO IMPROVE THE HEALTH OF OUR

COMMUNITY.

NCH PROVIDES MANY HEALTH-ENHANCING EDUCATIONAL PROGRAMS AND RESOURCES IN

PROMOTING HEALTH TO THE COMMUNITY. THE CURRENT PROGRAMS AND RESOURCES

PROVIDED TO THE COMMUNITY INCLUDE THE FOLLOWING: HEALTH SEMINARS,

COMMUNITY HEALTH FAIRS, FREE DIAGNOSTIC AND SCREENING/TESTING, THE

NEIGHBORHOOD HEALTH CLINIC, HEART PROGRAMS, CANCER SURVIVAL AWARENESS,

PATIENT SUPPORT GROUPS, TWO WELLNESS CENTERS, VON ARX DIABETES CENTER,

PASTORAL CARE SERVICES, AND SPONSOR AND SUPPORT CLINICAL NURSING SCHOOLS.

IN ADDITION TO THE PROGRAMS LISTED, WE ARE ALSO WORKING WITH THE SAFE AND

HEALTHY CHILDREN'S COALITION OF COLLIER COUNTY TO DEVELOP PROGRAMS FOR

Part VI Supplemental Information (Continuation)

DROWNING PREVENTION, CHILDHOOD OBESITY, SAFE SLEEP EFFORTS, AND

BREASTFEEDING PROGRAMS.

DURING 2019, WE COMPLETED A COMMUNITY NEEDS ASSESSMENT REPORT AND HAVE

POSTED THIS REPORT ON OUR WEBSITE

([HTTP://WWW.NCHMD.ORG/ABOUT-US/ANNUAL-REPORTS](http://www.nchmd.org/about-us/annual-reports)). WE ARE COMMITTED TO

PROMOTING EXISTING AND POTENTIAL NEW PROGRAMS TO THE COMMUNITY IN RESPONSE

TO THE COMMUNITY HEALTH NEEDS ASSESSMENT. PLEASE REFER TO THIS REPORT AND

DETAILED PLAN WHICH WAS REVIEWED BY THE NCH HEALTHCARE SYSTEM BOARD OF

TRUSTEES AND APPROVED AT THE SEPTEMBER 25, 2019 BOARD OF TRUSTEES MEETING.

INCLUDED IN THE 2019 REPORT IS THE BLUE ZONE PROJECT WHICH BEGAN IN 2015

AND IS SPONSORED BY NCH. THE BLUE ZONE PROJECT IS A COMPREHENSIVE

WELL-BEING IMPROVEMENT INITIATIVE DESIGNED TO HELP PEOPLE LIVE LONGER AND

BETTER BY BUILDING STRONG SOCIAL NETWORKS AND ENCOURAGING SUSTAINABLE

CHANGES THROUGHOUT THE COMMUNITY THAT LEADS TO HEALTHIER CHOICES.

PART VI, LINE 3:

INFORMATION REGARDING PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

MARCO ISLAND HOSPITAL, INC. RECOGNIZES ITS RESPONSIBILITY TO COMMUNICATE

ITS FINANCIAL POLICIES AND EXPECTATIONS TO PATIENTS. THE HOSPITAL INFORMS

AND EDUCATES PATIENTS BY PROVIDING PATIENTS WITH THE NCH HEALTHCARE SYSTEM

PATIENT RIGHTS AND RESPONSIBILITIES. INCLUDED IN THESE RIGHTS IS THE RIGHT

TO BE GIVEN, UPON REQUEST, FULL MEDICAL INFORMATION AND FINANCIAL

COUNSELING. IN ADDITION, A PATIENT REPRESENTATIVE WILL CONTACT PATIENTS

PRIOR TO SERVICES TO EVALUATE THE PATIENT'S ABILITY TO PAY. THIS PROCESS

INCLUDES OBTAINING THE PATIENT'S CURRENT FINANCIAL INFORMATION, OBTAINING

Part VI Supplemental Information (Continuation)

A CREDIT REPORT, AND REVIEWING THE PATIENT'S PAYMENT HISTORY WITH MARCO

ISLAND HOSPITAL, INC. PERSONS REQUIRING ASSISTANCE WITH THE UNFUNDED

PORTION OF THEIR BILLS ARE ENCOURAGED TO REQUEST A CHARITY EVALUATION.

MARCO ISLAND HOSPITAL, INC. ALSO PROVIDES ASSISTANCE FOR PATIENTS TO APPLY

FOR MEDICAID COVERAGE OR OTHER STATE OR LOCAL ASSISTANCE PROGRAMS WHICH

MAY ASSIST WITH PAYMENT FOR MEDICAL SERVICES.

PART VI, LINE 4:

COMMUNITY INFORMATION

MARCO ISLAND HOSPITAL, INC. SERVES AN OLDER COMMUNITY. THE MEDIAN AGE IS

66.9. THE ESTIMATED MEDIAN HOUSEHOLD INCOME IS \$94,517. THE UNEMPLOYMENT

RATE IS APPROXIMATELY .9%. THE PERCENTAGE OF RESIDENTS IN THE POVERTY

LEVEL IS APPROXIMATELY 8.2%.

PART VI, LINE 5:

INFORMATION REGARDING PROMOTION OF COMMUNITY HEALTH

MARCO ISLAND HOSPITAL, INC. EMPLOYEES ARE INVOLVED IN A WIDE VARIETY OF

ACTIVITIES AND ESSENTIAL SERVICES THAT ARE GEARED TOWARDS POSITIVELY

AFFECTING OUR COMMUNITY'S HEALTH STATUS. THE FOLLOWING IS A SUMMARY OF TWO

SUCH ACTIVITIES PROVIDED DURING THE YEAR:

MARCO ISLAND HOSPITAL, INC. OFFERED FREE BLOOD PRESSURE CHECKS TO THE

COMMUNITY MONDAY THROUGH FRIDAY FROM 9:00 AM TO 4:00 PM (9:00 AM TO NOON

IN THE SUMMER MONTHS). FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020, 362

COMPLIMENTARY BLOOD PRESSURE CHECKS WERE GIVEN TO THE PUBLIC. FREE BLOOD

PRESSURE READINGS HALTED MID-MARCH 2020 DUE TO COVID-19.

MARCO ISLAND HOSPITAL, INC. ALSO PARTICIPATED IN THE CITY OF MARCO HEALTH

Part VI Supplemental Information (Continuation)

FAIR AND MARCO COMMUNITY HEALTH FAIR.

PART VI, LINE 6:

AFFILIATED HEALTHCARE SYSTEM INFORMATION

MARCO ISLAND HOSPITAL, INC. IS AN AFFILIATE OF THE NCH HEALTHCARE SYSTEM, INC. THE NCH HEALTHCARE SYSTEM, INC. PROVIDES HEALTH-ENHANCING EDUCATIONAL PROGRAMS AND RESOURCES IN PROMOTING THE HEALTH OF OUR COMMUNITY. THE TYPES OF PROGRAMS/RESOURCES PROVIDED INCLUDE: HEALTH SEMINARS, COMMUNITY HEALTH FAIRS & TESTING, REGISTERED NURSES EDUCATING FUTURE PATIENTS, SUPPORTING THE NEIGHBORHOOD HEALTH CLINIC, PHYSICIAN LED ACCESS NETWORK OF COLLIER COUNTY, HEART PROGRAMS, CANCER SURVIVAL AWARENESS, SUPPORT OF PATIENT FAMILIES, DR. JOHN BRIGGS WELLNESS CENTER, AND SHARING OUR SPACE AT NO COST TO NEEDY, NOT-FOR-PROFIT ORGANIZATIONS. THE ORGANIZATION ALSO SPONSORS AND SUPPORTS THE CLINICAL NURSING SCHOOLS IN OUR COMMUNITY.

THE ORGANIZATION'S CIVIC INVOLVEMENT INCLUDES MEMBERS OF NCH MANAGEMENT WHO SERVE ON COMMUNITY BOARDS IN VARIOUS CAPACITIES. THE HOSPITALS HAVE ALWAYS PROVIDED EXEMPLARY PASTORAL CARE SERVICES. NCH IS ENCOURAGING THEIR OWN HEALTHCARE PROFESSION BY SPONSORING CAREER DAYS, JOB SHADOWING, AND LECTURES AT LOCAL MIDDLE AND HIGH SCHOOLS ON THE MANY OPPORTUNITIES IN THE HEALTHCARE FIELD. IN ADDITION TO MARCO ISLAND HOSPITAL, INC., THE NCH HEALTHCARE SYSTEM ALSO INCLUDES THE FOLLOWING NON-PROFIT ORGANIZATIONS:

>NAPLES COMMUNITY HOSPITAL IS LOCATED IN COLLIER COUNTY, FLORIDA. THE HOSPITAL CONSISTS OF NAPLES COMMUNITY HOSPITAL, A 391-BED ACUTE CARE FACILITY, AND NORTH NAPLES HOSPITAL, A 322-BED ACUTE CARE FACILITY. THE HOSPITAL ALSO HAS A BLOOD CENTER AND MAINTAINS VARIOUS OTHER OUTPATIENT

Part VI Supplemental Information (Continuation)

CENTERS LOCATED THROUGHOUT THE COUNTY.

>COLLIER HEALTH CARE, INC. OWNS AND LEASES HEALTHCARE FACILITIES IN NAPLES

AND IMMOKALEE, FLORIDA.

>NCHMD, INC. OWNS AND OPERATES PHYSICIAN MEDICAL PRACTICES AND OUTPATIENT

RADIOLOGY SERVICES IN COLLIER AND LEE COUNTY, FLORIDA.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

FL

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2019

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization: **MARCO ISLAND HOSPITAL, INC.**
 Employer identification number: **59-2315435**

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |
- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?
- 3** Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.
- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |
- 4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:
- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.
- Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**
- 5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:
- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.
- 6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:
- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.
- 7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III
- 8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III
- 9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

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

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

Schedule J (Form 990) 2019

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

For each individual whose compensation must be reported on 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 aren't listed on Form 990, Part VII.

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

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|---|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| (1) ALLEN S. WEISS, M.D. TERM 01/19 FORMER PRESIDENT/CEO/TRUSTEE | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 81,226. | 0. | 955,526. | 9,417. | 16,585. | 1,062,754. | 0. |
| (2) PHILLIP DUTCHER CHIEF OPERATING OFFICER SYSTEM | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 683,212. | 90,122. | 21,286. | 11,200. | 2,484. | 808,304. | 0. |
| (3) KEVIN D. COOPER TERM 01/19 FORMER CHIEF OF STAFF | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 47,383. | 0. | 548,048. | 5,468. | 16,856. | 617,755. | 0. |
| (4) FRANK ASTOR M.D. TERM 11/19 CHIEF MEDICAL OFFICER | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 463,456. | 83,002. | 20,555. | 11,200. | 16,907. | 595,120. | 0. |
| (5) RICK WYLES CFO/ASSISTANT TREASURER | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 384,824. | 69,484. | 20,188. | 11,200. | 21,922. | 507,618. | 0. |
| (6) JONATHAN KLING, R.N. CHIEF NURSING OFFICER/COO NNH | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 399,287. | 49,747. | 19,270. | 11,200. | 21,250. | 500,754. | 0. |
| (7) ZACHARY BOSTOCK TERM 03/20 CHIEF ADMINISTRATIVE OFFICER | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 376,328. | 67,591. | 19,180. | 11,200. | 22,503. | 496,802. | 0. |
| (8) LINDA ROEBACK TERM 05/20 CHIEF COUNSEL | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 345,179. | 18,719. | 19,774. | 11,200. | 14,708. | 409,580. | 0. |
| (9) RENEE M. THIGPEN CHIEF HR OFFICER | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 267,354. | 48,621. | 20,188. | 11,200. | 17,717. | 365,080. | 0. |
| (10) MICHAEL RILEY CHIEF STRATEGY OFFICER | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 264,955. | 48,035. | 20,188. | 11,200. | 16,807. | 361,185. | 0. |
| (11) GARY TOMCIK, TERM 04/20 CHIEF EXPERIENCE OFFICER | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 235,942. | 38,707. | 20,188. | 11,200. | 22,512. | 328,549. | 0. |
| (12) PAUL HILTZ PRESIDENT/CEO/TRUSTEE | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 247,601. | 20,000. | 19,091. | 0. | 6,163. | 292,855. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINES 4A-B:

PART I, LINE 4A:

PRESIDENT AND CEO RESIGNED 01/2019 AND RECEIVED A SEVERANCE PAYMENT OF \$950,356 FOR CALENDAR YEAR 2019.

CHIEF OF STAFF RESIGNED 01/2019 AND RECEIVED A SEVERANCE PAYMENT OF \$545,812 FOR CALENDAR YEAR 2019.

PART I, LINE 4B:

CHIEF MEDICAL OFFICER PARTICIPATED IN A 457(F) SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN BUT DID NOT RECEIE A PAYMENT FOR CALENDAR YEAR 2019.

CHIEF ADMINISTRATIVE OFFICER PARTICIPATED IN A 457(F) SUPPLEMENTAL NON-QUALIFIED PLAN BUT DID NOT RECEIVE A PAYMENT FOR CALENDAR YEAR 2019.

PART I, LINE 7:

PROVISION OF NON-FIXED PAYMENTS

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

THIS ORGANIZATION IS AN AFFILIATE OF NCH HEALTHCARE SYSTEM, INC. ("THE SYSTEM"). THE SYSTEM MAY PROVIDE DISCRETIONARY BONUS AND/OR INCENTIVE COMPENSATION PAYMENTS TO ELIGIBLE EMPLOYEES. COMPENSATION PAYMENTS FOR ALL EMPLOYEES EXCLUDING THE CEO AND SENIOR LEADERSHIP TEAM IS DETERMINED BY THE SYSTEM BOARD OF TRUSTEES HUMAN RESOURCES COMMITTEE AND/OR CEO. COMPENSATION PAYMENTS MADE TO ANY DISQUALIFIED PERSON IS APPROVED BY THE SYSTEM THROUGH THE PROCESS DESCRIBED IN FORM 990, PART VI, SECTION B, LINE 15.

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 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Open to Public
Inspection

Name of the organization

MARCO ISLAND HOSPITAL, INC.

Employer identification number

59-2315435

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

OUR VISION IS TO BE A WORLD-CLASS LEADER OF EXCELLENCE IN

HEALTHCARE AND TO PROVIDE EXCELLENCE IN EVERY PATIENT EXPERIENCE.

MARCO ISLAND HOSPITAL, INC. OPERATES AN URGENT CARE CENTER AND

MEDICAL OFFICE BUILDING TO SERVE THE NEEDS OF THE

COMMUNITY.

FORM 990, PART VI, SECTION A, LINE 4:

BYLAWS AMENDED AND RESTATED

NCH HEALTHCARE SYSTEM, INC. AMENDED AND RESTATED ITS BYLAWS IN FISCAL YEAR

2020. ALTHOUGH THIS CHANGE WAS MADE ONLY TO THE NCH HEALTHCARE SYSTEM, INC.

BYLAWS THEY DECIDE AND INFLUENCE THE GOVERNANCE OF ALL ENTITIES OF THE

SYSTEM.

ARTICLE II BOARD OF TRUSTEES

2.2.1 NUMBER AND TENURE WERE REVISED TO INCLUDE "NOT MORE THAN 15" MEMBERS

AND "AN INITIAL TERM OF THREE YEARS, AND ELIGIBLE TO SERVE UP TO ONE

ADDITIONAL TERM OF THREE YEARS." DELETED THE REQUIREMENT OF TWO ELECTED

EMPLOYEE TRUSTEES.

2.8 AFFIRMATIVE VOTE REQUIREMENTS CHANGED FROM MAJORITY TO TWO-THIRDS OR

GREATER.

ARTICLE III OFFICERS

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2019)

| | |
|---|--|
| Name of the organization MARCO ISLAND HOSPITAL, INC. | Employer identification number 59-2315435 |
|---|--|

3.3 AFFIRMATIVE VOTE REQUIREMENTS CHANGED FROM MAJORITY TO TWO-THIRDS OR
GREATER.

ARTICLE V AMENDMENTS TO BYLAWS

AMENDMENTS TO BYLAWS REQUIREMENT CHANGED FROM MAJORITY TO TWO THIRDS OR
GREATER VOTE.

FORM 990, PART VI, SECTION A, LINE 6:

GOVERNING BODY AND MANAGEMENT

NCH HEALTHCARE SYSTEM, INC. IS THE SOLE CORPORATE MEMBER OF THE
ORGANIZATION.

FORM 990, PART VI, SECTION A, LINE 7A:

GOVERNING BODY AND MANAGEMENT

NCH HEALTHCARE SYSTEM, INC. SOLE MEMBER OF THIS ORGANIZATION, ELECTS THIS
ORGANIZATION'S DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 7B:

GOVERNING BODY AND MANAGEMENT

ALL OF THE GOVERNANCE DECISIONS FOR MARCO ISLAND HOSPITAL, INC. ARE
RESERVED TO THE GOVERNING BODY OF NCH HEALTHCARE SYSTEM, INC.

FORM 990, PART VI, SECTION B, LINE 11B:

| | |
|---|--|
| Name of the organization MARCO ISLAND HOSPITAL, INC. | Employer identification number 59-2315435 |
|---|--|

REVIEW PROCESS

INFORMATION RELATED TO MARCO ISLAND HOSPITAL, INC.'S ("MIH") FORM 990

FILING IS GATHERED BY FINANCE STAFF AND PROVIDED TO RSM US LLP FOR REVIEW.

AFTER THE REVIEW BY RSM US LLP, THE FORM 990 IS REVIEWED BY THE NCH

HEALTHCARE SYSTEM CHIEF FINANCIAL OFFICER. THE FORM 990 IS THEN REVIEWED BY

OUTSIDE COUNSEL FOR THE BOARD. PRIOR TO BOARD APPROVAL, THE FORM 990 IS

PROVIDED TO ALL OF THE FINANCE COMMITTEE BOARD OF TRUSTEES FOR THEIR REVIEW

VIA THE BOARD PORTAL. AT THE CONCLUSION OF THIS REVIEW PROCESS THE FORM 990

IS APPROVED BY THE BOARD OF TRUSTEES PRIOR TO FILING WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C:

CONFLICT OF INTEREST POLICY

ANNUALLY, ALL NCH HEALTHCARE SYSTEM, INC. OFFICERS, DIRECTORS, TRUSTEES AND

KEY EMPLOYEES ARE REQUIRED TO DISCLOSE INTERESTS THAT COULD POTENTIALLY

GIVE RISE TO CONFLICTS. AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL

MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE/SHE

SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A

CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON. THE REMAINING BOARD OR

COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS. MANAGEMENT

SHALL DISCLOSE OTHER POTENTIAL CONFLICTS WITH THE COMPLIANCE OFFICER.

AFTER EXERCISING DUE DILIGENCE, THE BOARD OR COMMITTEE SHALL DETERMINE

WHETHER THE CORPORATION CAN OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR

ARRANGEMENT WITH REASONABLE EFFORTS FROM A PERSON OR ENTITY THAT WOULD NOT

GIVE RISE TO A CONFLICT OF INTEREST, IF A MORE ADVANTAGEOUS TRANSACTION OR

ARRANGEMENT IS NOT REASONABLY ATTAINED UNDER CIRCUMSTANCES THAT WOULD NOT

| | |
|---|--|
| Name of the organization MARCO ISLAND HOSPITAL, INC. | Employer identification number 59-2315435 |
|---|--|

GIVE RISE TO A CONFLICT OF INTEREST, THE BOARD OR COMMITTEE SHALL DETERMINE BY A GREATER THAN TWO-THIRDS VOTE OF THE DISINTERESTED TRUSTEES WHETHER THE TRANSACTION OR ARRANGEMENT IS IN THE CORPORATION'S BEST INTEREST AND FOR ITS OWN BENEFIT AND WHETHER THE TRANSACTION IS FAIR AND REASONABLE TO THE CORPORATION AND SHALL MAKE ITS DECISION AS TO WHETHER TO ENTER INTO THE TRANSACTION OR ARRANGEMENT IN CONFORMITY WITH SUCH DETERMINATION.

THE COMPLIANCE OFFICER WILL DETERMINE IF A MANAGEMENT TEAM MEMBER OR EMPLOYEE SHOULD BE EXCUSED FROM A DISCUSSION OR PARTICIPATE IN A DECISION IN WHICH THERE MAY BE A CONFLICT OF INTEREST.

FORM 990, PART VI, SECTION B, LINE 15:
COMPENSATION PROCESS

THIS ORGANIZATION IS AN AFFILIATE OF THE NCH HEALTHCARE SYSTEM, INC. ("THE SYSTEM"). COMPENSATION ARRANGEMENTS INVOLVING OUR CEO AND SENIOR LEADERSHIP TEAM ARE ESTABLISHED BY THE SYSTEM BOARD OF TRUSTEES COMPENSATION COMMITTEE PURSUANT TO A PROCESS THAT SATISFIES THE REBUTTABLE PRESUMPTION PROCEDURE AVAILABLE FOR SECTION 4958 EXCESS BENEFIT TRANSACTION TAX PURPOSES (WHICH REQUIRES A REVIEW OF COMPENSATION DETERMINATION BY DISINTERESTED PERSONS, USE OF APPROPRIATE COMPARABILITY DATA, AND CONTEMPORANEOUS DOCUMENTATION OF THE PROCESS).

FORM 990, PART VI, SECTION C, LINE 19:
DOCUMENTS AVAILABLE TO THE PUBLIC

THE FORMS 1023 AND 990, GOVERNING DOCUMENTS, AUDITED FINANCIAL STATEMENTS, AND CONFLICT OF INTEREST POLICY OF NHSI ARE AVAILABLE TO THE PUBLIC UPON

| | |
|---|--|
| Name of the organization MARCO ISLAND HOSPITAL, INC. | Employer identification number 59-2315435 |
|---|--|

REQUEST. FINANCIAL STATEMENTS ARE ALSO AVAILABLE VIA OUR WEBSITE:

HTTP://WWW.NCHMD.ORG/ABOUT-US/ANNUAL-REPORTS. DOCUMENTS AVAILABLE FOR

REQUEST ARE AVAILABLE PURSUANT TO THE PERIOD OF DISCLOSURE PROVIDED IN

SECTION 6104(D).

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

| | |
|------------------------------------|-----------|
| TRANSFERS TO RELATED ORGANIZATIONS | -809,363. |
|------------------------------------|-----------|

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **MARCO ISLAND HOSPITAL, INC.** Employer identification number **59-2315435**

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

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|--|-------------------------|---|---------------------|---------------------------|-------------------------------------|
| | | | | | |
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Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|---|-------------------------|---|-------------------------------|---|-------------------------------------|--|----|
| | | | | | | Yes | No |
| NCH HEALTHCARE SYSTEM, INC. - 59-2314655 P.O. BOX 413029 NAPLES, FL 34101 | HOLDING CO | FLORIDA | 501 (C) (3) | LINE 12B, II | N/A | | X |
| NAPLES COMMUNITY HOSPITAL, INC. - 59-0694358 P.O. BOX 413029 NAPLES, FL 34101 | HEALTHCARE | FLORIDA | 501 (C) (3) | LINE 3 | NCH SYSTEM | X | |
| NCHMD, INC. - 33-1075317 P.O. BOX 413029 NAPLES, FL 34101 | HEALTHCARE | FLORIDA | 501 (C) (3) | LINE 10 | NCH SYSTEM | X | |
| COMMUNITY HOME SERVICES, INC. - 59-2440516 P.O. BOX 413029 NAPLES, FL 34101 | SUPPORT ORG | FLORIDA | 501 (C) (3) | LINE 12B, II | NCH SYSTEM | X | |

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

Schedule R (Form 990) 2019

Part II Continuation of Identification of Related Tax-Exempt Organizations

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled organization? | |
|---|-------------------------|---|-------------------------------|---|-------------------------------------|--|----|
| | | | | | | Yes | No |
| COLLIER HEALTH CARE, INC. - 65-0244276 P.O. BOX 413029 NAPLES, FL 34101 | HEALTHCARE | FLORIDA | 501 (C) (3) | LINE 3 | NCH SYSTEM | X | |
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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 | |
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Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512(b)(13) controlled entity? | |
|--|-------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|---|----|
| | | | | | | | | Yes | No |
| HEALTH RESOURCES CORPORATION - 59-2568003 350 7TH STREET NORTH NAPLES, FL 34102 | HOLDING COMPANY | FL | NCH SYSTEM | C CORP | | | | X | |
| AMBULATORY SURGICAL CARE CENTER, INC. - 59-2568029, 350 7TH STREET NORTH, NAPLES, FL 34102 | OUTPATIENT SURGERY | FL | HRC | C CORP | | | | X | |
| COMMUNITY HOME CARE, INC. - 59-2372966 350 7TH STREET NORTH NAPLES, FL 34102 | HOME HEALTH | FL | HRC | C CORP | | | | X | |
| COMMUNITY IMAGING, INC. - 59-2446336 350 7TH STREET NORTH NAPLES, FL 34102 | RADIOLOGY LAB | FL | HRC | C CORP | | | | X | |
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Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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

| | Yes | No |
|--|-----|----|
| a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity | X | |
| b Gift, grant, or capital contribution to related organization(s) | X | |
| c Gift, grant, or capital contribution from related organization(s) | X | |
| d Loans or loan guarantees to or for related organization(s) | | X |
| e Loans or loan guarantees by related organization(s) | | X |
| f Dividends from related organization(s) | | X |
| g Sale of assets to related organization(s) | | X |
| h Purchase of assets from related organization(s) | | X |
| i Exchange of assets with related organization(s) | X | |
| j Lease of facilities, equipment, or other assets to related organization(s) | X | |
| k Lease of facilities, equipment, or other assets from related organization(s) | X | |
| l Performance of services or membership or fundraising solicitations for related organization(s) | X | |
| m Performance of services or membership or fundraising solicitations by related organization(s) | X | |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | X | |
| o Sharing of paid employees with related organization(s) | X | |
| p Reimbursement paid to related organization(s) for expenses | X | |
| q Reimbursement paid by related organization(s) for expenses | X | |
| r Other transfer of cash or property to related organization(s) | X | |
| s Other transfer of cash or property from related organization(s) | X | |

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

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|-------------------------------|------------------------|--|
| (1) NAPLES COMMUNITY HOSPITAL, INC. | Q | 834,013. | FMV |
| (2) | | | |
| (3) | | | |
| (4) | | | |
| (5) | | | |
| (6) | | | |

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 sec. 501(c)(3) orgs.? | | (f) Share of total income | (g) Share of end-of-year assets | (h) Dispropor- tionate 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 | |
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Electronic Filing PDF Attachment

NCH Healthcare System, Inc. and Subsidiaries

Consolidated Financial Report
September 30, 2020

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RSM US LLP

Independent Auditor's Report

Board of Trustees
NCH Healthcare System, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of NCH Healthcare System, Inc. and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 30, 2020 and 2019, the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NCH Healthcare System, Inc. and Subsidiaries as of September 30, 2020 and 2019, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in fiscal year 2020, the System adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-01, *Financial Instruments – Overall, (Subtopic 825-10) Recognition and Measurement of Financial Assets and Financial Liabilities*. Our opinion is not modified with respect to this matter.

RSM US LLP

Miami, Florida
January 15, 2021

NCH Healthcare System, Inc. and Subsidiaries

Consolidated Balance Sheets

September 30, 2020 and 2019

| | 2020 | 2019 |
|---|-------------------------|-----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 133,840,422 | \$ 13,166,430 |
| Investments | 2,657,913 | 2,633,905 |
| Due from patients and others, net | 67,227,456 | 82,015,752 |
| Assets limited as to use | 12,755,510 | 11,960,496 |
| Inventories | 14,681,676 | 12,224,123 |
| Estimated third-party payor receivable | 452,527 | 1,635,839 |
| Other current assets | 8,681,640 | 9,716,197 |
| Total current assets | 240,297,144 | 133,352,742 |
| Assets limited as to use: | | |
| Self-insurance fund | 14,048,801 | 13,549,928 |
| Board-designated assets | 318,940,683 | 308,368,049 |
| Assets held by trustee under bond indentures | 4,541,286 | 4,496,099 |
| Donor receivables | 23,900,513 | 18,748,608 |
| Assets designated or restricted for donor intentions | 26,519,377 | 27,040,650 |
| | 387,950,660 | 372,203,334 |
| Less assets limited as to use that are available to pay current liabilities | (12,755,510) | (11,960,496) |
| | 375,195,150 | 360,242,838 |
| Investment in partnerships | 687,200 | 967,483 |
| Property and equipment, net of accumulated depreciation | 383,623,326 | 382,649,659 |
| Other assets | 6,485,455 | 7,049,001 |
| Total assets | \$ 1,006,288,275 | \$ 884,261,723 |

See notes to the consolidated financial statements.

NCH Healthcare System, Inc. and Subsidiaries

**Consolidated Balance Sheets
September 30, 2020 and 2019**

| | 2020 | 2019 |
|---|-------------------------|-----------------------|
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 5,604,816 | \$ 5,411,943 |
| Current portion of estimated self-insurance liabilities | 3,527,654 | 3,185,588 |
| Accounts payable | 27,601,838 | 29,566,871 |
| Accrued expenses | 45,383,785 | 36,531,818 |
| Accrued interest | 2,795,332 | 2,771,190 |
| Current portion of Medicare accelerated payments | 11,622,340 | - |
| Deferred revenue – provider relief funds | 15,674,733 | - |
| Total current liabilities | 112,210,498 | 77,467,410 |
| Long-term debt, excluding current portion | 107,106,842 | 92,320,762 |
| Estimated self-insurance liabilities, excluding current portion | 10,521,147 | 10,364,340 |
| Medicare accelerated payments, excluding current portion | 73,608,151 | - |
| Other liabilities | 8,961,410 | 9,329,207 |
| Total liabilities | 312,408,048 | 189,481,719 |
| Net assets: | | |
| Net assets without donor restrictions | 640,352,561 | 642,718,698 |
| Net assets with donor restrictions | 53,527,666 | 52,061,306 |
| Total net assets | 693,880,227 | 694,780,004 |
| Total liabilities and net assets | \$ 1,006,288,275 | \$ 884,261,723 |

See notes to the consolidated financial statements.

NCH Healthcare System, Inc. and Subsidiaries

**Consolidated Statements of Operations
Years Ended September 30, 2020 and 2019**

| | 2020 | 2019 |
|---|-----------------------|---------------------|
| Revenues without donor restrictions: | | |
| Net patient service revenue | \$ 596,831,814 | \$ 627,071,573 |
| Other revenue | 29,965,573 | 16,300,472 |
| Charitable contributions without donor restrictions | 3,590,354 | 11,416,226 |
| Net assets released from restrictions for operations | 1,630,683 | 1,303,559 |
| Total revenues | 632,018,424 | 656,091,830 |
| Expenses: | | |
| Salaries and wages | 321,302,319 | 319,247,521 |
| Employee benefits | 43,094,062 | 42,153,461 |
| Supplies and other expenses | 185,888,632 | 179,773,905 |
| Purchased services | 74,933,679 | 68,573,747 |
| Depreciation and amortization | 47,263,276 | 43,662,881 |
| Interest expense | 5,686,947 | 5,620,211 |
| Total expenses | 678,168,915 | 659,031,726 |
| Operating loss | (46,150,491) | (2,939,896) |
| Other income: | | |
| Investment income | 27,815,749 | 11,056,828 |
| Reclassification of unrealized gains based on trading security designation | 1,154,638 | - |
| (Loss) gain on disposal of property and equipment | (211,195) | 71,361 |
| Excess of revenues (under) over expenses | (17,391,299) | 8,188,293 |
| Change in net unrealized losses on other than trading securities | - | (3,753,826) |
| Reclassification of unrealized gains based on trading security designation | (1,154,638) | - |
| Net assets released from restrictions for capital | 16,179,800 | 5,260,782 |
| (Decrease) increase in net assets without donor restrictions | \$ (2,366,137) | \$ 9,695,249 |

See notes to consolidated financial statements.

NCH Healthcare System, Inc. and Subsidiaries

**Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2020 and 2019**

| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total |
|---|--|---------------------------------------|-----------------------|
| Net assets at September 30, 2018 | \$ 633,023,449 | \$ 52,411,097 | \$ 685,434,546 |
| Excess of revenues over expenses | 8,188,293 | - | 8,188,293 |
| Change in net unrealized gains on securities | (3,753,826) | 198,056 | (3,555,770) |
| Restricted gifts and bequests | - | 5,589,014 | 5,589,014 |
| Income from restricted investments | - | 427,480 | 427,480 |
| Net assets released from restrictions for operations | - | (1,303,559) | (1,303,559) |
| Net assets released from restrictions for capital | 5,260,782 | (5,260,782) | - |
| Change in net assets | 9,695,249 | (349,791) | 9,345,458 |
| Net assets at September 30, 2019 | 642,718,698 | 52,061,306 | 694,780,004 |
| Excess of revenues under expenses | (17,391,299) | - | (17,391,299) |
| Change in net unrealized gains on securities | - | 2,223,786 | 2,223,786 |
| Reclassification of unrealized gains based on trading security designation | (1,154,638) | - | (1,154,638) |
| Restricted gifts and bequests | - | 16,551,408 | 16,551,408 |
| Income from restricted investments | - | 501,649 | 501,649 |
| Net assets released from restrictions for operations | - | (1,630,683) | (1,630,683) |
| Net assets released from restrictions for capital | 16,179,800 | (16,179,800) | - |
| Change in net assets | (2,366,137) | 1,466,360 | (899,777) |
| Net assets at September 30, 2020 | \$ 640,352,561 | \$ 53,527,666 | \$ 693,880,227 |

See notes to consolidated financial statements.

NCH Healthcare System, Inc. and Subsidiaries

**Consolidated Statements of Cash Flows
Years Ended September 30, 2020 and 2019**

| | 2020 | 2019 |
|---|-----------------------|----------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (899,777) | \$ 9,345,458 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Restricted gifts and bequests for capital and endowment | (3,229,037) | (1,534,587) |
| Net (loss) gain from partnerships | 70,001 | (146,826) |
| Net realized and unrealized losses on investments | (15,190,689) | 512,801 |
| Income from restricted gifts and bequests | (501,649) | (427,480) |
| Depreciation and amortization | 47,591,604 | 43,798,031 |
| Provision for bad debts | 1,114,468 | 1,291,435 |
| Gain on disposal of property and equipment and Bonita Community Health Center | (6,871,104) | (71,361) |
| Changes in assets and liabilities: | | |
| Decrease (increase) in due from patients and others excluding provision for bad debts | 13,673,828 | (10,246,621) |
| Change in estimated third-party payor receivable | 1,183,312 | (2,193,491) |
| Increase in inventories | (2,457,553) | (340,862) |
| (Increase) decrease in donor receivables | (5,151,905) | 277,175 |
| Decrease in other current assets | 1,034,557 | 4,399,004 |
| Increase (decrease) in accounts payable | 114,304 | (1,264,311) |
| Increase in accrued expenses | 8,851,967 | 1,486,628 |
| Increase (decrease) in accrued interest | 24,142 | (63,925) |
| Increase in Medicare accelerated payments | 85,230,491 | - |
| Increase in estimated self-insurance liabilities | 498,873 | 381,743 |
| (Decrease) increase in other liabilities | 1,714,502 | 309,499 |
| Increase in deferred revenue – provider relief funds | 15,674,733 | - |
| Net cash provided by operating activities | 142,475,068 | 45,512,310 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (50,460,130) | (60,867,811) |
| Proceeds from the sales of property and equipment | 8,415 | 136,664 |
| Purchases of investments | (78,078,636) | (90,894,629) |
| Sales of investments | 82,649,896 | 100,117,270 |
| Decrease in other assets | 300,879 | 292,806 |
| Decrease in partnerships | 210,282 | 269,300 |
| Proceeds from sale of Bonita Community Health Center | 5,000,000 | - |
| Net cash used in investing activities | (40,369,294) | (50,946,400) |
| Cash flows from financing activities: | | |
| Restricted gifts and bequests for capital and endowment | 3,229,037 | 1,544,539 |
| Income from restricted gifts and bequests | 501,649 | 427,480 |
| Repayment of long-term debt | (5,411,943) | (47,476,312) |
| Payment of bond financing charges | (250,525) | - |
| Proceeds from issuance of bond payable | 20,500,000 | - |
| Net cash provided by (used in) financing activities | 18,568,218 | (45,504,293) |
| Increase (decrease) in cash and cash equivalents | 120,673,992 | (50,938,383) |
| Cash and cash equivalents: | | |
| Beginning | 13,166,430 | 64,104,813 |
| Ending | \$ 133,840,422 | \$ 13,166,430 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for interest | \$ 5,716,092 | \$ 5,889,473 |
| Change in donor receivables for capital and endowment | (1,808,944) | (9,952) |
| Noncash additions to property and equipment | 3,536,040 | 5,615,377 |

See notes to consolidated financial statements.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

Nature of organization: The NCH Healthcare System, Inc., (the Parent) was incorporated as a 501(c)(3) not-for-profit parent holding corporation in 1983 under a plan of reorganization to better serve the community's health care needs and to provide management with greater flexibility in providing services.

The NCH Healthcare System, Inc. and Subsidiaries (the System) consolidated financial statements consist of the following entities:

Naples Community Hospital, Inc. (the Hospital), a not-for-profit corporation located in Collier County, Florida, consists of two hospitals with 713 beds. The Downtown Naples Hospital Campus is a 391-bed acute care facility and North Naples Hospital Campus is a 322-bed acute care facility. The Hospital also has a blood center and various other outpatient centers located throughout the community. The Hospital is a wholly owned subsidiary of the System. The System's Board of Trustees also serve on the Board of Trustees of the Hospital.

NCHMD, Inc. (d/b/a NCH Healthcare Group), a not-for-profit corporation, owns and operates physician medical practices in Collier and Lee County, Florida.

The Obligated Group consists of Naples Community Hospital, Inc., NCHMD, Inc. and the Parent.

Marco Island Hospital, Inc. d/b/a Marco Healthcare Center (MIH), a not-for-profit corporation, operates an urgent care center and medical office building on Marco Island, Florida.

NCH ACO, LLC, a not-for-profit corporation was formed in May 2017, to participate in the Medicare Shared Savings Program.

Collier Health Care, Inc. (CHCI), a not-for-profit corporation, owns and leases healthcare facilities in Naples and Immokalee, Florida. CHCI also operates Children's Medical Services, a program serving chronically ill and special needs children under Title V and the Florida KidCare Program through Title XXI. The Children's Medical Services program ended January 31, 2019.

Health Resources Corporation (HRC), a for-profit holding company, which consists of the following proprietary subsidiaries: (i) Ambulatory Surgical Care Center, Inc. (ASCC) owns a 15% interest in Naples Day Surgery (NDS), a nonaffiliated limited liability company which operates ambulatory surgery centers in Collier County, Florida and is accounted for using the equity method of accounting. On January 1, 2019, Naples Day Surgery closed its operations. (ii) Community Home Care, Inc. owns a 49% interest in Kokua Healing Arts, Inc.; an established private duty home health agency headquartered in Naples, Florida and is accounted for using the equity method of accounting.

The Parent owns a 50% interest in Bonita Community Health Center (BCHC), a not-for-profit organization. BCHC operates an urgent care center, an ambulatory surgical care center, a diagnostic imaging center and an outpatient rehabilitation center in Estero, Florida. Additionally, BCHC leases office space to physicians and other healthcare providers. The investment in BCHC is accounted for using the equity method. In conjunction with the issuance of long-term debt for the construction and equipping of the BCHC facility, the System has provided an unconditional guarantee to pay 50% of the obligations related to this debt should BCHC default. At September 30, 2019, BCHC's total liabilities exceed total assets and as a result the System reported other liabilities on the consolidated balance sheets of \$2,175,649. On November 29, 2019, Lee Health acquired the System's 50% ownership interest in BCHC which resulted in the System recognizing a gain of approximately \$7,082,000 in fiscal year 2020, which is reported within investment income on the consolidated statements of operations. The debt guarantee was released upon the sale.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

The Parent also owns a 50% interest in Naples Physician Hospital Organization d/b/a Community Health Partners (CHP), a not-for-profit taxable entity under the laws of the state of Florida. CHP contracts with various employers and other third-party payors for the provision of healthcare services by CHP members. The investment in CHP is accounted for using the equity method.

The System maintains the legal right to appoint trustees and directors of its wholly owned subsidiaries. In addition, the System maintains the right to approve: (1) the operating and capital budgets, (2) all amendments to the bylaws and articles of incorporation, and (3) all long-term debt obligations for all of the wholly owned subsidiaries.

Basis of presentation: These consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to report on the System as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into two classes of net assets – net assets without donor restrictions or net assets with donor restrictions as follows:

Net assets without donor restrictions: Net assets without donor restrictions represent resources generated from operations, unrestricted donations and the satisfaction or lapse of donor restrictions that are no longer subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets with donor restrictions are subject to donor-imposed stipulations and/or time restrictions that will eventually be met by actions of the System and/or the passage of time or have been restricted by donors to be maintained in perpetuity by the System. Generally, the donor of the net assets restricted in perpetuity permits the System to use the income earned from these assets for general or specific purposes.

A summary of the Organization's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of the System. All significant intercompany amounts and transactions have been eliminated in consolidation. The entities that are part of the System are all legally separate entities.

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

Cash and cash equivalents: Cash and cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less at date of purchase but exclude amounts whose use is limited for specific purposes and self-insurance programs or by board designation and arrangements under trust agreements.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Investments and investment income: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investments are recorded as current assets when they are available for current operations. Investments that are not available for current operations as a result of contractual obligations, restrictions, designations or for other reasons are not included in current assets. Investment income or loss includes realized gains and losses on investments, interest and dividends unless the income or loss is restricted by donor or law. Interest and dividends are recorded when earned. Realized gains and losses are recorded when the investments are sold. Unrealized gains and losses represent the change in fair value between reporting periods. Effective October 1, 2019, the System adopted the remaining provisions of Accounting Standards Update (ASU) 2016-01, and also designated the investments in debt securities within its investment portfolio as trading securities. As a result, effective October 1, 2019, all unrealized gains and losses on investments are also included in investment income. For fiscal year 2019, the unrealized gains and losses on other than trading investments were excluded from the excess of revenues over expenses unless the unrealized losses were determined to be other than temporary.

The System invests in a professionally managed portfolio that contains common shares and bonds of publicly traded companies, U.S. government and agency obligations, mutual funds and money market funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the consolidated financial statements.

Due from patients and others: Accounts receivable for medical services are recorded net of implicit price concessions. Implicit price concessions represent differences between amounts billed and the estimated consideration the System expects to receive from patients, which are determined based on historical collection experience, current market conditions and other factors. Accounts are written off when collection efforts have been exhausted.

Inventories: Inventories consist primarily of operating supplies and are stated at the lower of cost or market, on a first-in, first-out basis.

Assets limited as to use: Assets limited as to use primarily include assets required to fund claims in the System's self-insurance programs, assets set aside by the Board of Trustees primarily for capital replacement, assets held by trustee under bond indenture agreements, donor receivables and assets designated or restricted for donor intentions. Amounts required to meet current liabilities of the System have been classified as current assets.

The System has received gifts of beneficial interests in trusts held by bank trustees. Under some trusts, the System is named as the beneficiary in remainder trusts held by third parties. The beneficial interest in these trusts are carried at fair value. The System has other trusts whereby it has the irrevocable right to receive the income earned on its share of the trust assets in perpetuity, but never receives the trust assets. The System reports their interest in these trusts based on their prorata share of the fair value of the assets in the trust. The beneficial interest in the trusts are reported as assets limited as to use and as net assets with donor restrictions.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Donor receivables: Pledges to make future donations are reported at net present value generally at the time the unconditional pledge is made, net of an allowance for estimated uncollectible pledges.

Donor contributions: Unconditional donor promises to give and contributions are reported at fair value at the time of the gift. Conditional promises to give are recognized at fair value when the conditions on which they depend are substantially met or the probability that the condition will not be met is remote. Gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and consolidated statements of changes in net assets as net assets released from restrictions for operations or capital.

Property and equipment: Property and equipment are recorded at cost or if donated, at fair market value at date of donation. Property and equipment donated for operations are recorded as additions to net assets without donor restrictions. Major asset classifications and useful lives are generally based on the estimated utility of the assets and considering the American Hospital Association guidelines. Depreciation is provided over the estimated useful life of each class of depreciable assets, which range from 3 to 40 years, and is computed on the straight-line method. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed and any resulting gain or loss is included in other income within the consolidated statements of operations.

Goodwill and other identifiable intangible assets: Goodwill and other identifiable intangible assets, and the related accumulated amortization at September 30, 2020 and 2019 was \$4,512,585 and \$4,775,252, respectively, and is included in other assets on the consolidated balance sheets. The System reviews goodwill for impairment annually or sooner if indications of possible impairment are identified. No impairment expense was recognized during the years ended September 30, 2020 and 2019.

Debt issue costs: Debt issue costs are amortized over the life of the related bonds using the effective interest method and are reported net of long-term debt.

Estimated self-insurance liabilities: The liability for estimated self-insured medical malpractice claims, workers' compensation claims and health and dental claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. Health and dental claim liabilities are included with accrued expenses. The liability for medical malpractice claims and workers' compensation claims have been actuarially determined.

Excess of revenues over expenses: The consolidated statements of operations include excess of revenues over expenses. Changes in net assets without donor restrictions, include assets released from donor restrictions for capital in accordance with stipulations of a gift and for the year ended September 30, 2019, included unrealized gains and losses on investments classified as other than trading securities.

Net patient service revenue: The System reports patient service revenue at the amount that reflects the consideration to which the System expects to be entitled to in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others and includes variable consideration for retroactive adjustments due to settlement of audits and reviews. Revenue is recognized as performance obligations are satisfied.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Performance obligations are determined based on the nature of the services provided by the System. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The System believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and the System does not believe it is required to provide additional goods or services to the patient.

As the System's performance obligations relate to contracts with a duration of less than one year, the System has elected to apply the optional exemption provided in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The System determines the transaction price based on standard charges for goods and services provided to patients, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the System's policy, and/or implicit price concessions. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts expected to collect based on the System's collection history with similar class of patients. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended September 30, 2020 and 2019 were \$1,114,468 and \$1,291,435, respectively, and are included in supplies and other expenses in the consolidated statements of operations.

The System has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the System does, in certain instances, enter in payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Charity care: The System provides care without charge or at amounts less than its established rates to patients who meet specific criteria under the State's charity care guidelines. Because the System does not pursue collection of accounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Income taxes: The System and all of its not-for-profit subsidiaries are exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code (the Code). The System and all of its not-for-profit subsidiaries do not have significant unrelated business income; however, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities. The System's for-profit subsidiaries are subject to income tax. The income tax expense for fiscal year 2019 was \$41,000 and the estimate for income tax expense for fiscal year 2020 is approximately \$56,000. The System's practice is to recognize interest and/or penalties related to income tax matters as income tax expense in the consolidated statements of operations under supplies and other expenses. The System is generally no longer subject to tax examinations in the major U.S. taxing jurisdictions in which they operate for tax years prior to 2016.

Fair value measurements: The System follows the authoritative guidance for fair value measurements and the fair value option for financial assets and financial liabilities. The guidance for the fair value option for financial assets and financial liabilities provides companies the irrevocable option to measure many financial assets and liabilities at fair value on their acquisition or commitment date, with changes in fair value recognized in earnings. The System has not elected to measure any financial assets or liabilities at fair value that were not previously required to be measured at fair value.

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The guidance also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the System. Unobservable inputs are inputs that reflect the System's assumptions about the factors market participants would use in valuing the asset or liability.

The guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1:** Includes financial instruments for which quoted market prices for identical instruments that are available in active markets. Level 1 assets consist of money market funds, equity mutual and exchange-traded funds, equity securities and U.S. Treasury securities as they are traded in an active market with sufficient volume and frequency of transactions.
- Level 2:** Includes financial instruments for which there are inputs other than quoted prices included within Level 1 that are observable for the instrument such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets with sufficient volume or infrequent transactions (less active markets) or model-driven valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data, including market interest rate curves, referenced credit spreads and pre-payment rates. Level 2 assets and liabilities consist of certain marketable debt instruments. Marketable debt instruments in this category include U.S. government and agency securities, corporate bonds, fixed income funds and foreign and domestic equity securities.
- Level 3:** Includes financial instruments for which fair value is derived from valuation techniques including pricing models and discounted cash flow models in which one or more significant inputs are unobservable, including the System's own assumptions. The pricing models incorporate transaction details such as contractual terms, maturity and, in certain instances, timing and amount of future cash flows, as well as assumptions related to liquidity and credit valuation adjustments of marketplace participants. Level 3 equity funds include charitable remainder trust receivables and perpetual trusts which are recorded at fair value based on the underlying value of the assets in the trust or discounted cash flow of the expected payment streams.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Reclassifications: Certain amounts in the 2019 consolidated financial statements have been reclassified to be consistent with the presentation in the 2020 consolidated financial statements. These reclassifications did not impact net assets or the increase in net assets previously reported.

Recent accounting pronouncements: In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation and disclosures of financial instruments. The ASU, among other changes, will require unrealized gains and losses on equity investments with readily determinable fair values to be recognized within the performance indicator. At September 30, 2016, the System elected to early adopt the amendment that no longer requires disclosure of the fair value of financial instruments that are not measured at fair value and as such, these disclosures are not included herein. Effective October 1, 2019 the System adopted the remaining provisions of ASU 2016-01. This resulted in unrealized gains and losses on equity investments with readily determinable fair values to be recognized in the System's excess of revenue over expenses rather than presented in the System's other changes in net assets.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 introduces a lease accounting model that requires an entity to recognize assets and liabilities arising from most leases, including both financing and operating leases. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a financing or operating lease. ASU 2016-02 will also require qualitative and quantitative lease disclosures. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases*, and ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. ASU 2018-10 narrows aspects of the guidance issued in the amendments in ASU 2016-02. ASU 2018-11 provides entities with an additional (and optional) transition method to adopt ASU 2016-02. Based on the deferred effective dates provided in ASU 2020-05, the new standards are effective for the System's fiscal year beginning October 1, 2020. The System will appropriately adopt these standards in fiscal year 2021 and anticipates that it will report a right of use asset and liability based on the present value of its operating lease commitments.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the consolidated statements of cash flows with the objective of reducing existing diversity in practice with respect to these items. Effective October 1, 2019 the System adopted the standard with no material effect.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

COVID-19 pandemic: In January 2020, the Secretary of the U.S. Department of Health and Human Services (HHS) declared a national public health emergency due to a novel strain of coronavirus (COVID-19). In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The resulting measures to contain the spread and impact of COVID-19 have adversely affected the System's results of operations. As a result of the COVID-19 pandemic, federal and state governments have passed legislation, promulgated regulations and taken other administrative actions intended to assist health care providers in providing care to COVID-19 and other patients during the public health emergency. Sources of relief include the Coronavirus Aid, Relief and Economic Security Act (the CARES Act), which was enacted on March 27, 2020, and the Paycheck Protection Program and Health Care Enhancement Act (the PPPHCE Act), which was enacted on April 24, 2020. Together, the CARES Act and the PPPHCE Act include \$175,000,000,000 in funding to be distributed to eligible providers through the Public Health and Social Services Emergency Fund (the PHSSEF). In addition, the CARES Act provides for an expansion of the Medicare Accelerated and Advance Payment Program whereby inpatient acute care hospitals and other eligible providers may request accelerated payment of up to 100% of their Medicare payment amount for a six-month period to be repaid through withholding of future Medicare fee-for-service payments beginning 12 months after receipt. During the period ended September 30, 2020, the System was the beneficiary of these stimulus measures, including the Medicare Accelerated and Advance Payment Program. The System's accounting policies for the recognition of these stimulus monies are described below.

CARES Act and PPPHCE Act Funds: During the year ended September 30, 2020, the System received approximately \$30,675,000 in payments through the PHSSEF in both general and targeted distributions. Approximately \$15,000,000 of the PHSSEF payments qualified as reimbursement for lost operating margin and incremental expenses and was recognized as other revenue in the consolidated statements of operations. The recognition of amounts received is conditioned upon the provision of care for individuals with possible or actual cases of COVID-19 after January 31, 2020, certification that payment will be used to prevent, prepare for and respond to COVID-19 and shall reimburse the recipient only for health care-related expenses or lost operating margin that are attributable to COVID-19, and receipt of the funds. The System recognizes grant payments as income when there is reasonable assurance the System has complied with the conditions associated with the grant. The System's estimates could change materially in the future based on operating performance or COVID-19 activities at individual locations, as well as the evolving grant compliance guidance provided by the government. The approximately \$15,675,000 that has not been recognized as other revenue or that has not been refunded to HHS as of September 30, 2020, is reflected within deferred revenue – provider relief funds in the consolidated balance sheets. Such unrecognized amounts may be recognized as other revenue in future periods if the underlying conditions for recognition are met. See Note 16 for a subsequent events.

Medicare accelerated payments of approximately \$85,230,000 were received by the System during the year ended September 30, 2020. The Medicare accelerated payments are interest free and the program currently requires that Centers for Medicare and Medicaid Services (CMS) recoup the accelerated payments beginning 12 months after receipt by the provider, by withholding future Medicare fee-for-service payments for claims until such time as the accelerated payments have been fully recouped. The program currently requires that any outstanding balance remaining after 29 months must be repaid by the provider or be subjected to a 4% annual interest rate. As of September 30, 2020, the liability for Medicare accelerated payments is reflected as approximately \$11,622,000 and \$73,608,000 in current and long-term liabilities, respectively.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Third-Party Payors

The System has agreements with third-party payors that provide for payment to the System at amounts different from its established rates. A summary of the basis of payments from the System's primary third-party payors follows:

Medicare: Most inpatient acute, rehabilitation, psychiatric and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

The System's hospital specific rates include the full update for meaningful electronic health record (EHR) user and quality data submission.

Certain Medicare services are paid under a cost reimbursement methodology. The System's Medicare cost reports have been filed for all years through September 30, 2019, and have been audited by the Medicare intermediary for all years through September 30, 2016. Retroactive adjustments for cost report settlements are accrued on an estimated basis in the period when the related services are rendered and adjusted in future periods when final settlements are determined.

Medicaid: Florida Inpatient Medicaid services are paid at prospectively determined rates based on All Patient Refined Diagnostic Related Groups methodology (APR DRG). Payments under APR DRG assignment are made on a per case basis and are not subject to retrospective rate adjustments. Florida Medicaid Outpatient services are paid at prospectively determined rates based on Enhanced Ambulatory Payment Group (EAPG) methodology.

The System's Medicaid cost report audits have been completed through September 30, 2015.

Laws and regulations governing the Medicare and Medicaid Programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to audits, claims, inquiries and investigations from government authorities and agencies that occur in the ordinary course of business. Current audits, claims, inquiries and investigations and their ultimate resolutions, individually or in the aggregate, are not expected to have a material adverse effect on the System's business, financial condition, results of operations or cash flows. The System's classification of patients and the appropriateness of their care are subject to review by the fiscal intermediaries administering the Medicare and Medicaid programs.

Other: The System has also entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the System under these arrangements includes prospectively determined rates per discharge, per diem, discounts from established charges, and prospectively determined rates per procedure for outpatient services. Some of these arrangements provide for review of paid claims for compliance with the terms of the contract and can result in retroactive settlement with third parties. Any retroactive adjustments for other third-party claims are recorded in the period when final settlement is determined.

Changes in estimates of third-party payor settlements increased net patient service revenue by approximately \$1,107,000 and \$1,656,000, respectively, for the years ended September 30, 2020 and 2019.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3. Net Patient Service Revenue and Due From Patients and Others

The composition of net patient service revenue based on payor source for the years ended September 30, are as follows:

| | 2020 | 2019 |
|-------------------------------------|-----------------------|-----------------------|
| Medicare and Medicaid including HMO | \$ 325,662,951 | \$ 343,466,232 |
| Commercial | 249,098,819 | 252,914,008 |
| Self Pay and other | 22,070,044 | 30,691,333 |
| Net patient service revenue | <u>\$ 596,831,814</u> | <u>\$ 627,071,573</u> |

Hospital revenue includes a variety of services mainly covering inpatient procedures requiring overnight stays or outpatient operations that require anesthesia or use of complex diagnostic and surgical equipment as well as emergency care. Physician revenue includes services primarily focused on the care of outpatients covering primary and specialty healthcare needs. The composition of net patient service revenue based on services for the years ended September 30, are as follows:

| | 2020 | 2019 |
|-----------------------------|-----------------------|-----------------------|
| Inpatient | \$ 304,179,421 | \$ 313,219,090 |
| Outpatient | 184,479,737 | 205,498,881 |
| Physician | 108,172,656 | 108,353,602 |
| Net patient service revenue | <u>\$ 596,831,814</u> | <u>\$ 627,071,573</u> |

Note 4. Uncompensated Care

Uncompensated care represents either charges foregone or charges in excess of payment received for services provided to patients who are not covered under contracts with third-party payors. The major components of uncompensated care are categorized as charity, welfare and bad debts.

Charity care represents services and supplies furnished at no charge to patients who have qualified under the income criteria promulgated by the state of Florida. Patients who would otherwise be deemed as charity care can sometimes qualify under the Collier County Welfare Program. Payments under the County Welfare Program are limited by the amount appropriated by the County.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Uncompensated Care (Continued)

Uncompensated care for the years ended September 30, was as follows:

| | 2020 | 2019 |
|---|-----------------------|-----------------------|
| Charity care – charges foregone, based on established rates | \$ 98,938,638 | \$ 115,261,004 |
| Welfare – difference between established rates and reimbursement received | 3,401,510 | 3,404,101 |
| Total charity care and welfare | 102,340,148 | 118,665,105 |
| Implicit price concession | 84,446,991 | 64,780,407 |
| Bad debts – charges deemed uncollectible | 1,114,468 | 1,291,435 |
| Total uncompensated care | <u>\$ 187,901,607</u> | <u>\$ 184,736,947</u> |
| Estimated cost of providing uncompensated care | <u>\$ 46,970,123</u> | <u>\$ 46,330,040</u> |

The System applied adjusted expenses as a percent of revenues to the charity, welfare and bad debt charges written off to determine an estimated cost of uncompensated care.

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

| | 2020 | 2019 |
|---|----------------------|----------------------|
| Health care services: | | |
| Building construction and purchase of equipment | \$ 15,245,259 | \$ 22,305,846 |
| Clinical | 20,336,943 | 13,112,519 |
| Education | 721,873 | 657,482 |
| Indigent | 1,154,984 | 354,248 |
| Investments to be held in perpetuity, the income from which is expendable to support health care services | 16,068,607 | 15,631,211 |
| | <u>\$ 53,527,666</u> | <u>\$ 52,061,306</u> |

At September 30, outstanding pledges from various corporations, foundations and individuals, included in donor receivables in assets limited as to use, were as follows:

| | 2020 | 2019 |
|---------------------------------------|----------------------|----------------------|
| Amounts due: | | |
| Within one year | \$ 4,686,570 | \$ 4,278,809 |
| In one to five years | 8,452,434 | 9,099,657 |
| In six to eight years | 3,306,281 | 1,669,705 |
| Over eight years | 12,750,406 | 8,339,104 |
| | 29,195,691 | 23,387,275 |
| Less: | | |
| Discounts for the time value of money | (5,295,178) | (4,638,667) |
| | <u>\$ 23,900,513</u> | <u>\$ 18,748,608</u> |

Estimated cash flows from pledge receivables due after one year are discounted using a risk-adjusted rate that is commensurate with the pledges' due dates and established in the year the pledge is received.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Net Assets with Donor Restrictions (Continued)

The System operates under the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). The FUPMIFA defines an endowment fund as an institutional fund, or any part thereof, not wholly expendable by the institution on a current basis under the terms of the applicable gift instrument. The System's interpretation of its fiduciary responsibilities for donor restricted endowments under FUPMIFA is that it is required to use reasonable care and caution as would be exercised by a prudent investor, in considering the investment management and expenditures of endowment funds. In accordance with FUPMIFA, the System may expend so much of an endowment fund as the System determines to be prudent for the uses and purposes of which the endowment fund is established, consistent with the goal of conserving the long-term purchasing power of the endowment fund.

The System considers the following in expenditure decisions for its endowment funds:

- The program needs of the System
- The intent of the donors of the endowment fund
- The terms of the applicable instrument
- General economic conditions
- The possible effects of inflation or deflation
- The expected total return from income and the appreciation of investments
- The other resources of the System
- Perpetuation of the endowment

The System classifies the following as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, when applicable. The donor-restricted endowment fund is classified in net assets with donor restrictions until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by FUPMIFA. The investment income from the System's endowment funds are designated for general and specific purposes.

The System's endowment investment policies are directed by the Investment Committee of the Board of Trustees. The System's policies establish a moderate risk posture with respect to both time and risk preference. These risk postures are developed to provide consistent return patterns over a moderate time horizon and are consistent with conserving the purchasing power of its endowment funds. Strategies employed for achieving the System's investment objectives include passively and actively managed funds invested in domestic and global equities, domestic and global fixed income, absolute return and real assets.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Net Assets with Donor Restrictions (Continued)

Changes in net assets with donor restrictions for the years ended September 30, 2020 and 2019, consisted of the following:

| | <u>Net Assets with Donor Restrictions</u> |
|---|---|
| Endowment net assets at September 30, 2018 | \$ 22,998,339 |
| Investment return: | |
| Investment income | 408,600 |
| Change in unrealized gains | 33,132 |
| Total investment return | 441,732 |
| Gifts | 3,907 |
| Appropriation of endowment assets for expenditure | (304,293) |
| Endowment net assets at September 30, 2019 | <u>23,139,685</u> |
| Investment return: | |
| Investment income | 484,008 |
| Change in unrealized gains | 1,271,456 |
| Total investment return | 1,755,464 |
| Gifts | 117,661 |
| Appropriation of endowment assets for expenditure | (334,085) |
| Endowment net assets at September 30, 2020 | <u>\$ 24,678,725</u> |

For the years ended September 30, 2020 and 2019, net assets were released from donor restrictions by satisfying the time restriction or incurring operating expenses satisfying the restricted purposes in the amounts of approximately \$1,631,000 and \$1,304,000, respectively. For the years ended September 30, 2020 and 2019, net assets were released from donor restrictions used for purchase of property and equipment in the amounts of approximately \$16,180,000 and \$5,261,000, respectively.

Donor restricted net assets held by the System are reported at fair value and are restricted to investment and reinvestment in perpetuity, the income from which is expendable to support various programs sponsored by the System. A summary of the revenues for the year ended September 30, 2020, consisted of the following:

| | <u>With Donor Restrictions</u> |
|--|------------------------------------|
| Revenues, gains and other support: | |
| Public support: | |
| Restricted donations | \$ 14,883,521 |
| Fundraising events | 1,667,887 |
| Total public support | 16,551,408 |
| Investment income and change in net unrealized gains on securities | 2,725,435 |
| Released from restrictions | (17,810,483) |
| Total revenues, gains and other support, net | <u>\$ 1,466,360</u> |

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6. Liquidity and Availability

The System regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The following table summarizes the System's financial assets available for general expenditure and endowment grant obligations within one year after September 30:

| | 2020 | 2019 |
|---|-----------------------|-----------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 133,840,422 | \$ 13,166,430 |
| Investments | 321,598,596 | 311,001,954 |
| Due from patients and others, net | 67,227,456 | 82,015,752 |
| Self-Insurance fund | 14,048,801 | 13,549,928 |
| Donor receivables | 23,900,513 | 18,748,608 |
| Assets designated or restricted for donor intentions | 26,519,377 | 27,040,650 |
| Assets held by trustee under bond indentures | 4,541,286 | 4,496,099 |
| Investment in partnerships | 687,200 | 967,483 |
| Other current receivables | 1,625,520 | 1,851,611 |
| Bequest receivable | 1,261,257 | 2,557,401 |
| Other long-term assets | 5,652,585 | 6,200,252 |
| Total financial assets | <u>600,903,013</u> | <u>481,596,168</u> |
| Less amounts not available to be used within one year: | | |
| Board designated investments | (318,940,683) | (308,368,049) |
| Investments in partnerships | (687,200) | (967,483) |
| Self-Insurance fund | (14,048,801) | (13,549,928) |
| Assets designated or restricted for donor intentions | (26,519,377) | (27,040,650) |
| Donor receivables due over one year | (19,263,943) | (14,469,799) |
| Assets held by trustee under bond indentures | (4,541,286) | (4,496,099) |
| Bequests receivable due over one year | (540,244) | (570,427) |
| Other long-term assets | (5,652,585) | (6,200,252) |
| Total financial assets not available to be used within one year | <u>(390,194,119)</u> | <u>(375,662,687)</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 210,708,894</u> | <u>\$ 105,933,481</u> |

Board designated investments could be sold to meet the System's operating needs and other contractual commitments.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Assets Limited as to Use and Investments

The composition of assets limited as to use stated at fair value at September 30, are set forth in the following table:

| | 2020 | 2019 |
|---|-----------------------|-----------------------|
| Self-insurance funds: | | |
| Cash and cash equivalents | \$ 12,910,339 | \$ 10,493,101 |
| U.S. government and agency securities | 113,656 | 439,867 |
| Mortgage-backed securities | 142,728 | 820,971 |
| Corporate bonds | - | 838,276 |
| Self-insurance receivables | 882,078 | 957,713 |
| | <u>14,048,801</u> | <u>13,549,928</u> |
| Board-designated assets: | | |
| Cash and cash equivalents | 3,219,641 | 5,204,168 |
| U.S. government and agency securities | 13,720,755 | 20,113,300 |
| Mortgage-backed securities | 27,754,349 | 14,809,007 |
| Corporate bonds | 28,654,679 | 37,791,780 |
| Fixed income funds | 39,624,934 | 44,347,650 |
| Equities and equity funds – domestic | 144,056,042 | 129,064,749 |
| Equities and equity funds – foreign | 61,910,283 | 57,037,395 |
| | <u>318,940,683</u> | <u>308,368,049</u> |
| Assets held by trustee under bond indentures: | | |
| Cash and cash equivalents | 4,541,286 | 4,496,099 |
| Assets designated or restricted for donor intentions: | | |
| Cash and cash equivalents | 4,299,249 | 6,118,450 |
| U.S. government and agency securities | 725,818 | 635,176 |
| Mortgage-backed securities | 323,557 | 356,636 |
| Corporate bonds | 673,265 | 669,025 |
| Fixed income funds | 91,561 | 99,178 |
| Equities and equity funds – domestic | 13,405,559 | 12,419,354 |
| Equities and equity funds – foreign | 7,000,368 | 6,742,831 |
| Donor receivables | 23,900,513 | 18,748,608 |
| | <u>50,419,890</u> | <u>45,789,258</u> |
| Total assets limited as to use | <u>\$ 387,950,660</u> | <u>\$ 372,203,334</u> |

The composition of current unrestricted and undesignated investments stated at fair value at September 30, are set forth in the following table:

| | 2020 | 2019 |
|---------------------------------------|---------------------|---------------------|
| Current investments: | | |
| U.S. government and agency securities | 1,178,266 | \$ 551,931 |
| Mortgage-backed securities | 1,479,647 | 1,030,130 |
| Corporate bonds | - | 1,051,844 |
| Total current investments | <u>\$ 2,657,913</u> | <u>\$ 2,633,905</u> |

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Assets Limited as to Use and Investments (Continued)

Investment income and gains (losses) from unrestricted cash, assets limited as to use, and investments, excluding earnings reported in net assets with donor restrictions, are comprised of the following for the years ended September 30:

| | 2020 | 2019 |
|--|----------------------|---------------------|
| Investment income, including gain from sale of BCHC (see Note 1) | \$ 14,848,846 | \$ 8,013,859 |
| Net change in unrealized gains | 8,281,855 | - |
| Net realized gains | 4,685,048 | 3,042,969 |
| | <u>27,815,749</u> | <u>11,056,828</u> |
| Change in net unrealized losses on other than trading securities | - | (3,753,826) |
| Total investment earnings | <u>\$ 27,815,749</u> | <u>\$ 7,303,002</u> |

Investment expenses are recorded as reductions to investment income and realized gains.

The fair value of debt securities classified by contractual maturity, as of September 30, 2020, are as follows:

| | Amortized Cost | Fair Value |
|--|----------------------|----------------------|
| Due within one year | \$ 3,695,152 | \$ 3,697,606 |
| Due after one year through three years | 21,020,104 | 21,481,294 |
| Due after three years | 18,926,531 | 19,887,539 |
| Mortgage-backed securities | 29,576,170 | 29,700,281 |
| | <u>\$ 73,217,957</u> | <u>\$ 74,766,720</u> |

Expected maturities will differ from contractual maturities because the issuers of certain debt securities do have the right to call or prepay their obligations without any penalties.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Assets Limited as to Use and Investments (Continued)

The System follows the authoritative guidance for fair value measurements as defined in Note 1 and the following tables present the System's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis at September 30, 2020 and 2019:

| | 2020 | | | |
|---------------------------------------|----------------|----------------|--------------|----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Cash and cash equivalents | \$ 22,007,977 | \$ 3,394,526 | \$ - | \$ 25,402,503 |
| U.S. government and agency securities | - | 15,738,495 | - | 15,738,495 |
| Mortgage-backed securities | - | 29,700,281 | - | 29,700,281 |
| Corporate bonds | - | 29,327,944 | - | 29,327,944 |
| Fixed income funds | - | 39,716,495 | - | 39,716,495 |
| Equities and equity funds – domestic | 140,585,904 | 15,385,733 | 1,489,964 | 157,461,601 |
| Equities and equity funds – foreign | 53,072,042 | 15,838,609 | - | 68,910,651 |
| | 215,665,923 | 149,102,083 | 1,489,964 | 366,257,970 |
| Trusts held by others | - | - | 5,141,844 | 5,141,844 |
| Total assets at fair value | \$ 215,665,923 | \$ 149,102,083 | \$ 6,631,808 | \$ 371,399,814 |
| | | | | |
| | 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Cash and cash equivalents | \$ 21,427,503 | \$ 5,310,788 | \$ - | \$ 26,738,291 |
| U.S. government and agency securities | - | 21,740,274 | - | 21,740,274 |
| Mortgage-backed securities | - | 17,016,744 | - | 17,016,744 |
| Corporate bonds | - | 40,350,925 | - | 40,350,925 |
| Fixed income funds | - | 44,446,828 | - | 44,446,828 |
| Equities and equity funds – domestic | 124,444,830 | 15,677,598 | 1,361,675 | 141,484,103 |
| Equities and equity funds – foreign | 45,623,126 | 18,157,100 | - | 63,780,226 |
| | 191,495,459 | 162,700,257 | 1,361,675 | 355,557,391 |
| Trusts held by others | - | - | 4,740,826 | 4,740,826 |
| Total assets at fair value | \$ 191,495,459 | \$ 162,700,257 | \$ 6,102,501 | \$ 360,298,217 |

The following tables are a rollforward of the consolidated balance sheets amounts for financial instruments classified by the System within Level 3 of the valuation hierarchy as defined in Note 1:

| | Trusts Held by Others | Equity Funds | Total |
|--|--------------------------|-----------------|--------------|
| Fair value October 1, 2018 | \$ 4,631,238 | \$ 1,433,094 | \$ 6,064,332 |
| Realized and unrealized gains (losses) | 109,588 | (71,419) | 38,169 |
| Fair value September 30, 2019 | 4,740,826 | 1,361,675 | 6,102,501 |
| Realized and unrealized gains | 401,018 | 128,289 | 529,307 |
| Fair value September 30, 2020 | \$ 5,141,844 | \$ 1,489,964 | \$ 6,631,808 |

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Property and Equipment

Property and equipment and accumulated depreciation and amortization consists of the following at September 30:

| | 2020 | 2019 |
|--|-----------------------|-----------------------|
| Land | \$ 34,875,801 | \$ 34,875,801 |
| Land improvements | 8,924,756 | 8,924,756 |
| Buildings | 469,122,355 | 460,943,682 |
| Fixed equipment | 52,722,657 | 51,595,141 |
| Movable equipment | 359,723,699 | 335,414,631 |
| Leasehold improvements | 14,720,920 | 14,745,847 |
| Facilities expansion in progress | 29,433,768 | 17,341,409 |
| | <u>969,523,956</u> | <u>923,841,267</u> |
| Less accumulated depreciation and amortization | <u>(585,900,630)</u> | <u>(541,191,608)</u> |
| | <u>\$ 383,623,326</u> | <u>\$ 382,649,659</u> |

The facilities expansion in progress at September 30, 2020, included the construction costs of various projects, which management estimates will cost an additional approximate amount of \$19,302,000 and \$9,078,000 to complete during 2021 and 2022, respectively. The System funds these construction projects through operations and contributions.

Impairment: Long-lived assets are tested for impairment based on undiscounted cash flows and, if impaired, written down to fair value based on either discounted cash flows or market values. To date, management has determined that no impairment of long-lived assets is required.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Long-Term Debt

The System was obligated under long-term debt as follows at September 30:

| | 2020 | 2019 |
|--|-----------------------|----------------------|
| Collier County Industrial Development Authority Healthcare Facilities Revenue Bonds, Series 2010 (payable by the Hospital under an agreement with Collier County) consisting of \$3,739,816 serial bonds due October 2020, with interest paid quarterly at 2.954%. | \$ 3,739,816 | \$ 7,371,759 |
| Collier County Industrial Development Authority Healthcare Facilities Revenue Bonds, Series 2011 Public (payable by the Hospital under an agreement with Collier County) consisting of \$1,865,000 serial bonds due October 2020, with interest paid semi-annually at 5%. \$3,380,000 serial bonds due October 2021, with interest paid semi-annually at 5%. \$3,545,000 serial bonds due October 2022 with interest paid semi-annually at 5%. \$4,645,000 serial bonds due October 2023, with interest paid semi-annually at 5.5%. \$3,990,000 serial bonds due October 2024, with interest paid semi-annually at 5.5% and \$72,430,000 serial bonds due from October 2025 through October 2039, with interest paid semi-annually at rates ranging from 5.50% to 6.25%. The Series 2011 Public bonds will be called in April 2021 and replaced under a forward delivery agreement. | 89,855,000 | 91,635,000 |
| Collier County Industrial Development Authority Healthcare Facilities Revenue Bonds, Series 2020 (payable by the Hospital under an agreement with Collier County) consisting of \$95,000 series bond due October 2023, interest paid semi-annually at 1.64%. \$1,410,000 series bond due October 2024, interest paid semi-annually at 1.64%. \$1,460,000 series bond due October 2025, interest paid semi-annually at 1.64%. \$1,510,000 series bond due October 2026, interest paid semi-annually at 1.64%. \$5,465,000 series bond due October 2027, interest paid semi-annually at 1.64% and \$10,560,000 series bonds due from October 2028 through October 2035, interest paid semi-annually at 1.64%. | 20,500,000 | - |
| Total long-term debt | 114,094,816 | 99,006,759 |
| Less: | | |
| Unamortized original issue discount | (515,941) | (571,555) |
| Debt issuance costs | (867,217) | (702,499) |
| Current maturities | (5,604,816) | (5,411,943) |
| | <u>\$ 107,106,842</u> | <u>\$ 92,320,762</u> |

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Long-Term Debt (Continued)

On March 23, 2020, the Collier County Industrial Development Authority authorized the issuance of up to \$50,000,000 of its Healthcare Facilities Revenue Bond, Series 2020 (the Series 2020 Bonds) to be issued by the Authority on behalf of Naples Community Hospital. Settlement of the 2020 Bond issue occurred on March 31, 2020. The purchaser of the 2020 bonds is DNT Asset Trust, a Delaware statutory trust and wholly owned subsidiary of JPMorgan Chase Bank, N.A., its successors, assigns and transferees (the Purchaser). Pursuant to a financing agreement between the Hospital and the Purchaser, the hospital is authorized to request, and the Purchaser is required to make, advances on this loan of up to a total of \$50,000,000. Such advances are required to be made by no later than February 15, 2022. As of September 30, 2020, such advances had been made in the amount of \$20,500,000. The Hospital pays interest only on the amount of the advances that have been made. The proceeds of the 2020 bonds are to be used to finance the construction and equipping of various capital improvements to the Hospital's facilities and finance costs associated with the issuance of the Series 2020 Bond.

On March 31, 2020, the Hospital entered into an agreement with DNT Asset Trust (the Forward Delivery Agreement) that provides for the issuance by the Collier County Industrial Development Authority (the Issuer) and purchase by DNT Asset Trust of a Healthcare Facilities Revenue Bond, Series 2021 (the Series 2021 Bonds) on March 30, 2021. Under the terms of the Forward Delivery Agreement the Issuer is obligated to issue the Series 2021 Bond and loan the proceeds to the Hospital, as the Borrower, and DT Asset Trust, a wholly-owned subsidiary of JP Morgan Chase Bank, N.A., its successors, assigns and transferees (the Purchaser) is committed to extend credit to the Issuer and the Hospital and to purchase the Series 2021 Bond. The purchase price of the Series 2021 Bond is \$90,769,000. The proceeds of the loan will be used by the Hospital to pay the redemption price (including principal, accrued interest, and redemption premium) in order to redeem in full as of April 1, 2021 all of the remaining outstanding Series 2011 Bonds previously issued by the Issuer on behalf of the Hospital. As of April 1, 2021, all of the Series 2011 Bonds will have been fully repaid and no longer an obligation of the Hospital. The issuance and delivery of the Series 2021 Bond are subject to certain terms and conditions contained in the Forward Delivery Agreement. The Series 2021 Bond loan will be collateralized under the Hospital Master Trust Indenture. The final maturity of the Series 2021 Bond will be October 1, 2039, and principal will be subject to periodic repayment, as provided in the Series 2021 Bond and the corresponding loan documents.

The agreements underlying the bond issues described above contain covenants that provide for, among other things, the maintenance of certain financial ratios, conditions for issuance of additional indebtedness and the transferability of funds. The System was in compliance with financial related covenants for the years ended September 30, 2020 and 2019. The Series 2010, Series 2011 Public and Series 2020 Bonds are collateralized under the Hospital Master Trust Indenture. The Hospital Master Trust Indenture is collateralized by all revenue, accounts receivable, contract rights, and general intangibles of the Obligated Group and by the money and securities held in the funds and accounts established under the applicable indentures.

The aggregate principal maturities and sinking fund requirements on long-term debt based on the debt outstanding as of September 30, 2020, in each of the next five years and thereafter are as follows:

| | |
|----------------------------|-----------------------|
| Years ending September 30: | |
| 2021 | \$ 5,604,816 |
| 2022 | 3,380,000 |
| 2023 | 3,545,000 |
| 2024 | 4,740,000 |
| 2025 | 5,400,000 |
| Thereafter | 91,425,000 |
| | <u>\$ 114,094,816</u> |

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Self-Insured Claims

The System is self-insured for its professional liability, workers' compensation and employee health programs.

For 2020 and 2019 professional liability, the System had a \$4,000,000 per claim self-insured retention. To pay claims in excess of the self-insured retention, the System purchased an excess professional liability policy (claims-made basis).

Losses from asserted claims and from unasserted claims identified under the System's incident reporting system are accrued based on estimates that incorporate the System's past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors and incidents that may have occurred but that have not been identified under the incident reporting system. Total expenses under this program were \$2,505,452 and \$2,697,249 during the years ended September 30, 2020 and 2019, respectively, and are included in supplies and other expenses in the consolidated statements of operations. As of September 30, 2020 and 2019, the System had accrued \$13,331,328 and \$12,647,349, respectively, which, in the opinion of management, based on historical experience and current actuarial analyses, is sufficient to cover reported claims and claims incurred but not reported. The accrued professional liability has been discounted at a rate of 2.5% in 2020 and 3% in 2019. The discount on the accrual for professional liability was approximately \$872,000 and \$1,039,000 at September 30, 2020 and 2019, respectively. The System has recorded approximately \$828,000 and \$895,000 for September 30, 2020 and 2019, respectively, of estimated professional liability insurance recoveries which is included in the self-insurance fund in assets limited as to use on the accompanying consolidated balance sheets.

For 2020 and 2019 workers' compensation, the System had a \$500,000 per claim self-insured retention. To pay claims in excess of its self-insured retention, the System purchased an excess liability policy (occurrence-basis). As of September 30, 2020 and 2019, the System had accrued \$717,473 and \$902,579, respectively, which, in the opinion of management, based on historical experience and current actuarial analyses, is sufficient to cover reported claims and claims incurred but not reported. Total expenses under this program were \$417,631 and \$661,870 during the years ended September 30, 2020 and 2019, respectively, and are included in supplies and other expenses in the consolidated statements of operations. The accrued workers' compensation liability has been discounted at a rate of 2.5% in 2020 and 3% in 2019. The discount on the accrued workers' compensation liability was approximately \$72,000 and \$111,000 at September 30, 2020 and 2019, respectively. The System has recorded approximately \$54,000 and \$63,000 for September 30, 2020 and 2019, respectively, of estimated workers' compensation insurance recoveries which is included in the self-insurance fund in assets limited as to use on the accompanying consolidated balance sheets.

For 2020 and 2019 employee health coverage, the System had a \$350,000 per claim self-insured retention. The plan calls for an unlimited lifetime maximum benefit per covered life. As of September 30, 2020 and 2019, the System had accrued \$8,840,204 and \$7,596,563, respectively, based on historical experience, which, in the opinion of management is sufficient, to cover reported claims and claims incurred but not reported. Due to the short-term nature of these claims, the liability is included in accrued expenses and has not been discounted. The System recognizes patient service revenue for employee's receiving medical care within the System. Employee health services provided by external services outside the System are included in employee benefits as an expense.

The System is involved in litigation arising from the ordinary course of business. In the opinion of management and counsel, these matters will be resolved without a material adverse effect to the System's financial position, results of operations or cash flows.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11. Defined Contribution Plan

The System has a defined contribution plan covering all eligible employees. The System, at its discretion will match a percentage of each participant's salary reduction contributions after the participant has completed 12 months of employment. In the event the System chooses to make a matching contribution, the matching amount shall equal 100% of the first 2% of compensation contributed by the participant as salary reduction contributions plus 50% of the next 4% of compensation contributed by the participant as salary reduction contributions, up to a maximum of 4% of compensation.

The System's contributions, net of forfeitures, for the years ended September 30, 2020 and 2019, were approximately \$8,557,000 and \$7,465,000, respectively.

Note 12. Related Party Transactions

Three members of the Board of Trustees are employees of the System. One member of the Board of Trustees is an owner of a property, which NCH pays for rental space.

Note 13. Leases

The System leases buildings and equipment under operating leases. Rental expense for the years ended September 30, 2020 and 2019, approximated \$7,596,000 and \$7,207,000, respectively, and are included in supplies and other expenses in the consolidated statements of operations. The future minimum lease payments under operating leases at September 30, 2020, are approximately as follows:

| | |
|----------------------------|----------------------|
| Years ending September 30: | |
| 2021 | \$ 6,493,000 |
| 2022 | 5,561,000 |
| 2023 | 5,094,000 |
| 2024 | 3,821,000 |
| 2025 | 3,757,000 |
| Thereafter | 4,990,000 |
| | <u>\$ 29,716,000</u> |

Note 14. Concentrations of Credit Risk

Financial instruments which potentially subject the System to concentrations of credit risk consist principally of cash and cash equivalents, investments and assets limited as to use.

The System places its cash and cash equivalents with what management believes to be high credit quality financial institutions. Included in cash and cash equivalents are bank deposits, certificates of deposit and other short-term investments in the amount of approximately \$133,840,000 and \$13,166,000 as of September 30, 2020 and 2019, respectively. The System's assets limited as to use and investments include cash and cash equivalents, U.S. government and agency securities, corporate bonds, preferred stock and common stock which are subject to market risk, as listed in Note 7. The System limits the amount of credit exposure to any one company or financial institution by diversifying its investments.

Notes 2 and 3 detail the concentration of revenue and accounts receivable.

NCH Healthcare System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 15. Functional Expenses

The expenses reported in the consolidated statements of operations were incurred for the following:

| | 2020 | | | |
|--|---------------------|-----------------------|----------------------------|-----------------------|
| | Fundraising | Healthcare Services | General and Administrative | Total |
| Salaries and benefits | \$ 1,781,932 | \$ 332,144,063 | \$ 30,470,386 | \$ 364,396,381 |
| Supplies, purchased services and other | 289,576 | 184,273,520 | 35,119,240 | 219,682,336 |
| Repairs, equipment rental and facility costs | 66,368 | 35,518,867 | 5,554,740 | 41,139,975 |
| Depreciation and amortization | 94,857 | 42,094,590 | 5,073,829 | 47,263,276 |
| Interest | - | 4,833,905 | 853,042 | 5,686,947 |
| Total functional expenses | <u>\$ 2,232,733</u> | <u>\$ 598,864,945</u> | <u>\$ 77,071,237</u> | <u>\$ 678,168,915</u> |

| | 2019 | | | |
|--|---------------------|-----------------------|----------------------------|-----------------------|
| | Fundraising | Healthcare Services | General and Administrative | Total |
| Salaries and benefits | \$ 1,361,814 | \$ 331,320,960 | \$ 28,718,208 | \$ 361,400,982 |
| Supplies, purchased services and other | 368,304 | 176,174,607 | 32,735,314 | 209,278,225 |
| Repairs, equipment rental and facility costs | 50,951 | 33,214,090 | 5,804,386 | 39,069,427 |
| Depreciation and amortization | 80,568 | 38,808,140 | 4,774,173 | 43,662,881 |
| Interest | - | 4,777,179 | 843,032 | 5,620,211 |
| Total functional expenses | <u>\$ 1,861,637</u> | <u>\$ 584,294,976</u> | <u>\$ 72,875,113</u> | <u>\$ 659,031,726</u> |

Note 16. Subsequent Events

The System has performed a review of subsequent events through January 15, 2021, the date the consolidated financial statements were issued.

As discussed in Note 1, the System received CARES Act stimulus funds in 2020, and the System believes the amount recorded as revenue and the amount deferred for recognition in future periods as of and for the year ended September 30, 2020, are consistent with the guidance available from HHS as of September 30, 2020. In October and November 2020, new reporting requirements and other guidance was released related to the Provider Relief Funds. By in large the new guidance was determined to be a non-recognizable subsequent event. Management has not yet determined the effect of the new guidance on the System's financial statements for the year ending September 30, 2021.



RSM US LLP

Independent Auditor's Report on the Supplementary Information

Board of Trustees
NCH Healthcare System, Inc.

We have audited the consolidated financial statements of NCH Healthcare System, Inc. and Subsidiaries as of and for the years ended September 30, 2020 and 2019, and have issued our report thereon dated January 15, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The accompanying consolidating information is presented for purposes of additional analysis, rather than to present the financial position and results of operations of the individual companies and is not a required part of the financial statements as a whole. 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Miami, Florida
January 15, 2021

NCH Healthcare System, Inc. and Subsidiaries

Consolidating Balance Sheet September 30, 2020

| | Naples Community Hospital, Inc. | Other Obligated Group Entities | Obligated Group | All Other Entities | Eliminations | System Consolidated Total |
|---|---------------------------------------|--------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------------|
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 138,138,248 | \$ (4,701,016) | \$ 133,437,232 | \$ 403,190 | \$ - | \$ 133,840,422 |
| Investments | 2,657,913 | - | 2,657,913 | - | - | 2,657,913 |
| Due from patients and others, net | 58,454,797 | 8,392,908 | 66,847,705 | 379,751 | - | 67,227,456 |
| Assets limited as to use | 11,540,815 | 1,205,089 | 12,745,904 | 9,606 | - | 12,755,510 |
| Inventories | 13,227,422 | 1,454,254 | 14,681,676 | - | - | 14,681,676 |
| Estimated third-party payor receivable | 452,527 | - | 452,527 | - | - | 452,527 |
| Other current assets | 6,842,308 | 1,858,539 | 8,700,847 | (19,207) | - | 8,681,640 |
| Total current assets | 231,314,030 | 8,209,774 | 239,523,804 | 773,340 | - | 240,297,144 |
| Assets limited as to use: | | | | | | |
| Self-insurance fund | 9,211,306 | 4,799,239 | 14,010,545 | 38,256 | - | 14,048,801 |
| Board-designated assets | 318,940,683 | - | 318,940,683 | - | - | 318,940,683 |
| Assets held by trustee under bond indentures | 4,541,286 | - | 4,541,286 | - | - | 4,541,286 |
| Donor receivables | 23,900,513 | - | 23,900,513 | - | - | 23,900,513 |
| Assets designated or restricted for donor intentions | 26,519,377 | - | 26,519,377 | - | - | 26,519,377 |
| | 383,113,165 | 4,799,239 | 387,912,404 | 38,256 | - | 387,950,660 |
| Less assets limited as to use that are available to pay current liabilities | (11,540,815) | (1,205,089) | (12,745,904) | (9,606) | - | (12,755,510) |
| | 371,572,350 | 3,594,150 | 375,166,500 | 28,650 | - | 375,195,150 |
| Investment in partnerships | - | 6,396,863 | 6,396,863 | 71,910 | (5,781,573) | 687,200 |
| Property and equipment, net of accumulated depreciation | 337,657,285 | 38,564,595 | 376,221,880 | 7,401,446 | - | 383,623,326 |
| Other assets | 1,162,514 | 4,181,727 | 5,344,241 | 1,141,214 | - | 6,485,455 |
| Total assets | \$ 941,706,179 | \$ 60,947,109 | \$ 1,002,653,288 | \$ 9,416,560 | \$ (5,781,573) | \$ 1,006,288,275 |
| Liabilities and net assets | | | | | | |
| Current liabilities: | | | | | | |
| Current portion of long-term debt | \$ 5,604,816 | \$ - | \$ 5,604,816 | \$ - | \$ - | \$ 5,604,816 |
| Current portion of estimated self-insurance liabilities | 2,312,959 | 1,205,089 | 3,518,048 | 9,606 | - | 3,527,654 |
| Accounts payable | 24,327,847 | 3,186,286 | 27,514,133 | 87,705 | - | 27,601,838 |
| Accrued expenses | 34,549,877 | 10,205,251 | 44,755,128 | 628,657 | - | 45,383,785 |
| Accrued interest | 2,795,332 | - | 2,795,332 | - | - | 2,795,332 |
| Current portion of Medicare accelerated payments | 10,102,860 | 1,519,480 | 11,622,340 | - | - | 11,622,340 |
| Deferred revenue - provider relief funds | 12,320,560 | 3,354,173 | 15,674,733 | - | - | 15,674,733 |
| Total current liabilities | 92,014,251 | 19,470,279 | 111,484,530 | 725,968 | - | 112,210,498 |
| Long-term debt, excluding current portion | 107,106,842 | - | 107,106,842 | - | - | 107,106,842 |
| Estimated self-insurance liabilities, excluding current portion | 6,898,347 | 3,594,150 | 10,492,497 | 28,650 | - | 10,521,147 |
| Medicare accelerated payments, excluding current portion | 63,984,782 | 9,623,369 | 73,608,151 | - | - | 73,608,151 |
| Due to related organizations | 13,108,040 | (623,599) | 12,484,441 | (12,484,441) | - | - |
| Other liabilities | 6,908,845 | 1,924,941 | 8,833,786 | 127,624 | - | 8,961,410 |
| Total liabilities | 290,021,107 | 33,989,140 | 324,010,247 | (11,602,199) | - | 312,408,048 |
| Net assets: | | | | | | |
| Net assets without donor restrictions | 598,157,406 | 26,957,969 | 625,115,375 | 21,018,759 | (5,781,573) | 640,352,561 |
| Net assets with donor restrictions | 53,527,666 | - | 53,527,666 | - | - | 53,527,666 |
| Total net assets | 651,685,072 | 26,957,969 | 678,643,041 | 21,018,759 | (5,781,573) | 693,880,227 |
| Total liabilities and net assets | \$ 941,706,179 | \$ 60,947,109 | \$ 1,002,653,288 | \$ 9,416,560 | \$ (5,781,573) | \$ 1,006,288,275 |

NCH Healthcare System, Inc. and Subsidiaries

Consolidating Balance Sheet September 30, 2019

| | Naples Community Hospital, Inc. | Other Obligated Group Entities | Obligated Group | All Other Entities | Eliminations | System Consolidated Total |
|---|---------------------------------------|--------------------------------------|-----------------------|--------------------------|-----------------------|---------------------------------|
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 17,465,308 | \$ (4,691,646) | \$ 12,773,662 | \$ 392,768 | \$ - | \$ 13,166,430 |
| Investments | 2,633,905 | - | 2,633,905 | - | - | 2,633,905 |
| Due from patients and others, net | 69,189,390 | 12,370,760 | 81,560,150 | 455,602 | - | 82,015,752 |
| Assets limited as to use | 10,868,788 | 1,082,518 | 11,951,306 | 9,190 | - | 11,960,496 |
| Inventories | 11,120,787 | 1,103,336 | 12,224,123 | - | - | 12,224,123 |
| Estimated third-party payor receivable | 1,635,839 | - | 1,635,839 | - | - | 1,635,839 |
| Other current assets | 8,408,316 | 1,331,631 | 9,739,947 | (23,750) | - | 9,716,197 |
| Total current assets | 121,322,333 | 11,196,599 | 132,518,932 | 833,810 | - | 133,352,742 |
| Assets limited as to use: | | | | | | |
| Self-insurance fund | 8,906,339 | 4,604,501 | 13,510,840 | 39,088 | - | 13,549,928 |
| Board-designated assets | 308,368,049 | - | 308,368,049 | - | - | 308,368,049 |
| Assets held by trustee under bond indentures | 4,496,099 | - | 4,496,099 | - | - | 4,496,099 |
| Donor receivables | 18,748,608 | - | 18,748,608 | - | - | 18,748,608 |
| Assets designated or restricted for donor intentions | 27,040,650 | - | 27,040,650 | - | - | 27,040,650 |
| | 367,559,745 | 4,604,501 | 372,164,246 | 39,088 | - | 372,203,334 |
| Less assets limited as to use that are available to pay current liabilities | (10,868,788) | (1,082,518) | (11,951,306) | (9,190) | - | (11,960,496) |
| | 356,690,957 | 3,521,983 | 360,212,940 | 29,898 | - | 360,242,838 |
| Investment in partnerships | - | 6,366,694 | 6,366,694 | 382,362 | (5,781,573) | 967,483 |
| Property and equipment, net of accumulated depreciation | 336,976,353 | 38,026,493 | 375,002,846 | 7,646,813 | - | 382,649,659 |
| Other assets | 1,375,059 | 4,247,727 | 5,622,786 | 1,426,215 | - | 7,049,001 |
| Total assets | \$ 816,364,702 | \$ 63,359,496 | \$ 879,724,198 | \$ 10,319,098 | \$ (5,781,573) | \$ 884,261,723 |
| Liabilities and net assets | | | | | | |
| Current liabilities: | | | | | | |
| Current portion of long-term debt | \$ 5,411,943 | \$ - | \$ 5,411,943 | \$ - | \$ - | \$ 5,411,943 |
| Current portion of estimated self-insurance liabilities | 2,093,880 | 1,082,518 | 3,176,398 | 9,190 | - | 3,185,588 |
| Estimated third-party payor payable | - | - | - | - | - | - |
| Accounts payable | 26,309,347 | 3,156,225 | 29,465,572 | 101,299 | - | 29,566,871 |
| Accrued expenses | 25,358,451 | 10,538,476 | 35,896,927 | 634,891 | - | 36,531,818 |
| Accrued interest | 2,771,190 | - | 2,771,190 | - | - | 2,771,190 |
| Total current liabilities | 61,944,811 | 14,777,219 | 76,722,030 | 745,380 | - | 77,467,410 |
| Long-term debt, excluding current portion | 92,320,762 | - | 92,320,762 | - | - | 92,320,762 |
| Estimated self-insurance liabilities, excluding current portion | 6,812,459 | 3,521,983 | 10,334,442 | 29,898 | - | 10,364,340 |
| Due to related organizations | 22,956,311 | (630,264) | 22,326,047 | (22,326,047) | - | - |
| Other liabilities | 5,281,551 | 3,849,705 | 9,131,256 | 197,951 | - | 9,329,207 |
| Total liabilities | 189,315,894 | 21,518,643 | 210,834,537 | (21,352,818) | - | 189,481,719 |
| Net assets: | | | | | | |
| Net assets without donor restrictions | 574,987,502 | 41,840,853 | 616,828,355 | 31,671,916 | (5,781,573) | 642,718,698 |
| Net assets with donor restrictions | 52,061,306 | - | 52,061,306 | - | - | 52,061,306 |
| Total net assets | 627,048,808 | 41,840,853 | 668,889,661 | 31,671,916 | (5,781,573) | 694,780,004 |
| Total liabilities and net assets | \$ 816,364,702 | \$ 63,359,496 | \$ 879,724,198 | \$ 10,319,098 | \$ (5,781,573) | \$ 884,261,723 |

NCH Healthcare System, Inc. and Subsidiaries

Consolidating Statements of Operations Year Ended September 30, 2020

| | Naples Community Hospital, Inc. | Other Obligated Group Entities | Eliminations | Total Obligated Group | All Other Entities | Eliminations | System Consolidated Total |
|---|---------------------------------------|--------------------------------------|--------------------|-----------------------------|--------------------------|-----------------|---------------------------------|
| Revenues without donor restrictions: | | | | | | | |
| Net patient service revenue | \$ 487,722,549 | \$ 108,172,656 | \$ (2,550,658) | \$ 593,344,547 | \$ 3,487,267 | \$ - | \$ 596,831,814 |
| Other revenue | 28,613,191 | 3,706,847 | (2,471,263) | 29,848,775 | 181,298 | (64,500) | 29,965,573 |
| Charitable contributions without donor restrictions | 3,590,354 | - | - | 3,590,354 | - | - | 3,590,354 |
| Net assets released from restrictions for operations | 1,630,683 | - | - | 1,630,683 | - | - | 1,630,683 |
| Total revenues | 521,556,777 | 111,879,503 | (5,021,921) | 628,414,359 | 3,668,565 | (64,500) | 632,018,424 |
| Expenses: | | | | | | | |
| Salaries and wages | 207,265,610 | 113,538,143 | (1,923,760) | 318,879,993 | 2,422,326 | - | 321,302,319 |
| Employee benefits | 35,465,307 | 7,315,560 | 332 | 42,781,199 | 312,863 | - | 43,094,062 |
| Supplies and other expenses | 165,656,886 | 22,548,627 | (2,800,594) | 185,404,919 | 548,213 | (64,500) | 185,888,632 |
| Purchased services | 69,248,140 | 5,395,333 | (110,992) | 74,532,481 | 401,198 | - | 74,933,679 |
| Depreciation and amortization | 42,663,264 | 4,417,123 | (186,907) | 46,893,480 | 369,796 | - | 47,263,276 |
| Interest expense | 5,686,947 | - | - | 5,686,947 | - | - | 5,686,947 |
| Total expenses | 525,986,154 | 153,214,786 | (5,021,921) | 674,179,019 | 4,054,396 | (64,500) | 678,168,915 |
| Operating loss | (4,429,377) | (41,335,283) | - | (45,764,660) | (385,831) | - | (46,150,491) |
| Other income: | | | | | | | |
| Investment income | 20,719,558 | 6,955,817 | - | 27,675,375 | 140,374 | - | 27,815,749 |
| Reclassification of unrealized gains based on trading security designation | 1,154,638 | - | - | 1,154,638 | - | - | 1,154,638 |
| Loss on disposal of property and equipment | (40,712) | (267) | - | (40,979) | (170,216) | - | (211,195) |
| Excess of revenues over (under) expenses | 17,404,107 | (34,379,733) | - | (16,975,626) | (415,673) | - | (17,391,299) |
| Reclassification of unrealized gains based on trading security designation | | | | | | | |
| | (1,154,638) | - | - | (1,154,638) | - | - | (1,154,638) |
| Net assets released from restrictions for capital | 16,179,800 | - | - | 16,179,800 | - | - | 16,179,800 |
| Transfers to related organizations | (9,259,365) | 19,496,849 | - | 10,237,484 | (10,237,484) | - | - |
| Increase (decrease) in net assets without donor restrictions | \$ 23,169,904 | \$ (14,882,884) | \$ - | \$ 8,287,020 | \$ (10,653,157) | \$ - | \$ (2,366,137) |

NCH Healthcare System, Inc. and Subsidiaries

Consolidating Statements of Operations Year Ended September 30, 2019

| | Naples Community Hospital, Inc. | Other Obligated Group Entities | Eliminations | Total Obligated Group | All Other Entities | Eliminations | System Consolidated Total |
|---|---------------------------------------|--------------------------------------|--------------------|-----------------------------|--------------------------|-----------------|---------------------------------|
| Revenues without donor restrictions: | | | | | | | |
| Net patient service revenue | \$ 516,992,282 | \$ 108,353,602 | \$ (2,065,938) | \$ 623,279,946 | \$ 3,791,627 | \$ - | \$ 627,071,573 |
| Other revenue | 15,144,547 | 3,362,255 | (2,612,881) | 15,893,921 | 471,051 | (64,500) | 16,300,472 |
| Charitable contributions without donor restrictions | 11,416,226 | - | - | 11,416,226 | - | - | 11,416,226 |
| Net assets released from restrictions for operations | 1,303,559 | - | - | 1,303,559 | - | - | 1,303,559 |
| Total revenues | 544,856,614 | 111,715,857 | (4,678,819) | 651,893,652 | 4,262,678 | (64,500) | 656,091,830 |
| Expenses: | | | | | | | |
| Salaries and wages | 208,135,869 | 110,312,885 | (1,639,487) | 316,809,267 | 2,438,254 | - | 319,247,521 |
| Employee benefits | 34,688,427 | 7,149,673 | (37,288) | 41,800,812 | 352,649 | - | 42,153,461 |
| Supplies and other expenses | 159,393,816 | 23,122,499 | (2,909,276) | 179,607,039 | 231,366 | (64,500) | 179,773,905 |
| Purchased services | 62,986,964 | 5,233,785 | (14,134) | 68,206,615 | 367,132 | - | 68,573,747 |
| Depreciation and amortization | 38,996,599 | 4,374,640 | (78,634) | 43,292,605 | 370,276 | - | 43,662,881 |
| Interest expense | 5,620,211 | - | - | 5,620,211 | - | - | 5,620,211 |
| Total expenses | 509,821,886 | 150,193,482 | (4,678,819) | 655,336,549 | 3,759,677 | (64,500) | 659,031,726 |
| Operating (loss) income | 35,034,728 | (38,477,625) | - | (3,442,897) | 503,001 | - | (2,939,896) |
| Other income: | | | | | | | |
| Investment income (loss) | 12,397,115 | (1,575,405) | - | 10,821,710 | 235,118 | - | 11,056,828 |
| Gain (loss) on disposal of property and equipment | 76,482 | (5,121) | - | 71,361 | - | - | 71,361 |
| Excess of revenues over (under) expenses | 47,508,325 | (40,058,151) | - | 7,450,174 | 738,119 | - | 8,188,293 |
| Change in net unrealized losses | | | | | | | |
| on other than trading securities | (3,753,826) | - | - | (3,753,826) | - | - | (3,753,826) |
| Net assets released from restrictions for capital | 5,260,782 | - | - | 5,260,782 | - | - | 5,260,782 |
| Transfers to related organizations | (45,486,148) | 46,191,957 | - | 705,809 | (705,809) | - | - |
| Increase (decrease) in net assets without donor restrictions | \$ 3,529,133 | \$ 6,133,806 | \$ - | \$ 9,662,939 | \$ 32,310 | \$ - | \$ 9,695,249 |