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Form 990 Return of Organization Exempt From Income Tax

OMB No 1545-0047

2010

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

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

A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011

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

C Name of organization
HOMESTEAD HOSPITAL INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 975 BAPTIST WAY | Room/suite

City or town, state or country, and ZIP + 4
HOMESTEAD, FL 33033

D Employer identification number 65-0232993

E Telephone number (786)662-7000

G Gross receipts $ 322,321,015

F Name and address of principal officer
WILLIAM M DUQUETTE
975 BAPTIST WAY
HOMESTEAD,FL 33033

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

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

H(c) Group exemption number ▶

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

J **Website:** ▶ WWW BAPTISTHEALTH NET

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | L Year of formation 1991 | M State of legal domicile FL

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
SEE STATEMENT 1

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	1,221
6	Total number of volunteers (estimate if necessary)	6	144
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	800,097	235,769
	9	Program service revenue (Part VIII, line 2g)	315,601,564	320,405,779
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-112,586	32,304
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,358,779	1,440,495
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	317,647,854	322,114,347
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	83,768,414	86,040,146
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	347,716,496	253,965,803
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	431,484,910	340,005,949
	19	Revenue less expenses Subtract line 18 from line 12	-113,837,056	-17,891,602

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	72,550,598	70,374,045
	21	Total liabilities (Part X, line 26)	305,061,207	319,724,094
	22	Net assets or fund balances Subtract line 21 from line 20	-232,510,609	-249,350,049

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 | 2012-08-08 Date

▶ WENDY GREENLEAF CORP VP FINANCE
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
Firm's name ▶ DELOITTE TAX LLP				Firm's EIN ▶
Firm's address ▶ 201 E KENNEDY BLVD STE 1200 TAMPA, FL 336024990				Phone no ▶ (813) 273-8355

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

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . ☑

1 Briefly describe the organization's mission

THE MISSION OF BAPTIST HEALTH IS TO IMPROVE THE HEALTH AND WELL-BEING OF INDIVIDUALS, AND TO PROMOTE THE SANCTITY AND PRESERVATION OF LIFE, IN THE COMMUNITIES WE SERVE BAPTIST HEALTH IS A FAITH-BASED ORGANIZATION GUIDED BY THE SPIRIT OF JESUS CHRIST AND THE JUDEO-CHRISTIAN ETHIC WE ARE COMMITTED TO MAINTAINING THE HIGHEST STANDARDS OF CLINICAL AND SERVICE EXCELLENCE, ROOTED IN THE UTMOST INTEGRITY AND MORAL PRACTICE CONSISTENT WITH ITS SPIRITUAL FOUNDATION, BAPTIST HEALTH IS DEDICATED TO PROVIDING HIGH-QUALITY, COST-EFFECTIVE, COMPASSIONATE HEALTHCARE SERVICES TO ALL, REGARDLESS OF RELIGION, CREED, RACE OR NATIONAL ORIGIN, INCLUDING, AS PERMITTED BY ITS RESOURCES, CHARITY CARE TO THOSE IN NEED

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 312,750,685 including grants of $) (Revenue $ 320,405,779)

Consistent with our spiritual foundation, Baptist Health South Florida and its affiliates (Baptist Health) are dedicated to providing high-quality, cost-effective, compassionate healthcare services to all, including, as permitted by our resources, charity care to those in need During the fiscal year ended September 30, 2011, Baptist Health provided patient services to the South Florida area with 74,737 adult admissions, 355,562 patient days, and 262,709 emergency room visits During that same time period, urgent care visits totaled 179,036, outpatient surgery cases 41,254, and other outpatient visits were 469,045 system-wide As of September 30, 2011 the system had 1,728 licensed beds comprised of 1,274 routine general medical surgical, 140 obstetrics, 74 neonatal intensive care unit, 57 pediatrics, 112 intensive care, 23 rehabilitative, and 48 for an alcohol treatment program In total Baptist Health provided more than $1,098,000,000 in community benefit during its 2011 fiscal year We provided charity care and uncompensated services at cost of $83,654,428 and $171,972,932 respectively We also contributed $22,861,000 to the indigent care fund and expended $6,127,000 for educational programs, screenings, corporate sponsorships and donations Free community health and wellness programs covered topics ranging from insomnia and food safety to diabetes and weight control In addition, Baptist Health provided free screenings for cholesterol, blood pressure, body composition and osteoporosis Baptist Health also helped those in need of primary care services by donating $2,020,000 to neighborhood clinics such as the Open Door Health Center in Homestead, the South Miami Children's Center in South Miami and the Good Health Clinic in Tavernier We spent $13,975,000 paying physicians who provide care to our community members in need Additionally, we provided $1,894,000 in continuing medical education and $4,575,000 in chaplaincy during the year ended September 30, 2011 Fulfilling our mission to provide compassionate care to the entire community isn't only about assisting those in financial need It is also about supporting services that lose money but are essential to our community In 2007, Baptist Health invested approximately $136,000,000 in building a replacement hospital for Homestead Hospital, and in 2011, Baptist Health built a new hospital in the underserved West Kendall area at a cost of $193,000,000 Both Homestead Hospital and West Kendall Baptist Hospital operate at a loss, but Baptist Health continues to operate these hospitals because they fill an important community need for quality healthcare Additionally Baptist Health has invested substantial funds to harden its facilities to withstand a category 5 hurricane for the protection of our patients and neighbors In addition to the health-related benefits listed above, Baptist Health also has a significant and positive financial impact on our community We directly employ more than 15,000 individuals and indirectly create another 11,000 jobs As South Florida's largest private employer, Baptist Health is taking a leadership role by committing to the environmentally responsible, energy-efficient design and function of our facilities Our new hospital has applied for Leadership in Energy and Environmental Design certification for the US Green Building Council This commitment applies to our day-to-day operations, as well, from the supplies we purchase to the vehicles we use In accordance with our faith-based mission, Baptist Health South Florida and its affiliates is committed to making a significant, positive impact on the community it serves

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

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

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

4e **Total program service expenses** ▶$ 312,750,685

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b		
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		No
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		No
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

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

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

Section A. Governing Body and Management

					Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	16			
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?			3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?			5		No
6	Does the organization have members or stockholders?			6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?			7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?			7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following					
a	The governing body?			8a	Yes	
b	Each committee with authority to act on behalf of the governing body?			8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

FINANCE DEPARTMENT
975 BAPTIST WAY
HOMESTEAD, FL 33033
(786) 662-7000

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

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

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

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

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

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
(1) BARBARA C HANCK TRUSTEE	20	X						0	0	0
(2) RENE W TAYLOR TRUSTEE	20	X						0	0	0
(3) M JOHANNA PATERSON TRUSTEE	20	X						0	0	0
(4) DAVID HALLSTRAND TRUSTEE	20	X						0	0	0
(5) RAMON OYARZUN TRUSTEE	20	X						63	0	0
(6) STEVEN SAPP VICE-CHAIR	20	X						7,038	0	0
(7) WILLIE CARPENTER SECRETARY	20	X						0	0	0
(8) REV WILLIAM L CHAMBERS CHAIRPERSON	20	X						2,868	0	0
(9) MARIA COSTA SMITH TRUSTEE	20	X						200	0	0
(10) MARIA C GARZA TRUSTEE	20	X						0	0	0
(11) HERBERT H GREENE TRUSTEE	20	X						300	0	0
(12) Dr JEANNE F JACOBS TRUSTEE	20	X						0	0	0
(13) JOHN P MAAS ESQ TRUSTEE	20	X						0	0	0
(14) GEORGE TERSHAKOVEC MD PRESIDENT OF THE MEDICAL STAFF	20	X						1,798,770	78,535	0
(15) WENDELL R BEARD TRUSTEE	20	X						0	0	0
(16) MATTHEW BECHERER TRUSTEE	20	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 (describe hours for related organizations in Schedule O)	(C) Position (check all that apply): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
(17) BILL TILLET TRUSTEE	2 0	X						0	0	0
(18) ROBERT ZOLTEN MD TRUSTEE	2 0	X						0	0	0
(19) WILLIAM M DUQUETTE CEO	50 0			X				0	556,944	91,330
(20) NANCY GORDON VP & CNO	50 0				X			252,753	0	42,321
(21) COREY GOLD VP	50 0				X			165,458	0	19,891
(22) KENNETH SPELL VP	50 0				X			208,614	0	24,418
(23) PAUL BORUCK PHARMACIST	45 0					X		172,402	0	15,214
(24) RONALD CHASSNER PHARMACIST	45 0					X		191,034	0	28,350
(25) RANDY NICHOLSON PHARMACIST	45 0					X		172,008	0	14,331
(26) MARIE-ELSIE ADE NURSE	45 0					X		178,720	0	27,019
(27) FADY GIRGIS Nurse	45 0					X		174,648	0	13,546
1b Sub-Total . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . ▶										
d Total (add lines 1b and 1c) . . . ▶								3,324,876	635,479	276,420

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶80

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
PEDIATRIC EMERGENCY NETWORK PA 2080 SW 59 AVE PLANTATION, FL 33317	PHYSICIAN SERV	490,406
HOMESTEADMED PA 33201 SW 210 AVE HOMESTEAD, FL 33034	PHYSICIANS	2,117,879
GREATER MIAMI ANESTHESIA SERVICES P 7337 SW 169 TERR MIAMI, FL 33157	PHYSICIAN SERVICES	2,147,127
GEORGE R TERSHAKOVEC MD PA 975 BAPTIST WAY 201 HOMESTEAD, FL 33033	PHYSICIANS	1,795,840
SOUTH DADE MEDICAL GROUP LLP PO BOX 901430 HOMESTEAD, FL 33090	PHYSICIAN SERVICES	2,068,550

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶33

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts					
1a Federated campaigns . . . 1a					
b Membership dues 1b					
c Fundraising events 1c					
d Related organizations . . . 1d	235,769				
e Government grants (contributions) 1e					
f All other contributions, gifts, grants, and similar amounts not included above 1f					
g Noncash contributions included in lines 1a-1f $					
h **Total.** Add lines 1a-1f . . . . ▶		235,769			
Program Service Revenue	Business Code				
2a NET PATIENT REV	621400	320,394,582	320,394,582		
b PHARMACY	446110	11,197			11,197
c					
d					
e					
f All other program service revenue					
g **Total.** Add lines 2a–2f . . . . ▶		320,405,779			
Other Revenue					
3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		60,005			60,005
4 Income from investment of tax-exempt bond proceeds . . ▶		0			
5 Royalties . . . . ▶		0			

	(i) Real	(ii) Personal
6a Gross Rents	249,252	
b Less rental expenses	178,967	
c Rental income or (loss)	70,285	

	(A)	(B)	(C)	(D)
6d Net rental income or (loss) . . . . ▶	70,285			70,285

	(i) Securities	(ii) Other
7a Gross amount from sales of assets other than inventory		0
b Less cost or other basis and sales expenses		27,701
c Gain or (loss)		-27,701

		(A)	(B)	(C)	(D)
7d Net gain or (loss) . . . . ▶		-27,701			-27,701
8a Gross income from fundraising events (not including $ ____________ of contributions reported on line 1c) See Part IV, line 18 . . . a					
b Less direct expenses . . . b					
c Net income or (loss) from fundraising events . . ▶		0			
9a Gross income from gaming activities See Part IV, line 19 . a					
b Less direct expenses . . . . b					
c Net income or (loss) from gaming activities . . . ▶		0			
10a Gross sales of inventory, less returns and allowances . a					
b Less cost of goods sold . . b					
c Net income or (loss) from sales of inventory . . ▶		0			
Miscellaneous Revenue	Business Code				
11a CAFETERIA	722210	966,257			966,257
b GIFT SHOP	453220	401,931			401,931
c OTHER REVENUE	713110	2,022			2,022
d All other revenue					
e **Total.** Add lines 11a–11d . . . . . . ▶		1,370,210			
12 **Total revenue.** See Instructions . . . ▶		322,114,347	320,394,582		1,483,996

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	479,043		479,043	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	68,247,720	58,010,562	10,237,158	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,718,225	2,310,491	407,734	
9 Other employee benefits	9,754,398	8,291,238	1,463,160	
10 Payroll taxes	4,840,760	4,114,646	726,114	
a Fees for services (non-employees) Management	0			
b Legal	277,486		277,486	
c Accounting	120,958		120,958	
d Lobbying	0			
e Professional fundraising services *See Part IV, line 17* . .	0			
f Investment management fees	0			
g Other	23,901,367	21,832,428	2,068,939	
12 Advertising and promotion	18,843	16,017	2,826	
13 Office expenses	20,706,039	17,600,133	3,105,906	
14 Information technology	5,796,518	4,927,040	869,478	
15 Royalties . .	0			
16 Occupancy	2,677,188	2,275,610	401,578	
17 Travel	161,184	137,006	24,178	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	17,297	14,702	2,595	
20 Interest	7,883,544	6,701,012	1,182,532	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	4,763,864	4,049,284	714,580	
23 Insurance	5,348,557	5,348,557		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a PROVISION FOR BAD DEBTS	72,692,169	72,692,169		
b INDIGENT CARE TAX	2,315,255	2,315,255		
c MANAGEMENT FEE TO AFFILIATE	24,191,487	20,562,764	3,628,723	
d CHARITY CARE	80,662,086	80,662,086		
e COLLECTION EXPENSE	1,385,273		1,385,273	
f All other expenses	1,046,688	889,685	157,003	
25 **Total functional expenses.** Add lines 1 through 24f	340,005,949	312,750,685	27,255,264	0
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

Section	Line	Description			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			4,160	1	4,160
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			15,856,156	4	16,527,186
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			5,688,875	8	1,565,702
	9	Prepaid expenses and deferred charges			101,877	9	120,755
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a	62,202,878			
	b	Less accumulated depreciation	10b	20,489,422	45,821,461	10c	41,713,456
	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			5,078,069	15	10,442,786
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)			72,550,598	16	70,374,045
Liabilities	17	Accounts payable and accrued expenses			31,079,064	17	28,872,361
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			130,641,530	20	128,615,750
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			143,340,613	25	162,235,983
	26	**Total liabilities.** Add lines 17 through 25			305,061,207	26	319,724,094
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**					
	27	Unrestricted net assets			-234,999,897	27	-252,073,904
	28	Temporarily restricted net assets			2,489,288	28	2,723,855
	29	Permanently restricted net assets				29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			-232,510,609	33	-249,350,049
	34	Total liabilities and net assets/fund balances			72,550,598	34	70,374,045

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	322,114,347
2	Total expenses (must equal Part IX, column (A), line 25)	2	340,005,949
3	Revenue less expenses Subtract line 2 from line 1	3	-17,891,602
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	-232,510,609
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,052,162
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-249,350,049

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
HOMESTEAD HOSPITAL INC

Employer identification number
65-0232993

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions)**)	**(iv)** Is the organization in col (i) listed in your governing document? Yes	No	**(v)** Did you notify the organization in col (i) of your support? Yes	No	**(vi)** Is the organization in col (i) organized in the U S ? Yes	No	**(vii)** Amount of support
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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) | **12** |

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) | **14** |

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 | **15** |

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2009** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2010.** 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—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
HOMESTEAD HOSPITAL INC

Employer identification number
65-0232993

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

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

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

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

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

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

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

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

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or 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 year end balance held as

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Term endowment ▶

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,592,724		5,592,724
b Buildings		24,614,011	1,296,095	23,317,916
c Leasehold improvements				
d Equipment		31,277,621	19,080,004	12,197,617
e Other		718,522	113,323	605,199
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				41,713,456

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

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

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

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

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

(a) Description	(b) Book value
(1) BHSF FOUNDATION, INC	2,723,856
(2) DEFERRED ISSUE COSTS 2007 BOND	650,405
(3) NOTE RECEIVABLE	99,618
(4) ASSETS HELD FOR SALE	323,354
(5) PHYSICIAN GUARANTEE ASSET	6,031,083
(6) OTHER RECEIVABLES	614,470
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	10,442,786

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
SELF INSURANCE RESERVES	14,599,928
DUE TO TAX EXEMPT AFFILIATES	136,561,415
POST RET BENEFITS LONG TERM	3,227,285
CURRENT PORTION OF L-T DEBT	1,816,272
PHYSICIAN GUARANTEE LIABILITY	6,031,083
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	162,235,983

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	322,114,347
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	340,005,949
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-17,891,602
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-205,228
9	Total adjustments (net) Add lines 4 - 8	9	-205,228
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-18,096,830

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

1	Total revenue, gains, and other support per audited financial statements			1	241,274,734
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-80,662,086		
e	Add lines **2a** through **2d**			2e	-80,662,086
3	Subtract line **2e** from line **1**			3	321,936,820
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 XIV)	4b	177,527		
c	Add lines **4a** and **4b**			4c	177,527
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	322,114,347

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

1	Total expenses and losses per audited financial statements			1	259,371,564
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 XIV)	2d	27,701		
e	Add lines **2a** through **2d**			2e	27,701
3	Subtract line **2e** from line **1**			3	259,343,863
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 XIV)	4b	80,662,086		
c	Add lines **4a** and **4b**			4c	80,662,086
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	340,005,949

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE D, PART XII, LINE 2d	OTHER REVENUE INCLUDED IN BOOKS BUT NOT IN FORM 990	DESCRIPTION AMOUNT CHARITY CARE -80,662,086 __________ TOTAL -80,662,086
SCHEDULE D, PART XII, LINE 4b	OTHER REVENUE INCLUDED IN FORM 990 BUT NOT IN BOOKS	DESCRIPTION AMOUNT LOSS ON DISPOSAL OF ASSET -27,701 CONTRIBUTIONS FROM FOUNDATION FOR PROPERTY 205,228 __________ TOTAL 177,527
SCHEDULE D, PART XIII, LINE 2D	OTHER EXPENSES INCLUDED IN BOOKS BUT NOT IN FORM 990	DESCRIPTION AMOUNT LOSS ON DISPOSAL OF ASSET 27,701 _________ TOTAL 27,701
SCHEDULE D, PART XIII, LINE 4B	OTHER EXPENSES INCLUDED IN FORM 990 BUT NOT IN BOOKS	DESCRIPTION AMOUNT CHARITY CARE 80,662,086 ___________ TOTAL 80,662,086
SCHEDULE D, PART XI, LINE 8	OTHER REVENUE IN FORM 990 BUT NOT INCLUDED ON BOOKS	Contributions from BHSF Foundation for PP&E -205,228 ________ TOTAL -205,228
SCHEDULE D, PART X, LINE 2	FIN 48 (ASC 740) FOOTNOTE	As of September 30, 2011 and 2010, BHSF had no material unrecognized tax benefits and no adjustments to its financial statements were required

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
HOMESTEAD HOSPITAL INC

Employer identification number
65-0232993

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a finnancial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other 300. %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 500. %	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			21,641,889		21,641,889	8 100 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			35,302,793	24,133,673	11,169,120	4 180 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			56,944,682	24,133,673	32,811,009	12 280 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			295,371		295,371	0 110 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			1,361,615		1,361,615	0 510 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits			1,656,986		1,656,986	0 620 %
k **Total.** Add lines 7d and 7j			58,601,668	24,133,673	34,467,995	12 900 %

Part II **Community Building Activities** during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

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

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

Section A. Bad Debt Expense

					Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?			1		No
2	Enter the amount of the organization's bad debt expense (at cost)	2	17,417,044			
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	0			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit					

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	23,239,338
6	Enter Medicare allowable costs of care relating to payments on line 5	6	33,116,853
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-9,877,515

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

			Yes	No
9a	Does the organization have a written debt collection policy?	9a	Yes	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes	

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities
(list in order of size, measured by total revenue per facility, from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	HOMESTEAD HOSPITAL INC 975 BAPTIST WAY HOMESTEAD, FL 33033	X	X					X		

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year?____________________

	Name and address	Type of Facility (Describe)
1		
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
PART 1, LINE 6A	SCHEDULE H	Baptist Health South Florida, Inc ("BHSF") the hospital's parent organization, prepares an annual community benefit report which includes the charity care and community benefits provided by Homestead Hospital and the other not-for-profit affiliates of BHSF

Identifier	ReturnReference	Explanation
PART I, LINE 7, COLUMN(F)	SCHEDULE H	Bad debt expense of $72,692,169 is included in Form 990 Part IX Line 25 Column (a) but excluded from the denominator for purposes of calculating the percentages on line 7, column f

Identifier	ReturnReference	Explanation
PART I, LINE 7	SCHEDULE H	Amounts calculated and reported in this table were derived from the most accurate, available sources Charity care and Means-Tested Government Programs costs are determined using our cost accounting system which captures all inpatients and out patients including emergency room patients The system also captures all patient pay types - private insurance, Medicare, Medicaid, uninsured and self pay The costs have been offset by any payments received from Medicaid or any other uncompensated care program Other Benefits at cost were compiled by our finance department using our cost accounting system or the actual amounts paid where appropriate

Identifier	ReturnReference	Explanation
PART III, LINE 4	SCHEDULE H	The footnote that describes bad debt expense reported in the audited consolidated financial statements of Baptist Health South Florida, Inc which includes Homestead Hospital is as follows BHSF records a provision for accounts receivable that could become uncollectible in the future by establishing an allowance to reduce the carrying value of such receivables to their estimated net realizable value BHSF estimates this allowance based on the aging of its accounts receivable and historical and expected net collections, business and economic conditions, trends in federal and state governmental and private employer health care coverage and other collection indicators Additions to the allowance for doubtful accounts are made by means of the provision for doubtful accounts Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added Bad Debt at cost was calculated for Schedule H purposes by applying the cost to charge percentage derived by our cost accounting system against bad debt expense reported on the audited financial statements

Identifier	ReturnReference	Explanation
PART III, LINE 8	SCHEDULE H	Medicare costs were derived using our cost accounting system which captures all inpatients and outpatients including emergency room patients The costs have been offset by any payments received from Medicare

Identifier	ReturnReference	Explanation
PART III, LINE 9B	SCHEDULE H	In order to promote the health and well-being of the community served, uninsured patients with limited financial resources who are unable to access entitlement programs shall be eligible for fee or discounted health care services based on established criteria BHSF has a written debt collection policy No collection efforts are put forth for patients who are known to qualify for charity care at the free-care level For patients qualifying for a discount under the charity care policy, lenient/non-abusive collection practices are utilized to collect the balance that remains the patient's responsibility

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H	Community health needs were identified through an analysis and review of demographic, household income, statistical, and behavioral public health data for the respective communities served by Homestead hospital Homestead Hospital gathers information from various sources including but not limited to IMS Win stat, Health Care Advisory Board, Claritas, AHCA, and the Florida Hospital Association The data gathered from the above sources has been used to guide Homestead Hospital's community benefit program development and to inform strategic planning in order to adequately plan for a variety of initiatives to address the needs of the community

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H	Financial assistance information is provided in multiple locations Patient registration provides to all patients a one-page information handout about the availability of financial assistance, creating awareness of the charity care program Patient registration also provides information regarding BHSF's charity care policy to all uninsured, non-emergent patients prior to service All letters and statements to uninsured patients, including those sent by third-party collection agencies, include a reference to financial assistance programs All public information and forms regarding the provision of charity care use language that is appropriate for the BHSF service area Where possible, prior to the registration of a patient potentially eligible for financial assistance, a financial counselor will conduct a pre-registration interview with the patient If a pre-registration interview is not possible, the interview should be conducted as soon as possible thereafter In the case of an emergency admission, the evaluation of payment alternatives does not take place until the medical care needed to stabilize the patient has been provided Those patients who may qualify for financial assistance from a governmental program are referred to the appropriate program such as Medicaid, prior to consideration for charity care Additionally, information regarding our charity care program and qualifying for financial assistance appears on our website at www baptisthealth net

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H	Homestead Hospital is a 142-bed community hospital located in Homestead, Florida, approximately 31 miles from Downtown Miami The original hospital was established with 10 beds in 1940 as James Archer Smith Hospital It was later acquired by the City of Homestead, and then acquired in 1990 by the then-parent company of South Miami Hospital, and finally in 1995 by BHSF Homestead Hospital admitted approximately 10,900 inpatients in fiscal year 2011, and more than 75,300 patients received emergency care With approval in 2002 from the State of Florida's Agency for Health Care Administration, construction of a replacement facility for Homestead Hospital commenced, located just east of the Florida Turnpike, approximately three miles east of the previous site but still within the limits of the City of Homestead In May 2007, the new Homestead Hospital was opened, and in July 2008 an additional 22 beds were added As currently configured, Homestead Hospital occupies 370,000 square feet and has an inpatient bed capacity of 142 beds compared to 120 beds in the previous location All 142 licensed beds are in private configuration, including 16 post-partum beds, 13 pediatric beds, 23 critical and intermediate care beds, and 90 general medical/surgical beds The new facility has four operating rooms, two C-section rooms, and also includes an adjoining medical office building, which houses physician practices and administrative functions The primary service area of Homestead Hospital is comprised of 5 zip codes

Identifier	ReturnReference	Explanation
OTHER INFORMATION	SCHEDULE H	Homestead Hospital has its own governing board, the members of which consist of representatives of the professional, pastoral and business communities Homestead Hospital provides medical and surgical services consistent with its status as a tertiary care provider Additionally, Homestead Hospital offers other services and programs including Emergency Center Homestead Hospital has the only Emergency Center for 14 miles in all directions Open 24 hours a day, seven days a week, more than 67,100 patients were seen in the department during fiscal year 2011 The Emergency Center includes a rapid treatment area for minor injuries, a nine-bed Pediatric Emergency Unit and a Transitional Stay Unit providing evaluation and treatment to help improve clinical outcomes and operational efficiencies Homestead Hospital and the Emergency Center have been granted Chest Pain Center Accreditation Maternity Care More than 1,400 babies were delivered at the family-centered maternity unit at Homestead Hospital in fiscal year 2011 Homestead Hospital's maternity services include prenatal care and childbirth education programs Pediatric Services Homestead Hospital's expanding pediatric services include pediatricians and specially trained pediatric nurses who treat minor to serious pediatric illnesses and injuries The Betty Jane France Pediatric Center, also known as "Speediatrics", is a dedicated pediatric unit Speediatrics' nursing staff receives specialized training at Baptist Children's Hospital Physical Therapy Center The Physical Therapy Center provides a dedicated area for rehabilitation therapies offered by physical therapists Equipment is available for treating neurological, orthopedic, oncological, sports-injured, cardiac, pediatric, chronic pain, open wound and burn patients Physical therapy is also provided to inpatients for postoperative and acute care needs

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	SCHEDULE H	The BHSF System provides a comprehensive continuum of services, either through its own pro grams, or in cooperation with other affiliated hospitals and health care providers The BH SF System's health care programs and services include the following Baptist Cardiac & Vas cular Institute Baptist Cardiac & Vascular Institute ("BCVI") is a multidisciplinary cent er of excellence located on the campus of Baptist Hospital BCVI's distinctive perspective on treating the arteries, veins and heart as one integrated system has helped establish i t as a premier cardiac and vascular health care facility, with approximately 64,300 outpat ient visits in fiscal year 2011 BCVI offers a full range of advanced services for the dia gnosis and treatment of heart and circulatory diseases In addition to employing tradition al approaches, such as balloon angioplasty and open heart surgery, BCVI medical staff has pioneered the development and use of minimally invasive techniques to repair abdominal aor tic and thoracic aneurysms, correct structural defects of the heart, repair and replace he art valves, and restore blood flow to blocked arteries with stents throughout the body BC VI's ongoing clinical research includes the use throughout the body of stents and stent gr afts to enhance blood flow through damaged vessels BCVI has a fully-dedicated cardiac and vascular magnetic resonance imaging system ("MRI"), to provide leading-edge, noninvasive diagnostic and angiography capabilities, and an interventional neuroradiology bi plane ang iography suite to apply the latest catheter-based interventional techniques to blood vesse ls within the brain BCVI also offers personalized education and rehabilitation services t o help manage existing conditions and to prevent cardiovascular disease BCVI adheres to q uality standards established by the American College of Cardiology, Society of Interventio nal Radiology, American College of Radiology, Society for Vascular Surgery and Society of Thoracic Surgery BCVI was established in 1987 under the leadership of Barry T Katzen, M D Dr Katzen is the recipient of the Cardiovascular and Radiological Society of Europe's Gold Medal award for his groundbreaking work in interventional radiology, including the us e of stents for propping open major blood vessels outside the heart Dr Katzen has the di stinction of being the first American to earn the Cardiovascular and Radiological Society of Europe's top honor BCVI has more than 100 physicians who represent more than 20 specia lties and have met stringent requirements for ongoing medical education, training and rese arch BCVI also employs more than 350 nurses, technologists, social workers, nutritionists and other support staff Each year, BCVI hosts the International Symposium on Endovascula r Therapy, with more than 2,000 cardiovascular specialists in attendance BCVI is managed by Baptist Cardiac & Vascular Institute Management Corporation, LLC, a Florida limited lia bility corporation Baptist Hospital has a 50% interest in Baptist Cardiac & Vascular Inst itute Management Corporation, LLC, which was formed to provide management services to BCVI in order to improve clinical performance and achieve operational efficiency Baptist-Sout h Miami Regional Cancer Program The Baptist-South Miami Regional Cancer Program is a comp rehensive network of facilities and services located at Baptist, Baptist Children's and So uth Miami hospitals, offering a full range of oncology services, including all four of the medically approved modes of cancer care radiation therapy, chemotherapy, surgery and bio therapy Over 20,300 radiation treatments and 2,550 chemotherapy treatments were performed at BHSF hospitals The Regional Cancer Program participates in FDA-approved clinical rese arch in the areas of adult chemotherapy, pediatric chemotherapy and radiation oncology, an d offers over 100 research protocols to patients for such conditions as cancer of the brea st, lung, ovary, brain, prostate, cervix, head and neck, skin, blood and lymph systems Th e Regional Cancer Program's physicians were the only South Florida doctors to participate in research leading to FDA approval of Gleevec, a molecularly-targeted "magic bullet" for a rare form of leukemia Several research protocols now in progress are focused on the eff icacy of other new molecularly-targeted therapies PET/CT imaging scanning, which dramatic ally increases the ability to diagnose and treat cancer, is available at Baptist Hospital, South Miami Hospital and at Baptist Medical Plaza outpatient centers Combining the capab ility of high-quality positron emission tomography ("PET") and computed tomography ("CT"), the PET/CT scanner allows physicians to make a diagnosis based on both the physical locat ion and biochemistry of a tumor Baptist and South Miami hospitals offer the most technolo gically advanced radiation therapy, using image guided radiation therapy ("IGRT") where ra diographic images are taken during each treatment

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	SCHEDULE H	session and the treatment is modified simultaneously, allowing for more precise radiation delivery This precision results in destruction of more tumors, fewer side effects and imp roved outcomes At South Miami Hospital, TomoTherapy combines an advanced form of intensit y modulated radiation therapy ("IMRT") with the accuracy of CT scanning in one unit This allows for more convenient treatment planning for the patient, as well as more precise rad iation delivery, which reduces radiation exposure to healthy tissues Both hospitals also offer conformal radiation therapy, ultrasound-guided conformal radiation therapy, IMRT, in tra operative radiation therapy and brachytherapy, in which cancer-killing radioactive mat erial is placed in or near the tumor itself South Miami Hospital remains a leader in the treatment of prostate cancer, offering a variety of radiation therapy modalities, includin g both low dose and high dose brachytherapy At Baptist Hospital, a protocol is in place t o deliver accelerated, partial breast irradiation only to the tumor site uses IMRT for one week instead of the usual six weeks The Regional Cancer Program also offers virtual colo noscopy, which combines 3-D CT technology with computer software for a less invasive diagn osis of colorectal cancer Support services at the Regional Cancer Program include special ly trained oncology social workers and pastoral care staff Free support groups are offere d for those with breast cancer, prostate cancer, and oral, head or neck cancer Outreach e fforts include smoking cessation programs, free health fairs, screenings, education and pr ograms observing Breast Cancer Awareness Month and National Cancer Survivors Day The Regi onal Cancer Program's staff of cancer specialists and other health care professionals work s with patients in a variety of settings, including an intensive care unit and specialized cancer settings for inpatient and outpatient treatments A nationally recognized program, the Baptist-South Miami Regional Cancer Program is accredited by the Commission on Cancer of the American College of Surgeons Center for Orthopedics & Sports Medicine at Doctors Hospital Its board-certified fellowship trained orthopedic surgeons, combined with state- of-the-art technology and rehabilitation, make up one of the most active sports medicine o rthopedic programs in the United States Doctors Hospital is the official sports medicine provider for the Miami Heat, Florida Panthers, Florida International University and the Fe dEx Orange Bowl Doctors Hospital's orthopedic physicians are also the team physicians for the Miami Heat, Florida Panthers, Tampa Bay Buccaneers, Florida International University, the Miami City Ballet, the Sony Ericsson Tennis Tournament, the Doral Golf Open and the M iami-Dade Public High School Sports Medicine Programs, and have faculty appointments at th e University of Miami School of Medicine and Florida International University College of M edicine The Center for Orthopedics & Sports Medicine surgeons have published numerous art icles about new techniques they have developed to repair knee, shoulder, ankle and elbow i njuries Women's Health Services A wide range of services for the special health needs of women are offered throughout the BHSF System These range from maternity and newborn serv ices to diagnostic testing, health education and wellness BHSF Hospitals provide family-c entered maternity care for the more than 10,100 babies born at Baptist Hospital, South Mia mi Hospital and Homestead Hospital each year On average over the past three years, approx imately 30% of all babies born in Miami-Dade County were delivered in a BHSF Hospital Ove r 100 Obstetrics/Gynecology Board Certified specialists use the BHSF Hospitals for their o bstetric and gynecological patients The BHSF System offers a full spectrum of maternity c are options, including labor-delivery-recovery and labor-delivery-recovery-postpartum room s, and is equipped to handle high-risk m

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2010
Open to Public Inspection

Name of the organization
HOMESTEAD HOSPITAL INC

Employer identification number
65-0232993

Part I Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) WILLIAM M DUQUETTE	(i)	0	0	0	0	0	0	0
	(ii)	305,395	224,244	27,305	72,697	18,633	648,274	60,719
(2) NANCY GORDON	(i)	163,000	82,320	7,433	20,750	21,571	295,074	0
	(ii)	0	0	0	0	0	0	0
(3) COREY GOLD	(i)	111,281	42,812	11,365	14,435	5,456	185,349	0
	(ii)	0	0	0	0	0	0	0
(4) KENNETH SPELL	(i)	138,236	63,177	7,201	10,865	13,553	233,032	1,927
	(ii)	0	0	0	0	0	0	0
(5) PAUL BORUCK	(i)	164,258	1,150	6,994	2,862	12,352	187,616	0
	(ii)	0	0	0	0	0	0	0
(6) RONALD CHASSNER	(i)	175,382	13,980	1,672	3,976	24,374	219,384	0
	(ii)	0	0	0	0	0	0	0
(7) RANDY NICHOLSON	(i)	160,188	1,150	10,670	3,474	10,857	186,339	0
	(ii)	0	0	0	0	0	0	0
(8) GEORGE TERSHAKOVEC MD	(i)	0	0	1,798,770	0	0	1,798,770	0
	(ii)	0	0	78,535	0	0	78,535	0
(9) MARIE-ELSIE ADE	(i)	146,807	16,000	15,913	3,710	23,309	205,739	0
	(ii)	0	0	0	0	0	0	0
(10) FADY GIRGIS	(i)	173,051	1,150	447	3,534	10,012	188,194	0
	(ii)	0	0	0	0	0	0	0
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE J PART I, QUESTION 7		Key executives who control significant assets or who have a major impact on operations may earn incentive pay The purpose of incentive pay is to focus executive action on key "performance thresholds" and corporate goals that are approved by the Board's Compensation Committee The achievement of these goals requires extraordinary effort, commitment and achievement The incentive component of the executive's total compensation is variable and totally at risk, depending upon the achievement of the agreed-upon goals
SCHEDULE J PART I, QUESTION 4B		As part of the Baptist Health South Florida executive benefit plan, executives are eligible to allocate a portion of their flexible spending allowance to a Supplemental Survivor Accumulation Benefit (SSAB) account The SSAB is a life insurance product that provides a deferred retirement benefit for the executive or a death benefit for the executive's survivors Contributions to the SSAB may be made annually to the participant's account All contributions accumulate, along with investment earnings, for the period the executive participates The executive does not have access to the contributions made or the related investment income, all of which is subject to substantial risk of forfeiture Pursuant to the SSAB plan guidelines, this benefit is terminated upon an executive reaching age 65, however, payment can be deferred to a date at least two years after reaching age 65 but no later than 68 At that time the entire amount accumulated is paid out in a lump sum

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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2010

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Name of the organization
HOMESTEAD HOSPITAL INC

Employer identification number
65-0232993

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

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

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
		Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

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

Cat No 50056A

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
(1) GEORGE TERSHAKOVEC MD PA	OWNED BY BOARD MEMBER	1,874,375	INDEPENDENT CONTRACTOR		No
(2) MARTHA MAAS	SISTER OF JOHN MAAS, BOD	83,920	EMPLOYEE		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
HOMESTEAD HOSPITAL INC	65-0232993

Identifier	Return Reference	Explanation
FORM 990 PART VI, LINE 15	PERFORMANCE-BASED EXECUTIVE COMPENSATION	The South Florida market for highly competent healthcare executives reflects a very compet itive environment for qualified executives It is comprised of large, national, for profit chains and not-for-profit hospital systems and stand-alone hospitals The Board of Truste es of Baptist Health South Florida seeks executives of vision and leadership to carry out the organization's faith-based mission of quality care and community service The Board ex pects these executives to provide leadership that w ill place Baptist Health among the best healthcare systems in the nation for quality and excellence The Board expects executives to demonstrate integrity and loyalty in the performance of their duties and to adhere to Baptist Health Conflict of Interest Policy, Executive Code of Conduct and all compliance/e thics policies Executive compensation is considered the foundation to attract and retain executives w ith the talent, experience and character to meet these expectations The Board 's Compensation Committee is comprised exclusively of independent Board members w ho serve voluntarily w ithout any remuneration, and w ho must adhere to a stringent conflict of inter est policy that precludes them or their families from doing business w ith Baptist Health The Committee is responsible for review ing the performance and approving the compensation for executives The term "compensation" includes salaries, benefits and incentives The Co mpensation Committee annually engages a nationally-recognized, independent consultant to c onduct compensation surveys and to advise the Board on compensation policies The Compensa tion Committee decisions are based on the follow ing 1 Total Compensation Package Recruit ment and retention of capable, productive executives is accomplished through design of a t otal compensation package that includes a base salary, at-risk incentive pay, and benefits It is the objective of Baptist Health to ensure a consistent compensation philosophy acr oss all employee and leadership levels that rew ards outstanding performance using a cash p lus employee benefits package targeting the 75th percentile Base salaries of fully produc tive executives are indexed to the median (50th percentile) salary paid by similar healthc are organizations Incentive pay for superior achievement provides the opportunity for tot al cash compensation at the 75th percentile of the executive's peer group if the executive exceeds his/her performance metrics 2 Performance-based Salary Increases One of the key elements of Baptist Heath's executive compensation philosophy is "pay for performance " S alary increases are based upon the degree to w hich each executive achieves his/her individ ual performance objectives for the year, w hich are tied to corporate objectives Generally these objectives relate to clinical quality, patient, physician and community satisfactio n, charity care and mission goals, financial performance and expense management Individua l and group performance against these objectives is review ed by the Compensation Committee and Board of Trustees annually after the close of the fiscal year 3 Market-based Salary Increases The Board's Compensation Committee review s the market value of executive positi ons annually to assure that Baptist Health's pay levels are competitive The independent c onsultant, selected by the Compensation Committee, obtains executive salary information fo r functionally comparable positions at healthcare institutions of comparable size w ithin F lorida and the United States Baptist Health's peer group is comprised of other complex no t-for-profit hospital systems of similar size ($2 2 billion in revenues, 15,000 employees) , scope (6 hospitals, more than a dozen outpatient centers and a large international servi ce) The peer group does not include for-profit hospitals, w hose compensation practices ar e far more generous (and include such things as stock options and equity/ow nership interes ts) 4 No Guaranteed Salary Increases There is no guarantee of annual executive salary in creases Salary increases depend upon the organization's ability to pay, the executive's s alary in relation to the market, the executive's performance level, and internal pay relat ionships to peers 5 At-Risk Incentive Pay Key executives w ho control significant assets or w ho have a major impact on operations may earn incentive pay The purpose of incentive pay is to focus executive action on key "performance thresholds" and corporate goals that are approved by the Board's Compensation Committee The achievement of these goals require s extraordinary effort, commitment and achievement The incentive component of the executi ve's total compensation is variable and totally at risk, depending upon the achievement of the agreed-upon goals 6 Perquisites Baptist Health executives are provided w ith a commo n set of perquisites that are typical of other responsible not-for-profit organizations to enable them to more effectively conduct their bus

Identifier	Return Reference	Explanation
FORM 990 PART VI, LINE 15	PERFORMANCE-BASED EXECUTIVE COMPENSATION	iness These benefits are deemed by the Compensation Committee to be appropriate and conse rvative Perquisites are generally limited to auto and cell phone allow ances w hich are ful ly taxable to the executive Other perquisites provided to executives, such as paid time o ff or reimbursement for relevant educational expenses, are offered to all employees in acc ordance w ith enterprise-w ide policies and procedures Business travel for executives on co mmercial airlines is limited to coach fares (an upgrade to the next available class of ser vice, e g , business class, may be permitted w hen the flight duration is in excess of five hours or an overnight accommodation can be avoided) Chartered plane travel, spousal trav el, luxury residences for personal use, health, country or social club dues and personal s ervices (such as maid, chauffeur, chef, landscaper) are not provided (or reimbursed) to Ba ptist Health executives

Identifier	Return Reference	Explanation
FORM 990 PART VI, LINE 12	EMPLOYEE CONFLICT OF INTEREST	AN ACTUAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST OCCURS IN THOSE CIRCUMSTANCES WHERE AN EMPLOYEE'S JUDGEMENT COULD BE AFFECTED BECAUSE THE EMPLOYEE HAS A PERSONAL INTEREST, OTHER THAN THE RECEIPT OF COMPENSATION FROM BAPTIST HEALTH SOUTH FLORIDA, INC AND ITS AFFILIATES ("BHSF"), IN THE OUTCOME OF A DECISION OVER WHICH THE EMPLOYEE HAS CONTROL OR INFLUENCE. FOR THE PURPOSES OF THIS POLICY, IT IS PRESUMED THAT MANAGERS HAVE CONTROL OR INFLUENCE OVER ANY DECISION AFFECTING A MATTER FOR WHICH A MANAGER HAS RESPONSIBILITY A PERSONAL INTEREST EXISTS WHEN AN EMPLOYEE OR A MEMBER OF HIS OR HER FAMILY STANDS TO DIRECTLY OR INDIRECTLY OBTAIN FINANCIAL GAIN AS A RESULT OF A DECISION THIS POLICY IS INTENDED FOR ALL EMPLOYEES IN ORDER THAT THEY MAY UNDERSTAND, IDENTIFY, MANAGE AND APPROPRIATELY DISCLOSE THOSE TRANSACTIONS WHICH COULD RESULT IN AN ACTUAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST IN ACCORDANCE WITH OUR CODE OF ETHICS, HIGH ETHICAL STANDARDS MUST BE OBSERVED IN THE NEGOTIATION AND EXECUTION OF ALL BUSINESS ACTIVITIES CONDUCTED AT, BY OR WITH BHSF ANY DECISIONS MADE BY BHSF EMPLOYEES MUST BE MADE IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS, WITH THE BEST ORGANIZATIONAL INTERESTS OF BHSF AS THE HIGHEST PRIORITY AND WITHOUT REGARD TO THE PERSONAL GAIN OR INTEREST OF ANY OTHER PERSON OR ENTITY LIKEWISE, THE APPEARANCE OF ANY SUCH IMPROPER INFLUENCE ON ANY DECISIONS SHOULD BE CONSCIOUSLY AVOIDED EMPLOYEES SHOULD ALSO ADHERE TO POLICY 828 WHICH PROHIBITS VENDOR SPONSORED TRAVEL AND POLICY 829 PROHIBITING ACCEPTANCE OF PERSONAL HONORARIUMS AND POLICY 831 WHICH PROVIDES LIMITATIONS AND GUIDELINES ON PHILANTHROPIC SOLICITATION OF VENDORS A POTENTIAL OR PERCEIVED CONFLICT OR INTEREST MAY EXIST IRRESPECTIVE OF THE INTENT OF THE EMPLOYEE.

Identifier	Return Reference	Explanation
FORM 990 PART VI, LINE 12	BOARD CONFLICT OF INTEREST POLICY	BAPTIST HEALTH AND ITS AFFILIATES HAVE A STRONG AND ROBUST CONFLICT OF INTEREST POLICY THE POLICY IS MEANT TO ENSURE THAT EACH VOTING MEMBER OF THE BOARD OF TRUSTEES GOVERNS THE AFFAIRS OF BAPTIST HEALTH WITH HONESTY AND INTEGRITY AND MAKES DECISIONS FOR THE BENEFIT OF BAPTIST HEALTH VOTING BOARD MEMBERS MAY NOT BE EMPLOYED BY BAPTIST HEALTH NOR ENGAGED TO PROVIDE SERVICES TO BAPTIST HEALTH IN EXCHANGE FOR CASH COMPENSATION CONFLICT FREE DECISION MAKING EXTENDS BEYOND THE BOARD MEMBERS AND PROHIBITS TRANSACTIONS THAT MIGHT BENEFIT (I) THE PRIVATE INTEREST OF A MEMBER OR HIS OR HER FAMILY (II) AN ORGANIZATION CONTROLLED BY A MEMBER OF HIS OR HER FAMILY (III) AN ORGANIZATION IN WHICH A MEMBER OR HIS OR HER FAMILY HAS A MATERIAL INTEREST, ARE PROHIBITED SINCE THE APPEARANCE OF A CONFLICT OF INTEREST MAY BE AS DAMAGING TO BAPTIST HEALTH'S REPUTATION AS ACTUALLY PERMITTING A CONFLICT TO EXIST, EACH BOARD MEMBER HAS A CONTINUING OBLIGATION TO DISCLOSE ANY POTENTIAL CONFLICTS THIS CONTINUING OBLIGATION IS SUPPLEMENTED BY AN ANNUAL CERTIFICATION THAT THE BOARD MEMBER IS FREE FROM ACTUAL OR POTENTIAL CONFLICTS OF INTEREST THE ANNUAL CERTIFICATION IS REVIEWED BY THE VICE PRESIDENT OF COMPLIANCE WHO REPORTS DIRECTLY TO THE BOARD POTENTIAL CONFLICTS ARE FURTHER REVIEWED BY THE BOARD'S ETHICS COMMITTEE IF A CONFLICT DOES EXIST, THE CONFLICTED BOARD MEMBER MAY BE REQUIRED TO (I) RESIGN FROM THE BOARD OR (II) ELIMINATE THE RELATIONSHIP WHICH GIVES RISE TO THE CONFLICT

Identifier	Return Reference	Explanation
FORM 990 PART VI, LINE 12 C	ENFORCEMENT AND MONITORING OF CONFLICT OF INTEREST POLICY	ONE OF BAPTIST HEALTH SOUTH FLORIDA'S GREATEST ASSETS IS THE INTEGRITY OF ITS VOLUNTEER BOARD MEMBERS ONE WAY TO ASSURE INTEGRITY IS OUR COMMITMENT TO A STRINGENT CONFLICT OF INTEREST POLICY FOR OUR GOVERNING BOARDS AND MANAGEMENT AS A PART OF A ROBUST CONFLICT OF INTEREST POLICY, BOARD MEMBERS MUST ANNUALLY COMPLETE A CONFLICT OF INTEREST DECLARATION FORM THE AUDIT AND COMPLIANCE DEPARTMENT MONITOR TO ENSURE ALL VOTING MEMBERS SUBMIT THE DECLARATION FORM AND PERFORM NECESSARY RESEARCH TO UNDERSTAND IF A POTENTIAL CONFLICT EXISTS ALL DISCLOSURES AND THE RELATED RESEARCH ARE SUMMARIZED FOR THE ETHICS COMMITTEE OF THE BAPTIST HEALTH BOARD OF TRUSTEES ANY DISCLOSURES THAT MAY RESULT IN THE APPEARANCE OF A CONFLICT ARE ADDRESSED BY THE COMMITTEE FOR ITS CONSIDERATION AND RESOLUTION

Identifier	Return Reference	Explanation
DOCUMENTS AVAILABLE TO THE PUBLIC	FORM 990, PART VI, SECTION C LINE 19	DOCUMENTS THAT ARE REQUIRED TO BE OPEN FOR PUBLIC INSPECTION ARE MADE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
US INFORMATIONAL RETURNS	FORM 990, PART V, LINE 1 (a)	BAPTIST HEALTH SOUTH FLORIDA (BHSF) HAS A SYSTEM-WIDE TREASURY POLICY, WHICH RECOGNIZES ITS RESPONSIBILITY TO OVERSEE, MANAGE, AND COORDINATE ALL AFFILIATE OPERATIONS, INCLUDING THE TREASURY FUNCTIONS BHSF SERVES AS THE CENTRALIZED CASH RECEIPT AND DISBURSING AGENT FOR ALL BHSF ENTITIES AS SUCH ONLY BHSF ISSUES US INFORMATIONAL RETURNS

Identifier	Return Reference	Explanation
EMPLOYEES REPORTED ON FROM W-3	FORM 990, PART V, LINE 2(a)	BAPTIST HEALTH SOUTH FLORIDA (BHSF)IS THE APPOINTED PAY AGENT FOR ALL OF ITS AFFILIATES AS SUCH ONLY BHSF ISSUES FORM W-3

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	FORM 990, PART VI, SECTION B LINE 11B	THE MANAGEMENT OF BAPTIST HEALTH SOUTH FLORIDA (BHSF) IS RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE TAX RETURNS OF BHSF AND ALL OF ITS NONPROFIT, CHARITABLE AFFILIATES THIS FORM 990 HAS BEEN PREPARED IN CONFORMITY WITH THE INTERNAL REVENUE CODE AND TREASURY REGULATIONS INDEPENDENT TAX CONSULTANTS AND MEMBERS OF MANAGEMENT HAVE REVIEWED IN DETAIL THE COMPLETED FORM 990 PRIOR TO FILING, THE FORM 990 PREPARTION PROCESS AND THE DOCUMENTS ARE DISCUSSED AT A MEETING OF THE FINANCE & INSURANCE COMMITTEE AND MADE AVAILABLE ELECTRONICALLY TO ALL MEMBERS OF THE BOARD OF TRUSTEES FOR REVIEW AND COMMENTARY ADDITIONALLY THE EXECUTIVE AND COMPENSATION COMMITTEES OF THE BHSF BOARD OF TRUSTEES, COMPOSED OF INDEPENDENT UNCOMPENSATED MEMBERS, REVIEW OTHER PERTINENT AREAS OF THE RETURN THE PRESIDENT AND CEO AS WELL AS THE EXECUTIVE VICE PRESIDENT AND CFO HEREBY CERTIFY AS TO THE ACCURACY AND COMPLETENESS OF THIS FORM 990

Identifier	Return Reference	Explanation
GOVERNING AND MANAGEMENT	FORM 990 PART VI LINE 7b	THIS ORGANIZATION IS PART OF BAPTIST HEALTH SOUTH FLORIDA, AN INTEGRATED HEALTH CARE DELIVERY SYSTEM THE BOARD OF TRUSTEES OF BAPTIST HEALTH SOUTH FLORIDA HAS THE RIGHT TO APPROVE OR RATIFY CERTAIN CORPORATE DECISIONS OF THE ORGANIZATION

Identifier	Return Reference	Explanation
Schedule J Part II Column (B)(ii)	EXECUTIVE COMPENSATION	All executive compensation is reviewed and approved annually by the compensation committee which is comprised of independent uncompensated members of the Board of Trustees who have certified that they have no conflict of interest with the organization Reportable compensation includes base salary as well as payments under a formal incentive plan which rewards successful achievement of quality, mission, charity care, and financial corporate objectives

Identifier	Return Reference	Explanation
BOND LIABILITY AT PARENT LEVEL	Form 990 Part IV, Line 24a	All bond liabilities will be reported at the parent level, on Schedule K of Baptist Health South Florida, Inc 's 2010 Form 990

Identifier	Return Reference	Explanation
DIRECTOR'S COMPENSATION	PART VII, SECTION A, LN 1, SCHEDULE L, PART IV	George R Tershakovec, M D , P A provides general surgery coverage and services at Homestead Hospital Due to the large uninsured and underinsured population of patients at Homestead Hospital, obtaining physicians to provide general surgery services and coverage to unfunded and indigent patients could only be secured by entering into an agreement with George R Tershakovec, M D , P A Subsequent to the effective date of this agreement, Dr Tershakovec was elected President of the Medical Staff by his peers One of the duties of the President of the Medical Staff is to serve as an ex-officio member of the Board of Directors Total compensation of $1,874,375 was paid to George R Tershakovec, M D , P A by Homestead Hospital This payment is considered market value for the services rendered by George R Tershakovec, M D , P A This arrangement has been reviewed and approved by an independent committee of the board of directors George R Tershakovec also received a 1099-Misc for $2,930 for his position as President Elect of the Medical Staff and miscellaneous consulting services rendered to Homestead Hospital

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS/FUND BALANCE	FORM 990 PART XI LINE 5	OTHER CHANGES IN NET ASSETS OR FUND BALANCES OTHER INCREASE IN FUND BALANCES CHANGES IN POST RETIREMENT HEALTH OBLIGATION 817,606 CHANGE IN BENFEFICIAL INTEREST IN BHSF 234,556 ___________ TOTAL 1,052,162

Identifier	Return Reference	Explanation
CHANGES TO ORGANIZATIONAL DOCUMENTS	FORM 990 PART VI SECTION A LINE 4	The By-laws for Homestead Hospital, Inc were amended during the fiscal year to address the voting status of the President of the Medical Staff

Identifier	Return Reference	Explanation
FORM 990 PART VII SECTION A COLUMN B	HOURS WORKED FOR RELATED ORGANIZATIONS	FOLLOWING OFFICERS/TRUSTEES WORKED FOR RELATED ENTITY NAME AVERAGE NUMBER OF HOURS WORKED PER WEEK RENE W TAYLOR 2 M JOHANNA PATERSON 2 REV WILLIAM L CHAMBERS 2 HERBERT GREENE 2 GEORGE TERSHAKOVEC, MD 2 WENDALL BEARD 2 BILL TILLETT 6

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
HOMESTEAD HOSPITAL INC

Employer identification number
65-0232993

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

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

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

(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
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(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	

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

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

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

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

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

	(a) Name of other organization	**(b)** Transaction type(a-r)	**(c)** Amount involved	**(d)** Method of determining amount involved
(1)				
(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) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 65-0232993
Name: HOMESTEAD HOSPITAL INC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization Yes	No
BAPTIST HEALTH SOUTH FLORIDA 6855 RED ROAD CORAL GABLES, FL33143 65-0267668	HEALTHCARE	FL	501(C)(3)	11C, TYPE 3	NA		
BAPTIST HOSPITAL OF MIAMI 8900 N KENDALL DRIVE MIAMI, FL33176 59-0910342	HOSPITAL	FL	501(C)(3)	3	NA		
BHSF REAL ESTATE FOUNDATION 6855 RED ROAD CORAL GABLES, FL33143 65-0611015	SUPPORT	FL	501(C)(3)	11A, TYPE 1	NA		
SOUTH MIAMI HOSPITAL 6200 SW 73 ST SOUTH MIAMI, FL33143 59-0872594	HOSPITAL	FL	501(C)(3)	3	NA		
MARINERS HOSPITAL 91500 OVERSEAS HIGHWAY TAVERNIER, FL33070 59-1987355	HOSPITAL	FL	501(C)(3)	3	NA		
DOCTORS HOSPITAL 5000 UNIVERSITY DRIVE CORAL GABLES, FL33146 04-3775926	HOSPITAL	FL	501(C)(3)	3	NA		
WEST KENDALL BAPTIST HOSPITAL 9555 SW 162 AVE MIAMI, FL33196 52-2438452	HOSPITAL	FL	501(C)(3)	3	NA		
BAPTIST HEALTH SOUTH FLORIDA FOUNDATION 6855 RED ROAD STE 600 CORAL GABLES, FL33143 59-1923401	SUPPORT	FL	501(C)(3)	7	NA		
BAPTIST OUTPATIENT SERVICES 6855 RED ROAD STE 600 CORAL GABLES, FL33143 56-2290370	MED DIAG	FL	501(C)(3)	3	NA		

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Percentage ownership
BAPTIST HEALTH ENTERPRISES INC 6855 RED ROAD STE 600 CORAL GABLES, FL33143 59-2572862	REAL ESTATE MNGT	FL	NA	C	0	0	0 %
SAMARITAN RISK RETENTION GROUP 7301 RIVERS AVENUE SUITE 230 NORTH CHARLESTON, SC29406 20-3433505	INSURANCE	SC	NA	C	0	0	0 %
PINEAPPLE INSURANCE COMPANY 23 LIME TREE BAY AVE PO BOX 1051 GRAND CAYMAN KY1-11 CJ 98-0465790	INSURANCE	CJ	NA	C	0	0	0 %
BMAB EAST TOWER INC 6855 RED ROAD STE 600 CORAL GABLES, FL33143 65-4047110	REAL ESTATE MNGT	FL	NA	C	0	0	0 %
BAPTIST MEDICAL SERVICES CORP 6855 RED ROAD STE 600 CORAL GABLES, FL33143 65-0506620	HOLDING COMPANY	FL	NA	C	0	0	0 %
KENDALL CREDIT & BUSINESS SERVICES INC 6855 RED ROAD STE 600 CORAL GABLES, FL33143 65-0434778	COLLECTIONS	FL	NA	C	0	0	0 %
WEST KENDALL PROFESSIONAL SERVICES INC 6855 RED ROAD STE 600 CORAL GABLES, FL33143 65-0475570	COLLECTIONS	FL	NA	C	0	0	0 %
SOUTH MIAMI HEALTH ENTERPRISES INC 6855 RED ROAD STE 600 CORAL GABLES, FL33143 59-2623930	MEDICAL CENTER	FL	NA	C	0	0	0 %
BAPTIST MEDICAL TRANSPORT SERVICES INC 6855 RED ORAD STE 600 CORAL GABLES, FL33143 65-0732544	TRANSPORT PATIENT	FL	NA	C	0	0	0 %
EAST KENDALL INVESTMENTS INC 6855 RED ROAD STE 600 CORAL GABLES, FL33143 65-0593165	RENT REAL ESTATE	FL	NA	C	0	0	0 %
BAPTIST AMBULATORY SERVICES INC 6855 RED ROAD STE 600 CORAL GABLES, FL33143 42-1573814	HOLDING COMPANY	FL	NA	C	0	0	0 %
BHE REALTY 6855 RED ROAD STE 600 CORAL GABLES, FL33143 90-0152617	R ESTATE BROKER	FL	NA	C	0	0	0 %
BAPTIST ANCILLARY SERVICES INC 6855 RED ROAD STE 600 CORAL GABLES, FL33143 55-0800138	HOLDING COMPANY	FL	NA	C	0	0	0 %

BAPTIST HEALTH SOUTH FLORIDA, INC.
AND AFFILIATES

Annual Financial Report as of and for the Years Ended September 30, 2011 and 2010

BAPTIST HEALTH SOUTH FLORIDA, INC AND AFFILIATES

ANNUAL FINANCIAL REPORT
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REPORT OF MANAGEMENT

The management of Baptist Health South Florida, Inc is responsible for the integrity and objectivity of the financial statements of Baptist Health and all of its affiliates The annual financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, and include amounts that are based on our best judgments with due consideration given to materiality

Management is responsible for establishing and maintaining a system of internal controls over financial reporting and safeguarding assets against unauthorized acquisition, use or disposition This system is designed to provide reasonable assurance as to the integrity and reliability of financial reporting and safeguarding of assets The concept of reasonable assurance is based on the recognition that there are inherent limitations in all systems of internal controls and that the cost of such systems should not exceed the benefits to be derived from them

Management believes that the foundation of an appropriate system of internal controls is a strong ethical company culture and climate It has always been the policy and practice of Baptist Health to conduct its affairs in a highly ethical and socially responsible manner This responsibility is characterized and reflected in Baptist Health's Code of Ethics (the "Code") that is distributed throughout Baptist Health and its affiliates Management maintains a systematic program to ensure compliance with this Code

The Audit and Compliance Committee of the Board of Trustees, which is composed of independent persons who are not employees, meets periodically with management, the internal auditors and the independent auditors to review the manner in which these groups are performing their responsibilities and to carry out the Audit and Compliance Committee's oversight role with respect to auditing, internal controls and financial reporting matters Both the internal auditors and the independent auditors periodically meet privately with the Audit and Compliance Committee and have access to its individual members

Baptist Health engaged Deloitte & Touche LLP, independent auditors, to audit our financial statements in accordance with auditing standards generally accepted in the United States of America Their report follows

Brian E Keeley
President and Chief Executive Officer

Ralph E Lawson
Executive Vice President and
Chief Financial Officer

BAPTIST HEALTH SOUTH FLORIDA, INC AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
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Deloitte

Deloitte & Touche LLP
Certified Public Accountants
333 Southeast Second Avenue
Suite 3600
Miami, FL 33131
USA

Tel: +1 305 372 3100
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Baptist Health
South Florida, Inc. and Affiliates

We have audited the accompanying consolidated balance sheets of Baptist Health South Florida, Inc. and affiliates (BHSF), as of September 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of BHSF's management. 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 of material misstatement.

An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BHSF's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Baptist Health South Florida, Inc. and affiliates as of September 30, 2011 and 2010, and the results of their operations, their changes in net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental consolidating balance sheet and statement of operations information of BHSF (pages 28 and 29) and the supplemental combining balance sheet and statement of operations information of Baptist Health South Florida, Inc. Hospitals (pages 30 and 31) as of and for the year ended September 30, 2011, are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities, and are not a required part of the consolidated financial statements. This supplemental information is the responsibility of BHSF's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, such information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

December 19, 2011

BAPTIST HEALTH SOUTH FLORIDA, INC AND AFFILIATES

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010

ASSETS	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	$69,526,252	$30,544,174
Assets whose use is limited	450,711	452,721
Accounts receivable - net	241,515,086	223,818,248
Other current assets	64,714,367	63,012,649
Total current assets	376,206,416	317,827,792
ASSETS WHOSE USE IS LIMITED	2,046,904,192	1,720,210,570
OTHER INVESTMENTS	51,154,336	51,963,710
PROPERTY AND EQUIPMENT - NET	1,091,679,292	1,028,428,304
GOODWILL	42,961,881	41,198,425
OTHER ASSETS	23,308,676	13,990,025
TOTAL ASSETS	$3,632,214,793	$3,173,618,826
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$35,045,591	$31,502,079
Estimated third-party payor settlements	7,576,937	8,934,618
Current maturities of long-term debt	11,077,762	10,552,893
Accrued expenses and other current liabilities	403,196,194	333,923,840
Total current liabilities	456,896,484	384,913,430
LONG-TERM DEBT	1,016,969,940	779,296,974
OTHER LIABILITIES	157,028,949	166,720,120
Total liabilities	1,630,895,373	1,330,930,524
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted		
Baptist Health South Florida, Inc and Affiliates	1,946,775,047	1,789,591,708
Noncontrolling interests	5,314,932	4,756,821
Total unrestricted net assets	1,952,089,979	1,794,348,529
Temporarily restricted	38,040,885	37,357,601
Permanently restricted	11,188,556	10,982,172
Total net assets	2,001,319,420	1,842,688,302
TOTAL LIABILITIES AND NET ASSETS	$3,632,214,793	$3,173,618,826

See accompanying notes to consolidated financial statements

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT		
Net patient service revenue	$2,260,438,999	$2,138,473,663
Rental revenue	9,734,362	8,216,973
Other operating revenue	33,435,969	29,152,091
Total unrestricted revenues, gains and other support	2,303,609,330	2,175,842,727
EXPENSES		
Wages, salaries and benefits	1,026,665,474	933,608,061
Supplies	262,096,552	240,202,328
Malpractice and other insurance	32,798,989	38,938,397
Administrative and general	347,737,831	321,043,283
Provision for doubtful accounts	280,850,862	268,743,904
Impairment of long-lived assets		87,774,188
Depreciation and amortization	106,161,218	106,707,838
Interest	34,364,771	28,408,690
Total expenses	2,090,675,697	2,025,426,689
INCOME FROM OPERATIONS	212,933,633	150,416,038
OTHER (EXPENSE) INCOME		
Investment (loss) income	(54,758,565)	134,121,748
Other income - net	624,655	1,548,220
Total other (expense) income	(54,133,910)	135,669,968
EXCESS OF REVENUES OVER EXPENSES BEFORE INCOME TAX PROVISION AND NONCONTROLLING INTERESTS	158,799,723	286,086,006
INCOME TAX PROVISION	4,017,143	5,338,690
EXCESS OF REVENUES OVER EXPENSES FROM CONSOLIDATED OPERATIONS	154,782,580	280,747,316
INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(9,007,500)	(8,842,140)
EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES	$145,775,080	$271,905,176

See accompanying notes to consolidated financial statements.

BAPTIST HEALTH SOUTH FLORIDA, INC AND AFFILIATES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
UNRESTRICTED NET ASSETS		
Excess of revenues over expenses from consolidated operations	$154,782,580	$280,747,316
Net assets released from restrictions used for property and equipment acquisitions	2,671,492	1,710,036
Change in value of split-interest agreements	4,058	(62,811)
Transfers from temporarily restricted net assets	2,500	80,115
Changes in accumulated postretirement benefit obligation other than periodic benefit cost	8,730,209	(4,416,721)
Sale of limited partnership interests	483,784	87,573
Purchase of limited partnership interests	(384,442)	(215,166)
Partnership distributions	(9,438,331)	(8,995,193)
Noncontrolling interests related to acquisitions by Baptist Sleep Centers, LLC	889,600	
Increase in unrestricted net assets	157,741,450	268,935,149
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	4,140,714	5,214,735
Change in value of split-interest agreements		(40,338)
Restricted income on temporarily restricted contributions	905,149	390,710
Net assets released from restrictions	(4,221,699)	(2,641,182)
Transfers to unrestricted net assets	(2,500)	(80,115)
Transfers to permanently restricted net assets	(90,000)	(20,000)
Provision for and write-off of prior years' pledges	(48,380)	(46,450)
Increase in temporarily restricted net assets	683,284	2,777,360
PERMANENTLY RESTRICTED NET ASSETS		
Contributions	116,384	100,742
Transfers from temporarily restricted net assets	90,000	20,000
Increase in permanently restricted net assets	206,384	120,742
INCREASE IN NET ASSETS	158,631,118	271,833,251
NET ASSETS - BEGINNING OF YEAR	1,842,688,302	1,570,855,051
NET ASSETS - END OF YEAR	$2,001,319,420	$1,842,688,302

See accompanying notes to consolidated financial statements

BAPTIST HEALTH SOUTH FLORIDA, INC AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$158,631,118	$271,833,251
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	106,161,218	106,707,838
Provision for doubtful accounts	280,850,862	268,743,904
Accretion of bond premium	(1,249,272)	(1,306,836)
Deferred income tax	202,659	804,432
Realized gains on sales of securities - net	(57,578,606)	(34,410,216)
Change in net unrealized gains and losses	158,472,126	(57,390,208)
Sale of limited partnership interests	(483,784)	(87,573)
Purchase of limited partnership interests	384,442	215,166
Partnership distributions	9,438,331	8,995,193
Impairment of long-lived asset		87,774,188
Noncontrolling interests related to the purchase of Baptist South Florida Sleep Centers, LLC	(889,600)	
Loss on disposal of assets - net	572,826	1,635,458
Changes in accumulated postretirement benefit obligation other than periodic benefit cost	(8,730,209)	4,416,721
Changes in assets and liabilities		
Net increase in accounts receivable	(298,547,700)	(265,062,542)
Net increase in other assets	(10,578,680)	(12,947,122)
Net increase in accounts payable	3,543,512	11,637,549
Net (decrease) increase in third-party payor settlements	(1,357,681)	2,335,864
Net increase (decrease) in accrued expenses and other liabilities	61,505,014	(19,830,750)
Net cash provided by operating activities	400,346,576	374,064,317
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(161,724,026)	(193,631,120)
Acquisitions by Baptist Sleep Centers, LLC	(1,179,979)	
Sale of limited partnership interests	483,784	87,573
Purchase of limited partnership interests	(384,442)	(215,166)
Purchase of investments	(2,911,081,801)	(2,124,246,508)
Proceeds from sales and maturities of investments	2,484,306,043	1,954,379,214
Net cash used in investing activities	(589,580,421)	(363,626,007)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-tem debt	250,000,000	
Debt issue costs	(1,792,853)	
Repayment of long-term debt	(10,552,893)	(10,048,418)
Partnership distributions	(9,438,331)	(8,995,193)
Net cash provided by (used in) financing activities	228,215,923	(19,043,611)
NET CHANGE IN CASH AND CASH EQUIVALENTS	38,982,078	(8,605,301)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	30,544,174	39,149,475
CASH AND CASH EQUIVALENTS, END OF YEAR	$69,526,252	$30,544,174
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest - net of amounts capitalized	$33,929,000	$29,353,016
Cash paid for income taxes	$3,085,000	$3,140,000
Acquisition of property and equipment through accrued expenses	$21,845,000	$16,617,000

See accompanying notes to consolidated financial statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Baptist Health South Florida, Inc. ("BHSF" or "Baptist Health"), a not-for-profit Florida corporation located in Miami-Dade County, Florida, is the parent of a system of not-for-profit hospitals and other not-for-profit and for-profit corporations.

Mission - The mission of Baptist Health is to improve the health and well-being of individuals, and to promote the sanctity and preservation of life, in the communities it serves. Baptist Health is a faith-based organization guided by the spirit of Jesus Christ and the Judeo-Christian ethic, and is committed to maintaining the highest standards of clinical and service excellence, rooted in the utmost integrity and moral practice. Consistent with its spiritual foundation, Baptist Health is dedicated to providing high-quality, cost-effective, compassionate healthcare services to all, regardless of religion, creed, race or national origin, including, as permitted by its resources, charity care to those in need.

Organization - The not-for-profit hospitals comprising BHSF are Baptist Hospital of Miami, Inc. ("Baptist Hospital"), Doctors Hospital, Inc. ("Doctors Hospital"), Homestead Hospital, Inc. ("Homestead Hospital"), South Miami Hospital, Inc. ("South Miami Hospital") and West Kendall Baptist Hospital, Inc. ("West Kendall Baptist Hospital"), all located in south Miami-Dade County, Florida, and Mariners Hospital, Inc. ("Mariners Hospital") located in Monroe County, Florida (collectively, the "BHSF Hospitals"). BHSF also includes Baptist Outpatient Services, Inc. ("BOS"), a not-for-profit Florida corporation, which owns and operates two large diagnostic and imaging centers, one located on the Baptist Hospital campus, and a second center located on the West Kendall Baptist Hospital campus, sixteen satellite urgent care and diagnostic imaging facilities in Miami-Dade and Broward counties, and a home health agency, and Baptist Health South Florida Foundation, Inc. (the "Foundation"), a Florida not-for-profit corporation, whose purpose is to raise funds for the BHSF Hospitals and BOS.

Baptist Health Enterprises, Inc. ("BHE") is a for-profit Florida corporation, which is wholly owned by BHSF. BHE's lines of business include real estate, outpatient surgery centers, sleep diagnostic centers and collections. BHE is the general partner and the owner of all the limited partnership interests in Kendall Professional Center, Ltd., doing business as Baptist Medical Arts Building ("BMAB"), a Florida limited partnership that owns a professional office building and parking garage, located adjacent to Baptist Hospital on land leased from Baptist Hospital. BHE owns 100% of the stock of BMAB East Tower, Inc. ("East Tower"), a for-profit Florida corporation which owns a second medical office building, located adjacent to Baptist Hospital on land leased from Baptist Hospital. BHE also owns a medical office building and parking garage, located on the South Miami Hospital campus on land leased from South Miami Hospital. Other wholly-owned subsidiaries of BHE include Kendall Credit and Business Service, Inc., an entity that provides collection services, Baptist Medical Services, Corp., Baptist Ancillary Services, Inc. and Baptist Sleep Centers, LLC. Baptist Medical Services, Corp. owns a 68% interest in BHS Ambulatory Surgical Center at Baptist, Ltd., doing business as Medical Arts Surgery Center ("MASC at Baptist"), a free-standing, multi-specialty surgery center. Baptist Ancillary Services, Inc. is the corporate parent of Baptist Ambulatory Services, Inc. ("BAS"), a wholly-owned subsidiary, which is the managing member of, and currently owns a 78% interest in, Baptist Surgery and Endoscopy Centers, LLC ("BSEC"). BSEC is organized as a single partnership that holds investments in multiple ambulatory surgery center divisions, namely MASC at South Miami, a multi-specialty, ambulatory surgical center, Galloway Endoscopy Center ("GEC") and Baptist Endoscopy Center at Coral Springs, two free-standing, single-specialty surgery centers, specializing in outpatient endoscopy procedures. Baptist Sleep Centers, LLC, a Florida single-member limited liability company, owns a 60% controlling interest in two sleep diagnostic centers, Baptist Sleep Centers of South Florida, LLC and Baptist Sleep Center at Galloway, LLC. The remaining 40% interests in the sleep centers are owned by unrelated third parties.

In September 2002, BHSF formed Pineapple Insurance Company ("PIC"), a single-parent, Cayman Islands captive insurance company, to facilitate BHSF's professional and general liability, self-insurance and property insurance programs, including contracting for reinsurance (see Note 8). In January 2006, Samaritan Risk Retention Group, Inc. ("SRRG" and together with PIC, the "Insurance Companies") was licensed to transact business under the laws of the State of South Carolina. SRRG is also chartered as a risk retention group and is registered to conduct business in the state of Florida. SRRG was organized for the purpose of offering professional liability insurance to physicians who meet the company's underwriting requirements, are Florida-licensed, practicing physicians and have privileges to treat patients at BHSF facilities. In March 2006, SRRG issued a surplus note in the amount of $5,000,000 to BHSF. Until the note is satisfied, the governing Board of Directors of SRRG is elected by proxy and controlled by BHSF.

In April 2005, Baptist Cardiac & Vascular Institute Management Company, LLC ("BCVI Management Company"), a Florida limited liability corporation, was formed. Baptist Hospital has a 50% interest in BCVI Management Company, which was established to provide management services for the Baptist Cardiac and Vascular Institute, in order to improve clinical performance and achieve operational efficiency. Baptist Hospital's investment in BCVI Management Company is accounted for using the equity method. At September 30, 2011 and 2010, Baptist Hospital's investment in BCVI Management Company was approximately $1,142,000 and $1,494,000, respectively, and is recorded in other assets in the accompanying consolidated balance sheets.

BHSF, a BHSF Hospital, or BOS controls several affiliated physician practices ("Baptist Health Medical Group") as the sole member or through contractual arrangements. These physician practices provide a variety of specialty physician services.

Basis of Presentation - The consolidated financial statements include the accounts of BHSF, the BHSF Hospitals, BOS, Baptist Health Medical Group, the Foundation, BHE and its wholly-owned subsidiaries, PIC and SRRG. All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates - The preparation of 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used for, but not limited to: recognition of net patient service revenue, valuation of accounts receivable, including contractual allowances and provisions for doubtful accounts, reserves for losses and expenses related to employee healthcare and professional and general liability risks, asset impairments, including goodwill, and estimated third-party settlements. Future events and their effects cannot be predicted with certainty; accordingly, management's accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of the accompanying consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the operating environment changes. Management regularly evaluates the accounting policies and estimates it uses. In general, management relies on historical experience and on other assumptions believed to be reasonable under the circumstances, and may employ outside experts to assist in the evaluation, as considered necessary. Although management believes all adjustments considered necessary for fair presentation have been included, actual results may vary from those estimates.

Community Benefits - In pursuing its mission, BHSF provides services to the financially disadvantaged and to the broader community in which it operates, despite the lack or adequacy of payment for those services. These services are categorized as follows:

Charity Care - BHSF provides a level of charity care that is consistent with the needs of the community it serves and the financial resources that are available. All or a portion of the charges incurred at established rates are classified as charity by reference to BHSF's established policies. Essentially, these policies define charitable services as those for which no payment is anticipated. In assessing a patient's ability to pay, BHSF utilizes generally recognized poverty income levels for the respective community, but also includes certain cases where incurred charges are considered to be beyond the patient's ability to pay. In addition, BHSF provides services to other indigent patients under various state and local programs which pay healthcare providers amounts which are less than the cost of the services provided. Because BHSF does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as revenue in the accompanying consolidated financial statements (see Note 2).

Other Community Benefits - BHSF has entered into agreements to pay certain physician specialists for healthcare they provide to BHSF's charity care patients. In addition to the services that are provided to the financially disadvantaged, BHSF provides services to the broader community. These services include educational programs, community information on health services, donations and the cost of healthcare in excess of payments for patients under federal and state programs.

Treasury Policy - BHSF has a system-wide treasury policy, which recognizes its responsibility to oversee, manage, and coordinate all affiliate operations, including the treasury functions. BHSF serves as the centralized cash receipt and disbursing agent for all BHSF entities. The treasury policy provides that each BHSF affiliate's unrestricted cash and investments be transferred to BHSF, and that BHSF shall provide or arrange for advances and loans to its affiliates and will utilize the cash and investments held by it to provide financial support for the BHSF Hospitals and the other corporations comprising the system. These transfers have been eliminated in consolidation. Debt and related issuance costs are allocated to affiliates based on the use of debt proceeds.

New Accounting Pronouncements - In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-07, *Not-for-Profit Entities (Topic 958): Not-for-Profit Entities: Mergers and Acquisitions* ("ASU 2010-07"), which codified previous guidance on accounting for a combination of not-for-profit entities, and applies to a combination that meets the definition of either a merger of not-for-profit entities or an acquisition by a not-for-profit entity. ASU 2010-07 also amends previous guidance for the reporting of goodwill and other intangibles and noncontrolling interests in the consolidated financial statements to make their provisions fully applicable to not-for-profit entities This guidance establishes that goodwill be tested annually for impairment and an impairment loss be recognized if it is determined that the carrying amount of the reporting unit's net assets exceeds its fair value The guidance also requires the presentation of noncontrolling interests in the net assets of consolidated subsidiaries be reported as a separate component of the appropriate class of net assets in the consolidated balance sheets and the amount of the consolidated excess of revenues over expenses attributable to BHSF and the noncontrolling interest be disclosed BHSF adopted this guidance as of October 1, 2010 Beginning October 1, 2010, amortization of goodwill arising from the acquisition of Doctors Hospital is no longer amortized During the year ended September 30, 2010, amortization of goodwill arising from the acquisition of Doctors Hospital was approximately $979,000, and was included in depreciation and amortization expense in the consolidated statement of operations The provisions of the standard related to the presentation and disclosure of noncontrolling interests were applied retrospectively to all periods presented

During the fiscal year ended September 30, 2010, BHSF adopted FASB ASU No 2010-06, *Fair Value Measurements and Disclosures (Topic 820) Improving Disclosures about Fair Value Measurements* ("ASU 2010-06") ASU 2010-06 amends FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* to add new disclosure requirements for significant transfers in and out of Level 1 and Level 2 measurements and to provide a gross presentation of the activities within the Level 3 rollforward ASU 2010-06 also clarifies existing fair value disclosures about the level of disaggregation and inputs and valuation techniques used to measure fair value The disclosure requirements in ASU 2010-06 are effective for interim and annual reporting periods beginning after December 15, 2009, except for the requirement to present the Level 3 rollforward on a gross basis, which is effective for fiscal years beginning after December 15, 2010 The adoption of this guidance was limited to the form and content of disclosures, and did not have a material effect on BHSF's consolidated financial statements (see Note 16)

In August 2010, FASB issued ASU 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries*, which clarifies that a healthcare entity should not net insurance recoveries against a related claim liability The guidance provided in this ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010 BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard

In August 2010, FASB issued ASU 2010-23, *Health Care Entities (Topic 954) Measuring Charity Care for Disclosure*, which prescribes a specific measurement basis of charity care for disclosure The guidance provided in this ASU is effective for fiscal years beginning after December 15, 2010 BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard

In September 2010, the FASB issued ASU 2011-08, *Intangibles—Goodwill and Other (Topic 350) Testing Goodwill for Impairment* ("ASU 2011-08") ASU 2011-08 amends the guidance in ASC 350-20 on testing goodwill for impairment Under the revised guidance, entities testing goodwill for impairment have the option of performing a qualitative assessment before calculating the fair value of the reporting unit The amendments are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011 with early adoption permitted BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard

In July 2011, the FASB issued ASU 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Services Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ("ASU 2011-07") ASU 2011-07 requires certain healthcare entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, those healthcare entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts ASU 2011-07 also requires disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts ASU 2011-07 is effective for public entities for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard

In September 2011, the FASB issued ASU 2011-09, *Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80) Disclosures about an Employer's Participation in a Multiemployer Plan*, which requires that employers provide additional separate disclosures for multiemployer pension plans and multiemployer other postretirement benefit plans This ASU is effective for fiscal years ending after December 15, 2011, with early adoption permitted The adoption of this standard is limited to the form and content of disclosures, and is not expected to have any impact on BHSF's financial condition, results of operations, or cash flows

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand and cash in depository accounts maintained with various commercial banks, all of which are federally insured without limits Nonetheless, management periodically evaluates the creditworthiness of those institutions, and BHSF has not experienced any losses on such deposits

Inventories - Inventories, consisting primarily of pharmaceutical, medical and surgical supplies, are stated at average cost and are included in other current assets in the consolidated balance sheets.

Assets Whose Use is Limited and Other Investments - Assets whose use is limited include assets set aside by the Board of Trustees for future capital improvements and education, over which the Board retains control and may at its discretion subsequently use for other purposes, note proceeds designated for capital improvements, assets held under a reinsurance trust agreement, insurance surplus reserves and assets held by a trustee under bond indenture agreements. Assets whose use is limited that are required for obligations classified as current liabilities are reported in current assets. Other investments are held by the Foundation and include certain assets whose use is restricted by donors (see Note 3).

BHSF manages the investment function based upon a comprehensive written investment policy approved by the Board of Trustees that provides for a diversified investment portfolio based upon return, risk, social values and projected liquidity requirements. Investment results, portfolio allocations and investment policy compliance are regularly reviewed with the Investment Review Committee of the Board of Trustees.

BHSF holds certain financial instruments with derivative features, including forward foreign exchange contracts. BHSF records these derivatives at fair value in its consolidated balance sheets and records the changes in fair value of the derivatives as changes in unrealized gains and losses in investment income in the consolidated statements of operations. The change in fair value of derivative instruments held by BHSF resulted in increases in investment income of approximately $3,819,000, for the year ended September 30, 2011, and $1,697,000, for the year ended September 30, 2010. BHSF also holds various hybrid financial instruments with embedded derivative features, including convertible preferred stock and convertible bonds.

BHSF records a liability for forward foreign exchange contracts that are in a loss position. The obligations arising from such transactions are recorded on a trade-date basis and carried at current market values. The majority of these transactions are settled on a short-term basis. Forward foreign exchange contracts that are not subject to a master netting agreement represent obligations to settle the contract at a rate above the current market exchange rate. At September 30, 2011 and 2010, forward foreign exchange contract obligations totaled approximately $4,494,000 and $1,759,000, respectively, and are recorded in accrued expenses and other current liabilities in the accompanying consolidated balance sheets.

Derivatives may expose BHSF to market risk or credit risk in excess of the amounts recorded in the consolidated balance sheets. Market risk on a derivative or foreign exchange product is the exposure created by potential fluctuations in interest rates, foreign exchange rates and other values, and is a function of the type of product, the volume of transactions, the tenor and terms of the agreement, and the underlying volatility. Credit risk is the exposure to loss in the event of nonperformance by the other party to the transaction, where the value of collateral held, if any, is not adequate to cover such losses. Management does not believe that there are significant market or credit risks associated with these transactions, given BHSF's investment strategies and the overall characteristics of its investment portfolio.

BHSF holds alternative investment interests in two limited partnerships and one Cayman Islands exempt company. One of the partnerships was established to invest in a broad range of infrastructure and infrastructure-related assets located in member countries of the Organization for Economic Co-operation and Development with a primary focus on the United States, Canada, Western Europe and Australia. The second partnership was established to construct and manage a well-diversified portfolio of publicly-traded equity securities issued by real estate investment trusts and other publicly-held real estate companies in North America, Europe and Asia. The Caymans Islands exempt company is a commodities relative value fund. It is market neutral and nondirectional and focuses on various commodity interests, including physical commodities, forwards, exchange-listed futures, options, and over-the-counter derivatives. These investments are accounted for using the equity method and reported at fair value. All changes in BHSF's ownership interest are reflected in investment income. The carrying value of BHSF's interests in these partnerships as of September 30, 2011 and 2010, was approximately $122,464,000 and $86,636,000, respectively (see Note 3).

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Property and Equipment - Net - Property and equipment are stated at cost or, if donated, at fair market value on the date of donation, less the allowance for depreciation. Depreciation is computed on the straight-line method using estimated useful lives ranging from two to forty years. Expenditures that materially increase values, change capacities or extend useful lives are capitalized, as are interest costs, during the period of construction. For those qualifying assets for which construction is funded with tax-exempt borrowings, BHSF capitalizes interest cost until the assets are ready for their intended use. Any interest earned on interest-bearing investments acquired with proceeds of the tax-exempt borrowings is recorded as an offset to capitalized interest costs. Gains and losses on dispositions are recorded in the year of disposal.

Gifts of long-lived assets, such as land, buildings or equipment, are reported as a direct addition to unrestricted net assets, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to temporarily or permanently restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Property and equipment are more fully described in Note 4.

The management of BHSF has the responsibility to evaluate long-lived assets for impairment by monitoring internal and external environments for events and circumstances that would indicate that the carrying value of an asset may not be recoverable. When these events occur, management measures impairment by comparing the carrying amount of the asset to future undiscounted cash flows expected to result from the use of the assets and their residual value. If the undiscounted cash flow is less than the net book value of the assets, an impairment loss based on the fair value of the assets is recognized.

The determination of fair value of the long-lived assets acquired involves certain judgments and estimates. Fair value estimates are derived from appraisals, established market values of comparable assets or internal estimates of future cash flows. These fair value estimates can change by material amounts in subsequent periods. Many factors and assumptions can impact the estimates, including future financial trends, changes in healthcare trends and regulations, and the nature of the ultimate disposition of assets. In some cases, these fair value estimates assume the highest and best use of hospital assets in the future to a market place participant other than a hospital. The impairment recognized does not include the costs of closing a business unit or other future operating costs, which could be substantial. Accordingly, the ultimate net cash realized from the assets, should they be sold or discontinued, could be significantly less than their impaired value.

Impairment tests are based on programs and initiatives implemented or to be implemented that are designed to achieve the most recent projections. If these projections are not met or if in the future negative trends occur that impact our future outlook, further impairments of long-lived assets may occur.

During fiscal year 2010, both Homestead Hospital and South Miami Hospital recognized an impairment charge to income from operations (see Note 4).

Malpractice Liability Claims - Provisions for losses related to malpractice liability risks are based upon actuarially determined estimates and represent the estimated ultimate net cost of all reported and unreported losses incurred through the respective balance sheet dates. Those estimates are subject to the effects of trends in loss severity and frequency. The estimates are reviewed and adjustments are recorded as experience develops or new information becomes known.

Temporarily and Permanently Restricted Net Assets - Temporarily restricted net assets are those for which use has been limited by donors to a specific time period or purpose. Permanently restricted net assets are those for which use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of BHSF or its affiliates (see Note 7).

Excess of Revenues Over Expenses - The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), changes in the value of split-interest agreements, transfers from temporarily restricted net assets, changes in accumulated postretirement benefit obligation other than periodic benefit cost, purchase and sale of limited partnership interests, partnership distributions and noncontrolling interests related to acquisitions by a single-member limited liability company.

Donor-Restricted Gifts - Unconditional promises to give cash and other assets to BHSF and its affiliates are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets. Net assets released from restrictions used for operations are included in excess of revenues over expenses. Net assets released from restrictions used to purchase property and equipment are reported as a change in net assets.

Goodwill - Goodwill represents the excess of purchase price and related costs over the value assigned to net tangible assets and identifiable intangible assets of businesses acquired and accounted for under the purchase accounting method. Goodwill has arisen from various acquisitions by affiliates of BHSF. During fiscal year 2011, BOS recognized an impairment of goodwill charge included in administrative and general expenses in the consolidated statement of operations (see Note 5).

Deferred Bond Issue Costs and Bond Premium - Deferred bond issue costs and bond premium are being amortized and accreted using the bonds-outstanding method. For the years ended September 30, 2011 and 2010, amortization of bond issue costs totaled approximately $197,000 and $200,000, respectively, and accretion of bond premium totaled approximately $1,249,000 and $1,307,000, respectively.

Indigent Care Assessment - The Healthcare Consumer Protection and Awareness Act of 1984 created a fund to provide for the treatment of indigent patients. Hospitals in the state of Florida are required to pay into the fund an amount equal to 1.5% of net inpatient revenue and 1% of net outpatient revenue. The indigent care assessment is included in administrative and general expenses in the consolidated statements of operations.

Income and Other Taxes - BHSF, BHSF Hospitals, BOS and the Foundation are not-for-profit corporations and are recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. The income tax provision for BHE and Insurance Companies is based on amounts estimated to be currently payable and those deferred because of temporary differences between the financial statement reporting bases and the tax bases of assets and liabilities (see Note 12). Taxes collected from patients, tenants, customers and others, concurrent with specific revenue-producing transactions and subsequently remitted to governmental authorities, are recorded on a net basis and excluded from revenues.

Asset Retirement Obligations - BHSF has various conditional asset retirement obligations for the removal of asbestos. The carrying amount of the obligations for the years ended September 30, 2011 and 2010, totaled approximately $2,229,000 and $1,749,000, respectively. For the years ended September 30, 2011 and 2010, BHSF settled obligations of approximately $99,000 and $63,000, respectively.

2. NET PATIENT SERVICE REVENUE

Net patient service revenue is recorded based upon established billing rates less allowances for contractual adjustments. Revenue is recorded during the period the healthcare services are provided, based upon the estimated amounts due from the patients and third-party payors, including federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies and employers. Estimates of contractual allowances under managed care health plans are based upon the payment terms specified in the related contractual agreements. The bases for payment under these agreements include prospectively determined rates per diagnosis, per diem or per procedure rates, or discounts from established charges.

On June 22, 2010, the Department of Health & Human Services Centers for Medicare & Medicaid Services approved Mariners Hospital for participation in the Medicare program as a critical access hospital ("CAH"), effective March 31, 2010. As a CAH, Mariners Hospital is certified to receive cost-based reimbursement for services provided to Medicare beneficiaries. Among other participation constraints, the change in status to that of a CAH requires that Mariners Hospital operates no more than 25 beds and that its average length of stay does not exceed four days.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Federal regulations require submission of annual cost reports covering medical costs and expenses associated with the services provided by each facility to program beneficiaries. Annual cost reports required under the Medicare and Medicaid programs are subject to routine audits, which may result in adjustments to the amounts ultimately determined to be due to BHSF under these payment programs. These audits often require several years to reach the final determination of amounts earned under the programs. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Such audits of the Medicare cost reports have been completed for Mariners Hospital for fiscal years through 2010, for Homestead Hospital for fiscal years through 2007 and for all other BHSF Hospitals for fiscal years through 2006. Medicaid audits for Baptist Hospital have been completed through fiscal year 2008, for South Miami Hospital, Homestead Hospital and Mariners Hospital through fiscal year 2007, and for Doctors Hospital through fiscal year 2006.

BHSF provides charity care to patients who are financially unable to pay for the healthcare services they receive and who are unable to access federal or state entitlement programs. BHSF does not pursue collection of amounts determined to qualify as charity care and does not report such amounts as revenue. Uninsured patients treated at BHSF who have income at or below 500% of the federal poverty level may be eligible for charity care. Uninsured patients whose income exceeds 500% of the federal poverty level also may be eligible for charity care, if incurred charges are considered beyond the patient's ability to pay. The federal poverty level is established by the federal government and is based on income and family size. The level of charity care (charges foregone), during the years ended September 30, 2011 and 2010, based on established rates, was approximately $342,706,000 and $314,549,000, respectively.

BHSF receives payments for services rendered from government agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, employers and patients. During the years ended September 30, 2011 and 2010, approximately 15% of BHSF's net patient service revenue related to patients participating in the Medicare program. BHSF recognizes that revenues and receivables from the Medicare program are significant to its operations, but does not believe that there are significant credit risks associated with this federal program. BHSF does not believe that there are any other significant concentrations of revenues from any particular payor that would subject it to any significant credit risks in the collection of its accounts receivable.

The concentration of net patient service accounts receivable by payor class, as a percentage of total net patient service accounts receivable, at September 30, 2011 and 2010, was as follows:

	2011	2010
Medicare	13%	15%
Managed care	72	73
Medicaid	5	5
Other third-party payors	9	6
Patients	1	1
Total	100%	100%

BHSF records a provision for accounts receivable that could become uncollectible in the future by establishing an allowance to reduce the carrying value of such receivables to their estimated net realizable value. BHSF estimates this allowance based on the aging of its accounts receivable and historical and expected net collections, business and economic conditions, trends in federal and state governmental and private employer healthcare coverage and other collection indicators. Additions to the allowance for doubtful accounts are made by means of the provision for doubtful accounts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added.

The following summarizes the activity in BHSF's allowance for doubtful accounts for the years ended September 30, 2011 and 2010:

	2011	2010
Balance, beginning of year	$173,055,933	$167,883,644
Provision, during the year	280,850,862	268,743,904
Accounts written off (net of recoveries)	(282,605,234)	(263,571,615)
Balance, end of year	$171,301,561	$173,055,933

Net patient service revenue recognized for medical services rendered includes adjustments resulting from reviews and audits of prior-year Medicare and Medicaid cost reports and subsequent payment experience from patients and third-party payors. Such adjustments are considered in the recognition and estimation of revenue in the periods the adjustments become known or as cost report years are no longer subject to reviews and audits.

The combined effects from changes in estimates related to the valuation of prior periods accounts receivable, primarily due to favorable payment experience from patients and third-party payors, was an increase in income from operations of approximately $64,000,000 and $65,300,000, for the years ended September 30, 2011 and 2010, respectively. Additionally, during the years ended September 30, 2011 and 2010, BHSF received approximately $2,800,000 and $18,086,000, respectively, related to favorable settlements of outstanding disputes with various third-party payors. Third-party payor settlements are recorded as an increase to net patient service revenue when the disputes are settled and the cash settlements are received.

3 ASSETS WHOSE USE IS LIMITED AND OTHER INVESTMENTS

Assets whose use is limited and other investments at September 30, 2011, are set forth in the following table and stated at fair value

	Assets Whose Use is Limited	Other Investments	Total
Cash and short-term investments	$462,573,138	$4,377,039	$466,950,177
U S Treasury obligations	76,266,730	2,177,133	78,443,863
U S Agency obligations	40,756,066	1,142,766	41,898,832
Municipal bonds	9,290,416	265,473	9,555,889
Corporate equity instruments	749,282,156	22,993,978	772,276,134
Corporate bonds	247,791,759	6,884,227	254,675,986
Foreign government bonds	252,538,114	7,289,774	259,827,888
Foreign municipal bonds	27,014,396	782,410	27,796,806
Foreign corporate bonds	52,570,400	1,514,079	54,084,479
Foreign exchange contracts	10,227,975	307,640	10,535,615
Global properties securities fund	48,306,945	1,284,416	49,591,361
Infrastructure fund	32,563,404	1,156,596	33,720,000
Commodity fund	38,173,404	978,805	39,152,209
Total	$2,047,354,903	$51,154,336	$2,098,509,239

Assets whose use is limited and other investments at September 30, 2010, are set forth in the following table and stated at fair value

	Assets Whose Use is Limited	Other Investments	Total
Cash and short-term investments	$352,031,309	$5,917,615	$357,948,924
U S Treasury obligations	55,670,697	1,394,944	57,065,641
U S Agency obligations	52,130,432	1,548,310	53,678,742
Municipal bonds	9,667,557	302,377	9,969,934
Corporate equity instruments	478,829,511	18,317,034	497,146,545
Corporate bonds	348,817,314	13,326,459	362,143,773
Foreign government bonds	283,890,740	6,736,652	290,627,392
Foreign municipal bonds	17,960,015	443,608	18,403,623
Foreign corporate bonds	33,837,494	1,186,261	35,023,755
Foreign exchange contracts	3,888,632	93,582	3,982,214
Global properties securities fund	49,628,463	1,256,868	50,885,331
Infrastructure fund	34,311,127	1,440,000	35,751,127
Total	$1,720,663,291	$51,963,710	$1,772,627,001

The following is the composition of assets whose use is limited at September 30, 2011 and 2010

	2011	2010
Board designated for		
Funded depreciation	$1,699,485,514	$1,568,806,306
Education	335,043	335,043
Total Board designated	1,699,820,557	1,569,141,349
Note proceeds designated for capital improvements	248,322,783	
Cash and short-term investments held by trustee under bond indenture agreement	91,200,344	143,319,731
Insurance reserves	8,011,219	8,202,211
Total	2,047,354,903	1,720,663,291
Less amount required for current liabilities	(450,711)	(452,721)
Assets whose use is limited	$2,046,904,192	$1,720,210,570

Assets held by the trustee under the bond indenture agreement include a project fund with unexpended bond proceeds (see Note 6) At September 30, 2011 and 2010, the balance in the project fund was approximately $91,182,000 and $143,295,000, respectively

Other investments represent assets of the Foundation At September 30, 2011 and 2010, other investments in the amount of approximately $23,719,000 and $24,587,000, respectively, were temporarily restricted as to use by donors, and approximately $11,135,000 and $10,886,000, respectively, were permanently restricted as to use by donors

Investment income and gains and losses for assets whose use is limited, other investments and cash and cash equivalents are comprised of the following for the years ended September 30, 2011 and 2010

	2011	2010
Investment (loss) income		
Interest and dividends income	$46,134,955	$42,321,324
Realized gains on sales of securities	150,476,032	111,062,465
Realized losses on sales of securities	(92,897,426)	(76,652,249)
Change in net unrealized gains and losses	(158,472,126)	57,390,208
Investment (loss) income	($54,758,565)	$134,121,748
Other changes in temporarily restricted net assets		
Investment income	$771,374	$332,100
Realized gains on investments - net	133,775	58,610
Total	$905,149	$390,710

4 PROPERTY AND EQUIPMENT - NET

Property and equipment at September 30, 2011 and 2010, are summarized as follows

	2011	2010
Land and land improvements	$177,831,122	$161,068,286
Buildings and improvements	904,563,495	740,722,501
Equipment	714,037,545	696,611,237
Total	1,796,432,162	1,598,402,024
Less accumulated depreciation	(769,902,273)	(721,867,658)
Total	1,026,529,889	876,534,366
Construction in progress	65,149,403	151,893,938
Property and equipment - net	$1,091,679,292	$1,028,428,304

Interest costs incurred during fiscal years 2011 and 2010 were approximately $41,306,000 and $37,876,000, respectively Interest capitalized was approximately $6,885,000 and $5,479,000, during fiscal years 2011 and 2010, respectively Capitalized interest was net of approximately $56,000 and $3,988,000 of interest income earned on temporary investments of bond proceeds, during fiscal years 2011 and 2010, respectively Depreciation expense on property and equipment, for the years ended September 30, 2011 and 2010, amounted to approximately $105,738,000 and $105,667,000, respectively

During fiscal year 2010, Homestead Hospital recorded an $87,377,365 impairment charge for the write-down of buildings, equipment and other long-lived assets to their estimated fair value As of September 30, 2010, material adverse trends in the estimates of future cash flows of Homestead Hospital indicated the carrying value of its long-lived assets was not recoverable from the estimated future cash flows Management of BHSF believes the most significant factors contributing to the continuing adverse financial trends include reductions in reimbursement rates from Medicare and Medicaid, high levels of uninsured patients and increasing operating costs In the event the anticipated future financial trends of Homestead Hospital deteriorate further to the extent the expected future undiscounted cash flows do not exceed the carrying value of its long-lived assets, Homestead Hospital is at risk of future impairment, particularly if there are significant amounts of future capital expenditures without generating a corresponding increase in cash flows

Also during fiscal year 2010, South Miami Hospital recorded a $396,823 impairment charge for the write-down of certain medical equipment in anticipation of the equipment being disposed of in the first quarter of fiscal year 2011 for an amount lower than its carrying value

In April 2011, West Kendall Baptist Hospital began operations in a newly-constructed, 133-bed hospital in southwest Miami-Dade County on land owned by West Kendall Baptist Hospital, the total cost of which was approximately $198,840,000 A portion of the proceeds from tax-exempt borrowings in 2007 was used to partially fund construction (see Note 6)

5 GOODWILL

Goodwill of approximately $29,351,000 arose from the acquisition of Doctors Hospital by South Miami Hospital, Inc , in October 2003 Prior to the adoption of ASC 958-805 in October 2010 and in accordance with accounting principles generally accepted in the United States of America, the goodwill arising from this transaction was amortized on a straight-line basis over thirty years Amortization of goodwill was approximately $978,000 in fiscal year 2010 and was included in depreciation and amortization expense in the accompanying consolidated statements of operations Beginning with the adoption of ASC 958-805, Doctors Hospital no longer amortizes goodwill Goodwill is subject to at least an annual assessment for impairment by applying a fair-value based test BHSF performs an annual impairment test during the fourth quarter of each fiscal year or more frequently, when events or other changes in circumstances indicate that the carrying value of goodwill may not be recoverable Goodwill related to the acquisition of Baptist Cardiac & Vascular Outpatient Center, valued at $10,000, was determined to be impaired in March 2011 During fiscal year 2011, management concluded that there were no additional indications of impairment which would require an interim additional goodwill impairment test There was no impairment of goodwill during the year ended September 30, 2010

BHSF completed its transitional goodwill impairment test of the October 1, 2010, goodwill balances assigned to the not-for-profit reporting units during March 2011. The transitional goodwill impairment test relates to the goodwill which has been assigned to the Doctors Hospital reporting unit. The estimated fair value of the reporting unit exceeded the carrying amount of the net assets of this reporting unit (including assigned goodwill), therefore, a second test to determine if an impairment of goodwill has occurred under the provisions of ASC 958-805 was not required.

Goodwill has arisen from various acquisitions by BHE, including approximately $17,554,000 from the acquisition of GEC on January 1, 2009 (see Note 1). BHE's and Doctors Hospital's goodwill is subject to at least an annual assessment for impairment by applying a fair-value based test, which is conducted each year as of September 30. There was no impairment of BHE's or Doctors Hospital's goodwill.

A summary of changes in goodwill for the years ended September 30, 2011 and 2010, is listed below:

	2011	2010
Goodwill, beginning of year	$41,198,425	$42,166,783
Acquisition of Baptist Sleep Centers, LLC	1,773,456	
(Impairment) acquisition of Baptist Cardiac & Vascular Outpatient Center	(10,000)	10,000
Current year amortization		(978,358)
Goodwill, end of year	$42,961,881	$41,198,425

6. LONG-TERM DEBT

Pursuant to a Master Trust Indenture, an obligated group (the "BHSF Obligated Group") was created, which at September 30, 2011, consisted of BHSF, the BHSF Hospitals and BOS. Each member of the BHSF Obligated Group is jointly and severally liable for all debt issued under the Master Trust Indenture.

On May 16, 2007, the BHSF Obligated Group issued through the City of South Miami Health Facilities Authority $800,000,000 of its Hospital Revenue Bonds, Series 2007 ("2007 Bonds") in accordance with the provisions of a new Master Trust Indenture dated as of May 1, 2007. The 2007 Bonds bear interest at rates ranging from 4.62% to 5.00%, payable semiannually each February 15 and August 15, and mature annually on August 15 through 2042. Payment of principal and interest on the 2007 Bonds is wholly dependent on the credit of the BHSF Obligated Group. Certain proceeds of the 2007 Bonds, together with other available funds, were used to refund outstanding bonds and pay expenses incurred in connection with the issuance of the 2007 Bonds, and the remaining proceeds are being used for the costs of acquiring, constructing, renovating, rehabilitating and equipping certain healthcare facilities of BHSF, including constructing and equipping the new facility for West Kendall Baptist Hospital, located on 30 acres of land in southwest Miami-Dade County, Florida (see Note 4).

On May 25, 2011, the BHSF Obligated Group issued $250,000,000 of its Baptist Health South Florida Obligated Group Taxable Notes, Series 2011 (the "2011 Taxable Notes"). The 2011 Taxable Notes were issued under a Master Trust Indenture, as amended and supplemented by a First Supplemental Master Trust Indenture. The 2011 Taxable Notes bear interest at 4.59% per annum and will mature on August 15, 2021. Proceeds of the 2011 Taxable Notes may be used for any corporate purposes, however, BHSF has designated that the proceeds will be used to finance capital improvements to the healthcare facilities of the BHSF Obligated Group members.

Under the Master Trust Indenture, the BHSF Obligated Group has certain restrictions on incurrence of additional debt and certain other covenants. At September 30, 2011, the BHSF Obligated Group was in compliance with all of its debt covenants.

A summary of long-term debt at September 30, 2011 and 2010, is as follows:

	2011	2010
2007 Bonds (including unaccreted bond premium: 2011 - $16,136,410; 2010 - $17,385,682)	$777,736,410	$789,300,682
2011 Taxable Notes	250,000,000	
Capital lease obligation	311,292	549,185
Total	1,028,047,702	789,849,867
Less current maturities	(11,077,762)	(10,552,893)
Long-term debt	$1,016,969,940	$779,296,974

At September 30, 2011, the scheduled principal payments on long-term debt for the next five years and thereafter are as follows:

Year ending September 30	Revenue Bonds	Taxable Notes	Capital Lease Obligation	Total
2012	$10,830,000		$247,762	$11,077,762
2013	11,370,000		63,530	11,433,530
2014	11,940,000			11,940,000
2015	12,535,000			12,535,000
2016	13,160,000			13,160,000
Thereafter	701,765,000	$250,000,000		951,765,000
Total	$761,600,000	$250,000,000	$311,292	$1,011,911,292

On January 24, 2011, the City of Coral Gables Health Facilities Authority received a letter from the Internal Revenue Service ("IRS") stating that the Hospital Revenue Bonds, Series 2004 had been selected for a routine examination. Upon conclusion of the audit, the IRS issued a no-change determination letter on November 10, 2011. On November 28, 2011, the City of South Miami Health Facilities Authority received a letter from the IRS stating that the 2007 Bonds have been selected for a routine examination.

7 NET ASSETS

A summary of the changes in consolidated unrestricted net assets attributable to BHSF and the noncontrolling interests for the year ended September 30, 2011, is as follows:

	Total	BHSF	Noncontrolling Interests
Balance, beginning of year	$1,794,348,529	$1,789,591,708	$4,756,821
Excess of revenues over expenses	154,782,580	145,775,080	9,007,500
Net assets released from restrictions used for property and equipment acquisitions	2,671,492	2,671,492	
Change in value of split-interest agreements	4,058	4,058	
Transfers from temporarily restricted net assets	2,500	2,500	
Changes in accumulated postretirement benefit obligation other than periodic benefit cost	8,730,209	8,730,209	
Noncontrolling interests related to acquisitions by Baptist Sleep Centers, LLC	889,600		889,600
Sale of limited partnership interests	483,784		483,784
Purchase of limited partnership interests	(384,442)		(384,442)
Partnership distributions	(9,438,331)		(9,438,331)
Increase in unrestricted net assets	157,741,450	157,183,339	558,111
Balance, end of year	$1,952,089,979	$1,946,775,047	$5,314,932

A summary of the changes in consolidated unrestricted net assets attributable to BHSF and the noncontrolling interests for the year ended September 30, 2010, is as follows

	Total	BHSF	Noncontrolling Interests
Balance, beginning of year	$1,525,413,380	$1,520,375,913	$5,037,467
Excess of revenues over expenses	280,747,316	271,905,176	8,842,140
Net assets released from restrictions used for property and equipment acquisitions	1,710,036	1,710,036	
Change in value of split-interest agreements	(62,811)	(62,811)	
Transfers from temporarily restricted net assets	80,115	80,115	
Changes in accumulated postretirement benefit obligation other than periodic benefit cost	(4,416,721)	(4,416,721)	
Sale of limited partnership interests	87,573		87,573
Purchase of limited partnership interests	(215,166)		(215,166)
Partnership distributions	(8,995,193)		(8,995,193)
Increase (decrease) in unrestricted net assets	268,935,149	269,215,795	(280,646)
Balance, end of year	$1,794,348,529	$1,789,591,708	$4,756,821

Temporarily and permanently restricted net assets are available for the following purposes at September 30, 2011 and 2010

	2011	2010
Equipment and building fund	$21,820,820	$22,841,092
Indigent care	13,272,146	12,923,671
Health education	14,136,475	12,575,010
Temporarily and permanently restricted net assets	$49,229,441	$48,339,773

BHSF's endowment consists of funds that have been limited by donors to a specific time period or purpose As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions Endowment funds received are included in assets whose use is limited and invested in accordance with BHSF's investment policy (see Note 1)

Gifts donated to the permanently restricted endowment are classified as permanently restricted net assets at their original fair value Gifts donated to the temporarily restricted endowment are classified as temporarily restricted net assets at their original value, until those amounts are appropriated for expenditure by the BHSF Hospitals or BOS in accordance with donors' wishes Income derived from permanently and temporarily restricted net assets is expendable to support the BHSF Hospitals and BOS, absent explicit donor stipulations to the contrary

8 MEDICAL MALPRACTICE AND GENERAL LIABILITY INSURANCE

BHSF is self-insured for professional and general liability coverage Coverage in excess of the self-insurance limits, less coinsurance, is provided on a claims-made basis by PIC, which reinsures 100% of the professional and general liability risk with unrelated commercial insurance carriers The adequacy of the coverage provided and the provisions for losses are reviewed quarterly by independent actuaries Should the claims-made policies be terminated, or not renewed or replaced with equivalent insurance, claims based on incidents during their term, but reported subsequently, will be uninsured At September 30, 2011 and 2010, BHSF has accrued undiscounted estimates of approximately $138,676,000 and $144,600,000, respectively, which represents the cost to settle malpractice and general liability claims reported and claims incurred but not reported Approximately $31,990,000 and $28,191,000 is included in accrued expenses and other current liabilities and approximately $106,686,000 and $116,409,000 is included in other liabilities in the accompanying consolidated balance sheets at September 30, 2011 and 2010, respectively

The fiscal year 2011 and 2010 consolidated statements of operations reflects a change in estimate in the accrued undiscounted cost to settle malpractice and general liability claims of approximately $19,908,000 and $34,402,000, respectively, primarily due to favorable development and settlement of historical outstanding claims

Effective December 31, 2010, BHSF exercised the option in its general and professional liability policies, provided through PIC and reinsured through unrelated carriers, to commute both coverage and reinsurance on the first $10,000,000 layer for the policy period from October 1, 2007, through September 30, 2010. In exchange for full and final settlement of all amounts due or claimed, $4,600,000 in premiums was returned to BHSF and is included as a reduction in malpractice and other insurance expense in the accompanying consolidated statement of operations for the year ended September 30, 2011.

9. EMPLOYEE BENEFITS PROGRAMS

BHSF subsidizes the cost of health insurance for its employees. Prior to January 1, 2011, employees could elect coverage through an unrelated insurance company or through a self-insured employee health plan. Beginning January 1, 2011, BHSF provided only a self-insured option. Under the self-insurance plan, all claims from employees and their dependents, less deductibles and coinsurance, as provided in the plan, are paid directly by BHSF to the plan administrators. BHSF has commercial insurance coverage for per occurrence claims in excess of the self-insured limits. BHSF has recorded liabilities for outstanding and estimated unreported claims of its employees and their covered dependents under this plan as of September 30, 2011 and 2010, which are included in other accrued expenses and current liabilities in the accompanying consolidated balance sheets.

BHSF is self-insured for workers' compensation claims. BHSF purchases commercial insurance coverage for per occurrence workers' compensation claims in excess of the self-insurance limit. BHSF has recorded liabilities for outstanding and estimated unreported claims covered under this plan, which are included in other accrued expenses and current liabilities in the accompanying consolidated balance sheets.

10. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

BHSF provides certain healthcare benefits for retired employees. Under accounting principles generally accepted in the United States of America, BHSF is required to accrue the estimated cost of retiree benefit payments during the years the employee provides service.

The following table sets forth the changes in benefit obligation, plan liability and funded status of the postretirement healthcare benefit plan for the years ended September 30, 2011 and 2010:

	2011	2010
Change in benefit obligation		
Benefit obligation, beginning of year	$44,177,067	$33,817,830
Service cost	4,374,554	4,065,292
Interest cost	1,729,292	1,850,816
Benefits paid - net	(11,611)	(32,061)
Actuarial (gain) loss	(8,730,209)	4,475,190
Benefit obligation, end of year	$41,539,093	$44,177,067
Change in plan liability		
Net plan liability, beginning of year	$44,177,067	$33,817,830
Other changes in benefit obligation recognized in net unrestricted assets	(8,730,209)	4,416,721
Net periodic benefit cost	6,103,846	5,974,577
Benefits paid - net	(11,611)	(32,061)
Net postretirement liability, end of year	$41,539,093	$44,177,067
Funded status of plan		
Current assets	$0	$0
Noncurrent assets	$0	$0
Current liabilties	$687,606	$779,251
Noncurrent liabilities	$40,851,487	$43,397,816

Components of the net periodic benefit cost of the postretirement benefit plan for the years ended September 30, 2011 and 2010, consisted of the following:

	2011	2010
Service cost	$4,374,554	$4,065,292
Interest cost	1,729,292	1,850,816
Amortization of unrecognized prior service cost		58,469
Net periodic benefit cost	$6,103,846	$5,974,577

The following benefit payments, which reflect expected future service and expected benefit payments for services previously rendered relative to the postretirement benefit plan, are expected to be paid as follows:

Year ending September 30	
2012	$687,606
2013	$991,967
2014	$1,290,796
2015	$1,647,707
2016	$2,074,354
2017 - 2021	$18,163,151

The assumed healthcare cost trend rate used in measuring the accumulated postretirement benefit obligation of the medical plan at September 30, 2011, was 10.3% in 2011, declining gradually to 5.0% by the year 2022. The assumed healthcare cost trend rate used in measuring the accumulated postretirement benefit obligation of the medical plan at September 30, 2010, was 10.8% in 2011, declining gradually to 5.0% by the year 2022. The assumed discount rate used in determining the accumulated postretirement benefit obligation at September 30, 2011 and 2010, was 4.9%. A one-percentage point increase in the assumed healthcare cost trend rates would increase the total of service cost and interest cost components and the postretirement benefit obligation by approximately $1,024,000 and $5,798,000, respectively. A one-percentage point decrease in the assumed healthcare cost trend rates would decrease the total of service cost and interest cost components and the postretirement benefit obligation by approximately $852,000 and $4,924,000, respectively.

11. RETIREMENT PLAN

BHSF sponsors a defined contribution retirement plan (the "Plan") in which participation is available to substantially all full-time employees. Employees of BHSF, the BHSF Hospitals, BOS, the Foundation and BHE are eligible for participation in the Plan. Under the terms of the Plan, BHSF provides a basic contribution of 3% of the employee's gross salary. In addition, BHSF matches 50% of the amount the participating employee has contributed through a salary reduction agreement with BHSF. The maximum matching contribution is limited to 2% of the employee's gross salary. Provisions of the Plan include 100% vesting of BHSF contributions after three years of continuous service. Upon a participant's retirement, death, or disability, or as required by law, the participant's vested interest in his or her account can be distributed in either a lump-sum amount equal to the value of the participant's vested interest in his or her account or annual installments over the life expectancy of the participant. The funding levels for the Plan are subject to periodic determination by the Board of Trustees of BHSF. Costs incurred in connection with the Plan, for the years ended September 30, 2011 and 2010, were approximately $32,867,000 and $31,805,000, respectively, and are included in wages, salaries and benefits expense in the accompanying consolidated statements of operations.

12 INCOME TAXES

The components of the income tax provision for the years ended September 30, 2011 and 2010, are as follows

	2011	2010
Current income tax provision		
Federal	$3,266,168	$4,106,987
State	548,316	427,271
Total current income tax provision	3,814,484	4,534,258
Deferred income taxes		
Federal	145,174	723,481
State	57,485	80,951
Total deferred income taxes	202,659	804,432
Income tax provision	$4,017,143	$5,338,690

Deferred income taxes, at September 30, 2011 and 2010, are provided for the temporary differences between the tax bases of the assets and liabilities of BHE and Insurance Companies and their bases for financial reporting purposes

The tax effects of temporary differences are as follows

	2011	2010
Current deferred tax assets (liabilities)		
Unrealized gains	$81,976	($71,188)
Realized losses	54,839	26,198
Other current assets		83,121
Accrued liabilities and other	(3,747)	(2,924)
Total current deferred tax assets	133,068	35,207
Non-current deferred tax (liabilities) assets		
Depreciation	1,178,560	924,395
Net unearned premiums	247,192	193,954
Loss and loss adjustment	167,873	67,125
Investment in unconsolidated subsidiaries	(2,135,335)	(1,233,043)
Start-up expenses	42,330	42,330
Interest on surplus note	616,714	506,214
Installment gain	(667,631)	(667,631)
Valuation allowance		(83,121)
Total non-current deferred tax liabilities	(550,297)	(249,777)
Total net deferred tax liabilities	($417,229)	($214,570)

The current accounting standards require that deferred income taxes reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their bases for financial reporting purposes In addition, future tax benefits, such as minimum tax credit carryforwards, are required to be recognized to the extent that realization of such benefits is more likely than not

BHSF is periodically audited by federal and state taxing authorities The outcome of these audits may result in BHSF being assessed taxes in addition to amounts previously paid In October 2010, the IRS initiated an examination of BHE's federal income tax returns for the years ended September 30, 2009 and 2008 On June 1, 2011, BHE received a closing letter from the IRS for this audit reflecting immaterial audit adjustments to the organization. Federal returns, for all entities other than BHE, for fiscal years 2008 through 2010, remain open and subject to examination by the IRS.

As of September 30, 2011 and 2010, BHSF had no material unrecognized tax benefits and no adjustments to its financial statements were required.

13 LEASE AGREEMENTS

BHSF and its affiliates have lease agreements that provide for terms of five to twenty years and for renewals at rents to be negotiated. Rents are adjusted annually for changes in the Consumer Price Index.

The following is a schedule of the approximate minimum future rental income for the next five years and thereafter on noncancelable leases in effect at September 30, 2011:

Year ending September 30	
2012	$7,547,000
2013	6,428,000
2014	5,106,000
2015	3,681,000
2016	2,682,000
Thereafter	6,719,000
Total	$32,163,000

14 COMMITMENTS AND CONTINGENCIES

Construction - BHSF has made certain commitments associated with its continuous construction programs. BHSF's future construction expenditures related to these commitments in years subsequent to 2011 are currently estimated at $90,740,000. Actual construction expenditures may vary from these estimates.

Operating Leases - BHSF's operating leases are primarily related to its copy machines, miscellaneous medical equipment, and parking and office space. Copy machine and miscellaneous medical equipment leases are subject to automatic renewal at the end of their respective lease terms for successive one-year periods under renegotiated terms and conditions. BHSF leases parking and office space under agreements that provide for terms of three to thirty years and renewals at rates to be negotiated. Office space rents are adjusted annually for changes in the Consumer Price Index. Total lease expenses charged to operations for the years ended September 30, 2011 and 2010, amounted to approximately $16,796,000 and $17,462,000, respectively.

The following is a schedule of the approximate minimum future rental payments for the next five years and thereafter on noncancelable leases in effect at September 30, 2011:

Year ending September 30	
2012	$10,700,000
2013	9,695,000
2014	8,902,000
2015	8,567,000
2016	7,702,000
Thereafter	10,771,000
Total	$56,337,000

Physician Income Guarantees - Baptist Hospital, South Miami Hospital, West Kendall Baptist Hospital, Mariners Hospital and Homestead Hospital provide income and revenue guarantee agreements to certain physicians and physician groups who agree to fill a community need in the hospitals' service areas and commit to remain in practice there for a specified period of time. Under such agreements, the hospitals are required to make payments to the physicians and physician groups in excess of the amounts earned or revenue collected in their practices up to the amount of the guarantees. The income and revenue collection guarantee agreements in effect at September 30, 2011, expire at various times through September 30, 2013.

At September 30, 2011, the maximum potential amount of future payments under the income and revenue collection guarantees was $16,956,000. At September 30, 2011, a liability for future payments under the income and revenue collection guarantees in the amount of $11,950,000 is included in accrued expenses and current liabilities and other liabilities in the accompanying consolidated balance sheet.

<u>Litigation</u> - BHSF is subject to claims and suits, including malpractice allegations, arising in the ordinary course of business. It is management's opinion, based on consultation with legal counsel and prior experience with similar cases, that the ultimate resolution of such suits now pending will not have a material adverse effect on BHSF's future financial position, results from consolidated operations or its cash flows.

<u>Other Industry Risks</u> - The healthcare industry is subject to numerous laws and regulations of federal, state and local governments, which are complex and subject to interpretation. Compliance with these laws and regulations, including those relating to the Medicare and Medicaid programs, can be subject to governmental review and interpretation. Federal government activity has increased with respect to investigations and allegations concerning possible violations of laws and regulations by healthcare providers. Unfavorable outcomes related to these regulatory investigations could result in the imposition of significant monetary fines, and civil and criminal penalties, as well as significant repayments of previously billed and collected revenue from patient services, and exclusion from participation in the Medicare and Medicaid programs.

In March 2010, the Patient Protection and Affordability Care Act (the "Act"), a comprehensive healthcare reform bill, was signed into law. The legislation is complex and will be phased in over several years, with the most significant parts not taking effect until 2014. BHSF is in the process of assessing the potential impact of this reform on its operations but does not have enough information or data to predict the effects with certainty. However, it is possible that the Act will have an adverse impact on the operations or financial results of BHSF.

15. FUNCTIONAL EXPENSES

BHSF provides general healthcare services to residents within its geographic location. Expenses related to providing these services during the years ended September 30, 2011 and 2010, are as follows:

	2011	2010
Healthcare services	$1,454,995,288	$1,358,806,946
Other operating expenses	635,680,409	666,619,743
Total	$2,090,675,697	$2,025,426,689

16. FAIR VALUE MEASUREMENTS

<u>Assets Whose Use is Limited and Other Investments</u> - BHSF has elected the fair value option for all investments in debt and equity securities. BHSF classifies investments according to a hierarchy of techniques used to determine fair value based on the types of inputs. Level 1 inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that are available as of the measuring date. Level 2 inputs are quoted prices in markets that are not active or inputs that are observable either directly or indirectly. Level 2 inputs include quoted prices for similar assets other than quoted prices in Level 1 or other inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3 inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair value of the asset or liability. Unobservable inputs reflect BHSF's own judgment about the assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. BHSF's Level 3 investments are valued using the discounted cash flow methodology.

The disclosure of fair value measurements as of September 30, 2011, is as follows

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Financial assets				
Cash and short-term investments	$466,950,176			$466,950,176
U.S. Treasury obligations	78,443,863			78,443,863
U.S. Agency obligations		$41,898,832		41,898,832
Municipal bonds		9,555,889		9,555,889
Corporate equity instruments	738,756,620	33,519,514		772,276,134
Corporate bonds		254,675,986		254,675,986
Foreign government bonds		259,827,888		259,827,888
Foreign municipal bonds		27,796,807		27,796,807
Foreign corporate bonds		54,084,479		54,084,479
Foreign exchange contracts	10,535,615			10,535,615
Global properties securities fund		49,591,361		49,591,361
Infrastructure fund			$33,720,000	33,720,000
Commodity fund			39,152,209	39,152,209
Total	$1,294,686,274	$730,950,756	$72,872,209	$2,098,509,239
Financial liabilities				
Foreign exchange contracts	$4,493,669			$4,493,669

The disclosure of fair value measurements as of September 30, 2010, is as follows

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Financial assets				
Cash and short-term investments	$357,948,924			$357,948,924
U.S. Treasury obligations	45,502,244	$11,563,397		57,065,641
U.S. Agency obligations	16,551,237	37,127,505		53,678,742
Municipal bonds	5,249,721	4,720,213		9,969,934
Corporate equity instruments	497,068,228	78,317		497,146,545
Corporate bonds	319,784,119	42,359,654		362,143,773
Foreign government bonds	204,909,151	85,718,241		290,627,392
Foreign municipal bonds	4,334,089	14,069,534		18,403,623
Foreign corporate bonds	24,919,005	10,104,750		35,023,755
Foreign exchange contracts		3,982,214		3,982,214
Global properties securities fund		50,885,331		50,885,331
Infrastructure fund			$35,751,127	35,751,127
Total	$1,476,266,718	$260,609,156	$35,751,127	$1,772,627,001

For the years ended September 30, 2011 and 2010, BHSF had alternative investments which are Level 3 on the fair value hierarchy. A summary of the change in the fair value of BHSF's Level 3 alternative investments for the years ended September 30, 2011 and 2010, is as follows:

	2011	2010
Balance, beginning of year	$35,751,127	$36,986,791
Purchase (sales) - net	37,854,416	(959,485)
Realized and unrealized gains (losses) - net	(733,334)	(276,179)
Balance, end of year	$72,872,209	$35,751,127

At September 30, 2011, approximately $11,871,000 in securities classified as Level 1 securities were classified as Level 2 at September 30, 2010, and approximately $223,506,000 in securities classified as Level 2 were classified as Level 1 at September 30, 2010. These securities are reclassified as a result of the securities' inclusion or exclusion in active markets.

BHSF's investment policy provides for a diversified investment portfolio which considers return, risk, social politics and BHSF's short- and long-term liquidity needs. This policy allows participation in alternative investment funds. Three of BHSF's investments, the global properties securities fund, with a fair value of $49,591,361 at September 30, 2011, the infrastructure fund, with a fair value of $33,720,000 at September 30, 2011, and the commodities fund, with a fair value of $39,152,209 at September 30, 2011, are considered alternative investments and do not have readily determinable fair values. All of these funds contain restrictions on an investor's ability to liquidate the investment. All funds may restrict redemptions if, in their respective determinations, it would be in the best interest of the fund to do so. Absent the fund manager's election to restrict, redemptions are available as follows: the global properties securities fund allows redemptions on a monthly basis, with 15 days notice, the infrastructure fund has two redemption dates per year with 90 days notice required, and the commodities fund allows redemptions on a quarterly basis with 90 days notice. BHSF did not seek any redemption from any of the funds, during fiscal years 2011 and 2010, and was not aware of any redemption restrictions in place as of September 30, 2011. In addition, BHSF has no unfunded commitments to any fund as of September 30, 2011.

Nonrecurring Measurements - As described in Note 4, Homestead Hospital and South Miami Hospital recorded impairment charges of approximately $87,377,000 and $397,000, respectively, in the fiscal year ended September 30, 2010. BHSF utilized an income and sales comparison approach in order to determine the fair value of the long-lived assets impaired at Homestead Hospital. BHSF utilized the trade-in value for assets that were disposed of in October 2010 in order to determine the fair value of the equipment impaired at South Miami Hospital.

The following table presents each major category of assets and liabilities measured at fair value on a nonrecurring basis as of September 30, 2010, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair values:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Long-lived assets at Homestead Hospital		$45,843,687		$45,843,687
Long-lived assets at South Miami Hospital	$653,000			$653,000

Long-Term Debt - The fair value of long-term debt is estimated using discounted cash flow analyses, based on BHSF's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value and estimated fair value of BHSF's long-term debt at September 30, 2011, was $1,028,047,702 and $1,060,966,536, respectively. The carrying value and estimated fair value of BHSF's long-term debt at September 30, 2010, was $789,849,867 and $801,039,000, respectively.

Other Assets and Liabilities - The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, other assets, estimated third-party payor settlements and accrued expenses and other liabilities approximate fair value because of the short maturity of these instruments.

17 SUBSEQUENT EVENTS

On October 25, 2011, BHSF authorized the issuance of up to $150,000,000 of taxable commercial paper notes for general corporate purposes. BHSF expects that the initial issuance of the commercial paper notes will be in the first half of fiscal year 2012.

BHSF evaluated events and transactions for potential recognition or disclosure through December 19, 2011, the date the consolidated financial statements were issued.

BAPTIST HEALTH SOUTH FLORIDA, INC AND AFFILIATES

SUPPLEMENTAL CONSOLIDATING BALANCE SHEET INFORMATION

SEPTEMBER 30 2011

	Baptist Health South Florida, Inc	BHSF Hospitals	Baptist Outpatient Services Inc	Baptist Health Enterprises Inc & Subsidiaries	Baptist Health Medical Group	Insurance Companies	Baptist Health South Florida Foundation, Inc	Consolidating Entries	Consolidated
ASSETS									
CURRENT ASSETS									
Cash and cash equivalents	$49 886 785	$46 025	$1 100	$9 411 792	$1 505	$9 489 749	$689 296		$69 526 252
Assets whose use is limited	115 668	335 043							450 711
Accounts receivable - net	10 235	216 337 807	8 547 911	4 465 044	2 528 312	2 134 815	7 490 962		241 515 086
Due from affiliates	2 542 823							($2 542 823) (2)	0
Other current assets	22 310 236	36 378 236	1 784 814	1 601 238	789 233	570 776	1 279 834		64 714 367
Total current assets	74 865 747	253 097 111	10 333 825	15 478 074	3 319 050	12 195 340	9 460 092	(2 542 823)	376 206 416
ASSETS WHOSE USE IS LIMITED	2 038 892 973					8 011 219			2 046 904 192
OTHER INVESTMENTS							51 154 336		51 154 336
PROPERTY AND EQUIPMENT - NET	181 247 800	787 780 118	53 215 722	67 534 083	1 879 909		21 660		1 091 679 292
BENEFICIAL INTEREST IN NET ASSETS OF BAPTIST HEALTH SOUTH FLORIDA FOUNDATION INC	5 242 459	54 724 113	650 228					(60 616 800) (3)	0
GOODWILL		22 547 681		20 414 200					42 961 881
OTHER ASSETS	2 601 730	8 745 169	32 560	1 070 776	3 522	5 618 437	5 236 482		23 308 676
DUE FROM AFFILIATES	371 114 531			242 803				(371 357 334) (2)	0
NOTE RECEIVABLE - AFFILIATE	5 000 000			3 109 381				(8 109 381) (2)	0
INVESTMENT IN AFFILIATES	157 357 404							(157 357 404) (5)	0
TOTAL ASSETS	$2 836 322 644	$1 126 894 192	$64 232 335	$107 849 317	$5 202 481	$25 824 996	$65 872 570	($599 983 742)	$3 632 214 793
LIABILITIES AND NET ASSETS (DEFICIT)									
CURRENT LIABILITIES									
Accounts payable	$35 045 591								$35 045 591
Estimated third-party payor settlements		$7 576 937							7 576 937
Current maturities of long-term debt	1 051 931 (1)	9 684 910 (1)	$93 159 (1)	$247 762					11 077 762
Accrued expenses and other liabilities	94 544 046	266 616 519	12 147 854	10 644 622	$5 269 516	$10 292 611	$3 681 026		403 196 194
Due to affiliates		671 769				374 168	1 496 886	($2 542 823) (2)	0
Total current liabilities	130 641 568	284 550 135	12 241 013	10 892 384	5 269 516	10 666 779	5 177 912	(2 542 823)	456 896 484
LONG-TERM DEBT	324 492 774 (1)	685 816 701 (1)	6 596 935 (1)	63 530					1 016 969 940
OTHER LIABILITIES	9 401 675	136 456 600	2 800 441	3 787 746	206 660	4 297 969	77 858		157 028 949
NOTE PAYABLE - AFFILIATE		3 109 381				5 000 000		(8 109 381) (2)	0
DUE TO AFFILIATES	375 782 139	264 887 384		33 634 991	70 896 593	1 938 366		(747 139 473) (2)	0
Total liabilities	840 318 156	1 374 820 201	21 638 389	48 378 651	76 372 769	21 903 114	5 255 770	(757 791 677)	1 630 895 373
NET ASSETS (DEFICIT)									
Unrestricted									
Baptist Health South Florida, Inc and Affiliates	1 946 775 047	(302 985 165)	41 943 718		(71 170 288)		16 722 404	315 489 331 (5)	1 946 775 047
Noncontrolling interests								5 314 932 (4)	5 314 932
Total unrestricted net assets	1 946 775 047	(302 985 165)	41 943 718		(71 170 288)		16 722 404	320 804 263	1 952 089 979
Temporarily restricted	38 040 885	43 870 600	650 228				32 705 840	(77 226 668) (3 5)	38 040 885
Permanently restricted	11 188 556	11 188 556					11 188 556	(22 377 112) (3 5)	11 188 556
Total net assets (deficit)	1 996 004 488	(247 926 009)	42 593 946		(71 170 288)		60 616 800	221 200 483	2 001 319 420
STOCKHOLDER'S EQUITY									
Capital stock				3 000		1 200		(4 200) (5)	0
Additional paid-in-capital				19 852 061		221 105		(20 073 166) (5)	0
Retained earnings				34 300 673		3 699 577		(38 000 250) (5)	0
Total stockholder's equity				54 155 734		3 921 882		(58 077 616)	0
Noncontrolling interests				5 314 932				(5 314 932) (4)	0
Total equity				59 470 666		3 921 882		(63 392 548)	0
Total net assets (deficit) and stockholder's equity	1 996 004 488	(247 926 009)	42 593 946	59 470 666	(71 170 288)	3 921 882	60 616 800	157 807 935	2 001 319 420
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$2 836 322 644	$1 126 894 192	$64 232 335	$107 849 317	$5 202 481	$25 824 996	$65 872 570	($599 983 742)	$3 632 214 793

Notes

(1) The members of the BHSF Obligated Group are jointly and severably liable for the entire amount of the long-term debt issued under the Master Trust Indenture Long-term debt has been allocated to members of the BHSF Obligated Group based on the use of the proceeds

(2) To eliminate intercompany receivables and payables

(3) To eliminate beneficial interest in net assets of Baptist Health South Florida Foundation Inc

(4) To reclassify noncontrolling interests

(5) To eliminate equity in income the investment balance in affiliates and the related retained earnings

BAPTIST HEALTH SOUTH FLORIDA INC AND AFFILIATES

SUPPLEMENTAL CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED SEPTEMBER 30 2011

	Baptist Health South Florida Inc	BHSF Hospitals	Baptist Outpatient Services Inc	Baptist Health Enterprises Inc & Subsidiaries	Baptist Health Medical Group	Insurance Companies	Baptist Health South Florida Foundation Inc	Consolidating Entries		Consolidated
UNRESTRICTED REVENUES GAINS AND OTHER SUPPORT										
Net patient service revenue		$2 073 752 186	$109 833 456	$47 695 038	$29 158 319					$2 260 438 999
Rental revenue	$1 284 275			14 299 323				($5 849 236)	(6 7)	9 734 362
Equity in affiliate	192 692 797							(192 692 797)	(5)	0
Other operating revenue	467 390 968	19 387 295	5 718 731	7 710 156	18 027	$6 219 792	$4 111 363	(477 120 363)	(6)	33 435 969
Total unrestricted revenues gains and other support	661 368 040	2 093 139 481	115 552 187	69 704 517	29 176 346	6 219 792	4 111 363	(675 662 396)		2 303 609 330
EXPENSES										
Wages salaries and benefits	228 785 986	712 345 711	26 411 517	18 396 087	38 233 071		2 400 962	92 140	(7)	1 026 665 474
Supplies	1 197 807	245 938 920	2 765 537	6 083 033	568 746		122 164	5 420 345	(6 7)	262 096 552
Malpractice and other insurance	30 706 642	28 875 812	697 738	1 501 138	1 724 302			(30 706 643)	(7)	32 798 989
Administrative and general	146 900 397	546 637 883	49 180 917	18 829 948	7 576 402	6 977 792	2 286 609	(430 652 117)	(6 7)	347 737 831
Provision for doubtful accounts		270 645 537	2 978 618	1 067 227	6 159 480					280 850 862
Depreciation and amortization	26 758 072	62 012 097	10 176 283	5 740 104	502 982		4 217	967 463	(7)	106 161 218
Interest	34 326 339	33 454 610	256 826	1 520 071		325 000		(35 518 075)	(6)	34 364 771
Total expenses	468 675 243	1 899 910 570	92 467 436	53 137 608	54 764 983	7 302 792	4 813 952	(490 396 887)		2 090 675 697
INCOME (LOSS) FROM OPERATIONS	192 692 797	193 228 911	23 084 751	16 566 909	(25 588 637)	(1 083 000)	(702 589)	(185 265 509)		212 933 633
OTHER (EXPENSE) INCOME										
Investment income (loss)										
Interest on affiliate advances	5 725 373			234 319				(5 959 692)	(6)	0
Other investment (loss) income	(52 783 268)		16 807	12 084		105 917	(2 110 105)			(54 758 565)
Other income	140 178	1 740 967	210 924	182				(1 467 596)	(6 7)	624 655
Total other (expense) income	(46 917 717)	1 740 967	227 731	246 585		105 917	(2 110 105)	(7 427 288)		(54 133 910)
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) BEFORE INCOME TAX PROVISION (BENEFIT) AND NONCONTROLLING INTERESTS	145 775 080	194 969 878	23 312 482	16 813 494	(25 588 637)	(977 083)	(2 812 694)	(192 692 797)		158 799 723
INCOME TAX PROVISION (BENEFIT)				4 465 176		(448 033)				4 017 143
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) FROM CONSOLIDATED OPERATIONS	145 775 080	194 969 878	23 312 482	12 348 318	(25 588 637)	(529 050)	(2 812 694)	(192 692 797)		154 782 580
INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS				(9 007 500)						(9 007 500)
EXCESS OF REVENUE OVER EXPENSES ATTRIBUTABLE TO BAPTIST HEALTH SOUTH FLORIDA INC AND AFFILIATES	$145 775 080	$194 969 878	$23 312 482	$3 340 818	($25 588 637)	($529 050)	($2 812 694)	($192 692 797)		$145 775 080

Notes

(5) To eliminate equity in income the investment balance in affiliates and the related retained earnings
(6) To eliminate intercompany revenue and expense transactions
(7) To reclassify rental income and expense of the Baptist Health South Florida Inc Affiliate Hospitals from other income to income from operations

BAPTIST HEALTH SOUTH FLORIDA INC HOSPITALS

SUPPLEMENTAL COMBINING BALANCE SHEET INFORMATION
SEPTEMBER 30 2011

	Baptist Hospital of Miami Inc	Doctors Hospital Inc	Homestead Hospital Inc	Mariners Hospital Inc	South Miami Hospital Inc	West Kendall Baptist Hospital Inc	Combined
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	$16 650	$7 815	$4 160	$2 250	$14 300	$850	$46 025
Assets whose use is limited					335 043		335 043
Accounts receivable - net	106 524 151	21 198 555	16 527 186	5 350 836	52 150 558	14 586 521	216 337 807
Other current assets	12 073 793	2 601 216	7 459 142	1 093 256	9 675 456	3 475 373	36 378 236
Total current assets	118 614 594	23 807 586	23 990 488	6 446 342	62 175 357	18 062 744	253 097 111
PROPERTY AND EQUIPMENT - NET	289 203 158	93 093 884	41 713 456	23 562 429	153 850 890	186 356 301	787 780 118
BENEFICIAL INTEREST IN NET ASSETS OF BAPTIST HEALTH SOUTH FLORIDA FOUNDATION INC	28 447 964	2 307 554	2 723 855	5 673 600	15 535 695	35 445	54 724 113
GOODWILL		22 547 681					22 547 681
OTHER ASSETS	3 450 138	486 610	1 946 246	61 129	1 583 304	1 217 742	8 745 169
TOTAL ASSETS	$439 715 854	$142 243 315	$70 374 045	$35 743 500	$233 145 246	$205 672 232	$1 126 894 192
LIABILITIES AND NET ASSETS (DEFICIT)							
CURRENT LIABILITIES							
Estimated third-party payor settlements	$655 905	$1 519 173	$599 376	$1 678 998	$3 123 485		$7 576 937
Current maturities of long-term debt	2 934 626 (1)	1 398 870 (1)	1 816 272 (1)	170 558 (1)	1 699 094 (1)	$1 665 490 (1)	9 684 910
Accrued expenses and other liabilities	125 506 623	23 083 675	33 107 845	6 535 024	67 801 330	10 582 022	266 616 519
Due to affiliates				671 769			671 769
Total current liabilities	129 097 154	26 001 718	35 523 493	9 056 349	72 623 909	12 247 512	284 550 135
LONG-TERM DEBT	207 809 991 (1)	99 058 079 (1)	128 615 750 (1)	12 077 724 (1)	120 318 036 (1)	117 937 121 (1)	685 816 701
OTHER LIABILITIES	73 213 676	12 183 394	19 023 436	2 571 984	26 797 875	2 666 235	136 456 600
NOTE PAYABLE - AFFILIATE	3 109 381						3 109 381
DUE TO AFFILIATES	242 803		136 561 415			128 083 166	264 887 384
Total liabilities	413 473 005	137 243 191	319 724 094	23 706 057	219 739 820	260 934 034	1 374 820 201
NET ASSETS (DEFICIT)							
Unrestricted	(2 205 115)	2 692 570	(252 073 904)	6 363 843	(2 465 312)	(55 297 247)	(302 985 165)
Temporarily restricted	25 777 532	2 307 554	2 723 855	4 722 263	8 303 951	35 445	43 870 600
Permanently restricted	2 670 432			951 337	7 566 787		11 188 556
Total net assets (deficit)	26 242 849	5 000 124	(249 350 049)	12 037 443	13 405 426	(55 261 802)	(247 926 009)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$439 715 854	$142 243 315	$70 374 045	$35 743 500	$233 145 246	$205 672 232	$1 126 894 192

Notes

(1) The members of the BHSF Obligated Group are jointly and severably liable for the entire amount of the long-term debt issued under the Master Trust Indenture Long-term debt has been allocated to members of the BHSF Obligated Group based on the use of the proceeds

BAPTIST HEALTH SOUTH FLORIDA, INC HOSPITALS

SUPPLEMENTAL COMBINING STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED SEPTEMBER 30, 2011

	Baptist Hospital of Miami, Inc	Doctors Hospital, Inc	Homestead Hospital, Inc	Mariners Hospital, Inc	South Miami Hospital, Inc	West Kendall Baptist Hospital, Inc	Combined
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT							
Net patient service revenue	$1,008,759,920	$214,150,453	$239,732,496	$57,719,299	$501,562,388	$51,827,630	$2,073,752,186
Other operating revenue	11,215,550	1,378,621	1,441,411	672,197	4,225,171	454,345	19,387,295
Total unrestricted revenues, gains and other support	1,019,975,470	215,529,074	241,173,907	58,391,496	505,787,559	52,281,975	2,093,139,481
EXPENSES							
Wages, salaries and benefits	328,979,177	71,270,389	85,561,788	15,782,724	176,489,057	34,262,576	712,345,711
Supplies	123,720,574	27,618,228	17,437,661	4,224,643	65,189,330	7,748,484	245,938,920
Malpractice and other insurance	14,843,966	(96,181)	5,348,557	(264,832)	7,236,285	1,808,017	28,875,812
Administrative and general	237,465,772	56,971,242	65,683,981	17,696,627	137,173,181	31,647,080	546,637,883
Provision for doubtful accounts	114,377,024	14,327,180	72,692,169	11,850,897	39,902,354	17,495,913	270,645,537
Depreciation and amortization	26,646,122	6,552,485	4,763,864	1,613,938	17,045,316	5,390,372	62,012,097
Interest	10,253,380	4,684,091	7,883,544	585,607	5,371,210	4,676,778	33,454,610
Total expenses	856,286,015	181,327,434	259,371,564	51,489,604	448,406,733	103,029,220	1,899,910,570
INCOME (LOSS) FROM OPERATIONS	163,689,455	34,201,640	(18,197,657)	6,901,892	57,380,826	(50,747,245)	193,228,911
OTHER INCOME (EXPENSE)	1,178,450	(54,538)	100,827	320,216	999,433	(803,421)	1,740,967
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	$164,867,905	$34,147,102	($18,096,830)	$7,222,108	$58,380,259	($51,550,666)	$194,969,878