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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

C Name of organization
CHAPTERS HEALTH SYSTEM INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
12973 Telecom Parkway

City or town, state or country, and ZIP + 4
Temple Terrace, FL 33637

D Employer identification number
59-2264957

E Telephone number
(813)871-8111

G Gross receipts $ 78,533,382

F Name and address of principal officer
KATHY FERNANDEZ PRESIDENT & CEO
12973 Telecom Parkway ste 100
Temple Terrace, FL 33637

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: ▶ CHAPTERSHEALTH ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1982 | **M** State of legal domicile FL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
CHAPTERS HEALTH SYSTEM, INC , THROUGH ITS SUBSIDIARY ORGANIZATIONS, PROVIDES HOSPICE AND PALLIATIVE CARE SERVICES THAT RELIEVE THE SUFFERING OF PERSONS RESIDING IN ITS COMMUNITIES AFFECTED BY LIFE-LIMITING ILLNESSES AND END-OF-LIFE ISSUES SO ALL MAY LIVE AS FULLY AND COMFORTABLY AS POSSIBLE

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	337
6	Total number of volunteers (estimate if necessary)	**6**	30
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)	4,554,302	3,336,279
	9 Program service revenue (Part VIII, line 2g)	36,948,755	40,705,957
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	898,656	1,433,188
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	323,176	344,870
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	42,724,889	45,820,294
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)	24,835,579	19,887,271
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶1,088,577		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	12,948,092	22,423,689
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	37,783,671	42,310,960
	19 Revenue less expenses Subtract line 18 from line 12	4,941,218	3,509,334

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	135,181,495	130,776,389
	21 Total liabilities (Part X, line 26)	43,275,439	39,269,552
	22 Net assets or fund balances Subtract line 21 from line 20	91,906,056	91,506,837

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

****** | 2012-07-31
Signature of officer | Date

DAVID J O'NEIL CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions) P00756195

Firm's name (or yours if self-employed), address, and ZIP + 4
CROWE HORWATH LLP
70 West Madison Street
Suite 700
Chicago, IL 606024903

EIN ▶

Phone no ▶ (312) 899-7000

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

CHAPTERS HEALTH SYSTEM, INC (CHS), THROUGH ITS SUBSIDIARY ORGANIZATIONS, PROVIDES HOSPICE AND PALLIATIVE CARE SERVICES THAT RELIEVE THE SUFFERING OF PERSONS RESIDING IN ITS COMMUNITIES AFFECTED BY LIFE-LIMITING ILLNESSES AND END-OF-LIFE ISSUES SO ALL MAY LIVE AS FULLY AND COMFORTABLY AS POSSIBLE (CONTINUED ON SCHEDULE O)

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 34,803,800 including grants of $) (Revenue $ 40,817,669)

A CHAPTERS HEALTH SYSTEM, INC CHAPTERS HEALTH SYSTEM, INC PROVIDES HOSPICE CARE AND SERVICES TO PATIENTS AND FAMILIES THROUGH ITS TWO HOSPICE SUBSIDIARIES - LIFEPATH HOSPICE, INC AND GOOD SHEPHERD HOSPICE, INC BOTH ARE NOT-FOR-PROFIT HOSPICE PROGRAMS CERTIFIED BY THE FEDERAL MEDICARE PROGRAM AND PROVIDE A WIDE RANGE OF PALLIATIVE AND SUPPORTIVE CARE SERVICES TO HELP TERMINALLY ILL PATIENTS, THEIR FAMILIES, AND THEIR LOVED ONES IN ADDITION, CHAPTERS HEALTH SYSTEM IS THE SOLE MEMBER AND OPERATES THREE ADDITIONAL LLC'S - CHAPTERS HEALTH PALLIATIVE CARE, LLC, CHAPTERS HEALTH PHARMACY, LLC AND CHAPTERS HEALTH STAFFING, LLC CHAPTERS HEALTH SYSTEM PROVIDES SIGNIFICANT MANAGEMENT DUTIES, INCLUDING WITHOUT LIMITATION, FINANCIAL AND ACCOUNTING SERVICES, HUMAN RESOURCES, LEGAL AND MARKETING SERVICES, INFORMATION TECHNOLOGY SERVICES, TO ITS SUBSIDIARIES AND WHOLLY OWNED LLC'S VIA A WRITTEN MANAGEMENT AGREEMENT THE AMOUNT OF THESE SERVICES IS REFLECTED IN THE STATEMENT OF REVENUE AS SHARED SERVICES REVENUE" AND MANAGEMENT FEE INCOME (CONTINUED IN SCHEDULE O)

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** ▶ $ 34,803,800

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
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		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, 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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	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, Part 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, Part 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*	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	Yes	
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		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b		

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 questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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 owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
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**	Yes	
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	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
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**	895		
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**	337			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	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 or securities 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**	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**	Yes	
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**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate 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	15		
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	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

David J O'Neil
12973 Telecom Parkway Suite 100
Temple Terrace, FL 33637
(813) 871-8111

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								3,991,651	0	589,981

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 27

			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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
PALM TERRACE OF LAKELAND 1919 LAKELAND HILLS BLVD LAKELAND, FL 33805	PATIENT SERVICES	1,653,891
FL CANCER SPECIALISTS PO BOX 102222 ATLANTA, GA 303682222	PATIENT SERVICES	1,442,887
LAKELAND REGIONAL MEDICAL PO BOX 102049 ATLANTA, GA 30368	PATIENT SERVICES	1,374,354
ST JOSEPHS HOSPITAL INC 3986 TAMPA ROAD OLDSMAR, FL 34677	PATIENT SERVICES	979,111
STEVEN'S CONSTRUCTION INC 6208 WHISKEY CREEK DRIVE FORT MEYERS, FL 33919	CONSTRUCTION	896,846

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 110

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	145,305				
	b Membership dues					
	c Fundraising events	234,547				
	d Related organizations	36,000				
	e Government grants (contributions)					
	f All other contributions, gifts, grants, and similar amounts not included above	2,920,427				
	g Noncash contributions included in lines 1a-1f $ 47,494					
	h **Total.** Add lines 1a-1f		3,336,279			
Program Service Revenue		Business Code				
	2a SHARED SERVICES AGREEMENT	561000	26,511,770	26,511,770		
	b PHARMACY	446110	8,819,646	8,819,646		
	c RENTAL INCOME FROM AFFILIATES	532000	2,386,504	2,386,504		
	d MEDICAL STAFFING SERVICES	900099	1,901,619	1,901,619		
	e PALLIATIVE CARE	624100	389,214	389,214		
	f All other program service revenue		697,204	697,204	0	0
	g **Total.** Add lines 2a–2f		40,705,957			
	3 Investment income (including dividends, interest and other similar amounts)		1,039,767			1,039,767
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less rental expenses					
	c Rental income or (loss)	0	0			
	d Net rental income or (loss)		0			
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	32,286,079	-21,836			
	b Less cost or other basis and sales expenses	31,870,822				
	c Gain or (loss)	415,257	-21,836			
	d Net gain or (loss)		393,421			393,421
Other Revenue	8a Gross income from fundraising events (not including $ 234,547 of contributions reported on line 1c) See Part IV, line 18 a 33,239					
	b Less direct expenses b 169,661					
	c Net income or (loss) from fundraising events		-136,422			-136,422
	9a Gross income from gaming activities See Part IV, line 19 a 2,201					
	b Less direct expenses b 1,204					
	c Net income or (loss) from gaming activities		997			997
	10a Gross sales of inventory, less returns and allowances a 1,009,840					
	b Less cost of goods sold b 671,401					
	c Net income or (loss) from sales of inventory		338,439			338,439
	Miscellaneous Revenue	Business Code				
	11a VENDING INCOME	900099	30,144			30,144
	b MISCELLANEOUS	900099	111,712	111,712		
	c					
	d All other revenue		0	0	0	0
	e **Total.** Add lines 11a–11d		141,856			
	12 **Total revenue.** See Instructions		45,820,294	40,817,669	0	1,666,346

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	3,728,189	149,324	3,277,050	301,815
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	49,909			49,909
7	Other salaries and wages	12,939,631	12,636,063		303,568
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	395,373	395,373		
9	Other employee benefits	1,785,061	1,784,880		181
10	Payroll taxes	989,108	853,697		135,411
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	227,348		227,348	
c	Accounting	177,885		177,885	
d	Lobbying	60,000	60,000		
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	127,746		127,746	
g	Other	2,630,631	2,630,631		
12	Advertising and promotion	202,782	190,631		12,151
13	Office expenses	3,919,435	3,742,030		177,405
14	Information technology	1,204,943	1,204,943		
15	Royalties . .	0			
16	Occupancy	789,665	789,665		
17	Travel	323,997	303,955		20,042
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	162,997	155,039		7,958
20	Interest	1,076,364		1,076,364	
21	Payments to affiliates	43,236	43,236		
22	Depreciation, depletion, and amortization	3,576,070	2,043,880	1,532,190	
23	Insurance	1,050,785	1,050,785		
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	DRUGS	3,901,170	3,901,170		
b	3RD PARTY SETTLEMENT	729,112	729,112		
c	MED, OXYGEN, IV & DMW	165,145	165,145		
d	BAD DEBT EXPENSE	11,163	11,163		
e					
f	All other expenses	2,043,215	1,963,078	0	80,137
25	**Total functional expenses.** Add lines 1 through 24f	42,310,960	34,803,800	6,418,583	1,088,577
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	0			

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	1,300	1	4,100
	2	Savings and temporary cash investments	49,603,706	2	31,318,913
	3	Pledges and grants receivable, net	352,228	3	177,577
	4	Accounts receivable, net	196,107	4	220,919
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	427,031	8	453,362
	9	Prepaid expenses and deferred charges	1,367,718	9	1,703,865
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* — 10a: 57,295,931			
	b	Less accumulated depreciation — 10b: 20,513,377	35,533,327	10c	36,782,554
	11	Investments—publicly traded securities	22,143,516	11	35,533,788
	12	Investments—other securities See Part IV, line 11	4,026,818	12	6,380,028
	13	Investments—program-related See Part IV, line 11	0	13	0
	14	Intangible assets	16,397,333	14	16,397,333
	15	Other assets See Part IV, line 11	5,132,411	15	1,803,950
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	135,181,495	16	130,776,389
Liabilities	17	Accounts payable and accrued expenses	7,437,760	17	4,916,135
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	31,047,250	20	29,426,424
	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 (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	4,790,429	25	4,926,993
	26	**Total liabilities.** Add lines 17 through 25	43,275,439	26	39,269,552
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	91,219,599	27	90,759,845
	28	Temporarily restricted net assets	555,691	28	584,274
	29	Permanently restricted net assets	130,766	29	162,718
		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	91,906,056	33	91,506,837
	34	Total liabilities and net assets/fund balances	135,181,495	34	130,776,389

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	45,820,294
2	Total expenses (must equal Part IX, column (A), line 25)	2	42,310,960
3	Revenue less expenses Subtract line 2 from line 1	3	3,509,334
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	91,906,056
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,908,553
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	91,506,837

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		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	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	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
(A) LIFEPATH HOSPICE INC	205276870	9	Yes		Yes		Yes		0
(B) GOOD SHEPHERD HOSPICE INC	205276923	9	Yes		Yes		Yes		0
(C) CHAPTERS HEALTH SENIOR INDEPENDENCE INC	275158323	9		No	Yes		Yes		0
Total									0

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

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

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

Section A. Public Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

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

Facts And Circumstances Test

Explanation

AMOUNT OF SUPPORT, SCHEDULE A, PART I, LINE 11H(VII), CHAPTERS HEALTH SYSTEM, INC PROVIDES SUPPORT SERVICES TO ITS SUBSIDIARIES AND ITS SUPPORTED ORGANIZATIONS (LIFEPATH HOSPICE, INC , GOOD SHEPHERD HOSPICE, INC AND CHAPTERS HEALTH SENIOR INDEPENDENCE, INC) IN THE FORM OF INFORMATION TECHNOLOGY, HUMAN RESOURCES, LEGAL, FUND RAISING, COMPLIANCE, ACCOUNTING, MANAGEMENT OVERSIGNT AND HEALTHCARE PERSONNEL ,

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
CHAPTERS HEALTH SYSTEM INC	59-2264957

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

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		60,000
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		1,400
j	Total lines 1c through 1i			61,400
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of the activities reported on Lines 1a through 1i	Schedule C, Part II-B, Line 1	A LOBBYIST WAS HIRED TO REPRESENT THE ORGANIZATION BEFORE FLORIDA LEGISLATURE AND THE EXECUTIVE BRANCH OF FLORIDA GOVERNMENT, INCLUDING THE DEPARTMENT OF ELDER AFFAIRS AND THE AGENCY OF HEALTH CARE ADMINISTRATION, AND TO PROVIDE GUIDANCE REGARDING INTERACTION WITH LEGISLATION AND AGENCY STAFF ON MATTERS PERTAINING TO SPECIFIC ISSUE ADVOCACY, LEGISLATIVE AND REGULATORY DEVELOPMENTS OF CONCERN ALSO, THE ORGANIZATION PAYS ANNUAL DUES TO THE NATIONAL HOSPICE AND PALLIATIVE CARE ORGANIZATION (NHPCO) FOR ITS MEMBERSHIP 3 03% OF THE TOTAL DUES PAID ARE INDIRECTLY RELATED TO LOBBYING ACTIVITIES

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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, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

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	130,765	125,634	125,458	80,360	
b Contributions	31,952	5,131	176	45,098	
c Investment earnings or losses	0	0	0	0	
d Grants or scholarships	0	0	0	0	
e Other expenditures for facilities and programs	0	0	0	0	
f Administrative expenses	0	0	0	0	
g End of year balance	162,717	130,765	125,634	125,458	

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

- a Board designated or quasi-endowment ▶ 100 000 %
- b Permanent endowment ▶ 0 %
- c Term endowment ▶ 0 %

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)		No
(ii) related organizations	3a(ii)		No
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 Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,257,377		3,257,377
b Buildings		28,809,758	5,599,920	23,209,838
c Leasehold improvements		7,482,875	3,862,774	3,620,101
d Equipment		17,403,002	11,050,683	6,352,319
e Other		342,919		342,919
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				36,782,554

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
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
INTEREST RATE SWAP AGREEMENT	1,157,978
CHARITABLE GIFT ANNUITIES	424,172
CAPITAL LEASE OBLIGATION	863,708
DEFERRED SERP LIABILITIES	2,481,135
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	4,926,993

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	45,820,294
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	42,310,960
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,509,334
4	Net unrealized gains (losses) on investments	4	-1,528,852
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-2,379,706
9	Total adjustments (net) Add lines 4 - 8	9	-3,908,558
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-399,224

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	42,177,612
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-1,528,852		
b	Donated services and use of facilities	2b	163,885		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-2,277,715		
e	Add lines **2a** through **2d**			2e	-3,642,682
3	Subtract line **2e** from line **1**			3	45,820,294
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	0		
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	45,820,294

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

1	Total expenses and losses per audited financial statements			1	42,576,836
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	163,885		
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	101,991		
e	Add lines **2a** through **2d**			2e	265,876
3	Subtract line **2e** from line **1**			3	42,310,960
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	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	42,310,960

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
Intended uses of endowment funds	Schedule D, Part V, Line 4	THE BUILDING ENDOWMENT FUND PROVIDES FUNDS FOR THE NECESSARY MAINTENANCE AND FACILITY UP-KEEP OF ALL CHAPTERS HEALTH SYSTEMS, INC (CHS) FACILITIES, THE CHILDREN'S ENDOWMENT FUND PROVIDES FUNDS FOR SPECIFIC EQUIPMENT AND STAFFING TO MEET THE NEEDS OF PEDIATRIC PATIENTS, GRIEVING CHILDREN AND FAMILIES, THE MEDICAL STUDENT ENDOWMENT PROVIDES FUNDS TO THE MEDICAL STUDENT PROGRAM THAT EDUCATES FUTURE PHYSICIANS ON THE IMPORTANCE OF END-OF-LIFE CARE
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	CHAPTERS HEALTH SYSTEM, INC , LIFEPATH HOSPICE, INC , GOOD SHEPHERD HOSPICE, INC AND THE FOUNDATION HAVE BEEN RECOGNIZED BY THE INTERNAL REVENUE SERVICE (IRS) AS A NOT-FOR-PROFIT CORPORATIONS AND ARE EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (IRC) AND ALSO FROM STATE INCOME TAXES UNDER THE PROVISIONS OF CHAPTER 220 13 OF THE FLORIDA INCOME TAX CODE PALLIATIVE CARE, PHARMACY, AND STAFFING ARE ALSO DEEMED TO BE TAX-EXEMPT AS LIMITED LIABILITY COMPANIES WITH CHS AS SOLE MEMBER THE IRC PROVIDES FOR TAXATION OF UNRELATED BUSINESS INCOME UNDER CERTAIN CIRCUMSTANCES CHS AND ITS AFFILIATED ENTITIES HAVE TO SIGNIFICANT UNRELATED BUSINESS INCOME, HOWEVER, SUCH STATUS IS SUBJECT TO FINAL DETERMINATION UPON EXAMINATION OF THE RELATED INCOME TAX RETURNS BY THE APPROPRIATE TAXING AUTHORITIES

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a ☐ Mail solicitations
b ☐ Internet and e-mail solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions?		**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
		Yes	**No**			
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 ISLAND NIGHT (event type)	(b) Event #2 GOLF TOURNAMENT (event type)	(c) Other Events 1 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	180,417	55,914	31,455	267,786
	2 Less Charitable contributions	162,818	44,434	27,295	234,547
	3 Gross income (line 1 minus line 2)	17,599	11,480	4,160	33,239
Direct Expenses	4 Cash prizes	0	0	0	0
	5 Non-cash prizes	0	638	0	638
	6 Rent/facility costs	11,914	13,440	2,093	27,447
	7 Food and beverages	10,631	5,228	167	16,026
	8 Entertainment	325	0	1,000	1,325
	9 Other direct expenses	84,440	20,944	18,841	124,225
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(169,661)
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				-136,422

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	**13a**	
b	An outside facility	**13b**	

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ ----------

Address ▶ ----------

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

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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

2011

Open to Public Inspection

Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

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**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or 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 Schedule J-1 if additional space needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DAVID J O'NEIL	(i)	172,513	51,304	1,682	16,758	32,230	274,487	51,304
	(ii)	0	0	0	0	0	0	0
(2) BJ DUDNEY	(i)	15,989	28,603	162,732	0	383	207,707	28,603
	(ii)	0	0	0	0	0	0	0
(3) H DARRELL WHITE	(i)	217,482	61,043	1,098	37,048	30,641	347,312	61,043
	(ii)	0	0	0	0	0	0	0
(4) KATHY L FERNANDEZ	(i)	378,914	153,826	183,920	0	24,684	741,344	153,826
	(ii)	0	0	0	0	0	0	0
(5) GEORGE H WALLACE	(i)	163,227	63,896	98,571	0	18,666	344,360	63,896
	(ii)	0	0	0	0	0	0	0
(6) SHARON A JONES	(i)	133,823	29,728	5,798	0	21,264	190,613	29,728
	(ii)	0	0	0	0	0	0	0
(7) JUDITH M GODDARD	(i)	158,058	44,713	8,461	0	28,850	240,082	44,713
	(ii)	0	0	0	0	0	0	0
(8) RONALD S SCHONWETTER	(i)	344,522	111,814	1,104	108,825	31,031	597,296	111,814
	(ii)	0	0	0	0	0	0	0
(9) PEGGY M MADILL	(i)	173,512	32,471	864	6,413	22,997	236,257	32,471
	(ii)	0	0	0	0	0	0	0
(10) CHAD A FARMER	(i)	179,216	5,321	1,502	0	9,521	195,560	5,321
	(ii)	0	0	0	0	0	0	0
(11) ANDREW LUTTON	(i)	221,198	41,546	697	59,778	24,245	347,464	41,546
	(ii)	0	0	0	0	0	0	0
(12) ALAN RICE	(i)	124,283	7,574	1,125	0	27,100	160,082	0
	(ii)	0	0	0	0	0	0	0
(13) DIPESH PATEL	(i)	135,782	6,202	1,256	0	27,941	171,181	0
	(ii)	0	0	0	0	0	0	0
(14) JOSE FERNANDEZ-SEMIDEY	(i)	155,057	346	1,317	0	24,125	180,845	0
	(ii)	0	0	0	0	0	0	0
(15) VICKI MARSEE	(i)	162,405	8,500	2,297	5,355	22,710	201,267	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Health or social club dues or initiation fees	Schedule J, Part I, Line 1a	THE ORGANIZATION PAYS FOR THE PRESIDENT/CEO TO BE A MEMBER OF THE CENTRE CLUB TO CULTIVATE PROSPECTIVE DONORS AND FOR OTHER BUSINESS PURPOSES THE USE OF THIS MEMBERSHIP IS BUSINESS RELATED AND THEREFORE THE RELATED BENEFIT HAS NOT BEEN INCLUDED IN THE RECIPIENT'S TAXABLE COMPENSATION
Severance or change-of-control payment	Schedule J, Part I, Line 4a	IN 2011, SEVERANCE PAYMENTS WERE MADE TO THE FOLLOWING GEORGE WALLAGE - $95,403 BETTY J DUDNEY - $161,923
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	THE ORGANIZATION HAS A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) IN WHICH SOME OF THE INTERESTED PERSONS PARTICIPATE DURING 2011, THE FOLLOWING PAYMENTS WERE MADE BY THE ORGANIZATION INTO THE SERP PLANS OF THE PARTICIPANTS KATHY FERNANDEZ - $181,857 RONALD SCHONWETTER - $108,825 H DARRELL WHITE - $37,048 ANDREW LUTTON - $59,778 DAVID O'NEIL - $16,758 BJ DUDNEY - $770 JUDITH GODDARD - $6,259 PEGGY MADILL - $6,413 SHARON JONES - $5,072 VICKI MARSEE - $5,355

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF TEMPLE TERRACE FLORIDA	59-6000439		08-13-2009	13,827,500	TO REFUND THE 12/11/2003 BOND ISSUE		X		X		X
B	POLK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY	59-1292108	731120MW8	08-13-2009	11,617,500	TO REFUND THE 8/26/2004 BOND ISSUE		X		X		X
C	HIGHLANDS COUNTY HEALTH FACILITIES AUTHORITY	52-1313569		01-28-2010	7,500,000	BUILD NEW HOSPICE FACILITY		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	562,500	265,250	0	
2	Amount of bonds defeased	0	0	0	
3	Total proceeds of issue	13,827,500	11,617,500	7,505,635	
4	Gross proceeds in reserve funds	0	0	0	
5	Capitalized interest from proceeds	0	0	5,635	
6	Proceeds in refunding escrow	0	0	0	
7	Issuance costs from proceeds	0	0	0	
8	Credit enhancement from proceeds	0	0	0	
9	Working capital expenditures from proceeds	0	0	0	
10	Capital expenditures from proceeds	0	0	7,500,000	
11	Other spent proceeds	0	0	0	
12	Other unspent proceeds	0	0	0	
13	Year of substantial completion	2009	2009		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X			X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X		X		
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?	X		X		X			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X		X			X		
b	Name of provider	SUNTRUST BANK		SUNTRUST BANK					
c	Term of hedge	10 0		15 0					
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?	X		X		X			

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☑ Yes ☐ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
Procedures to take corrective action	Schedule K, Part V	THE ORGANIZATION HAS POLICIES AND PROCEDURES IN PLACE TO ENSURE POST-ISSUANCE COMPLIANCE FOR THE TAX-EXEMPT BONDS THE ORGANIZATION ALSO HAS A RIGOROUS PROCESS IN PLACE TO PROVE POST-ISSUANCE COMPLIANCE TO THE BOND LENDER THESE POLICIES AND PROCEDURES HELP TO ENSURE THAT FEDERAL TAX REQUIREMENTS ARE CONSIDERED AND ADDRESSED

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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

2011

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Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

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	(c) Corrected? 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? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) 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

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) BEVERLY WALLACE	DIRECTOR, THRIFT STORES	49,909	WIFE OF EVP-FINANCE & OPERATIONS, GEORGE WALLACE		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 M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods	X		1,009,840	RESALE VALUE
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	3	5,710	SELLING COST
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (EQUIPMENT)	X	81	21,143	DONOR VALUATION
26	Other ▶ (GOODS FOR AUCTION)	X	19	7,490	DONOR VALUATION
27	Other ▶ (FOOD FOR FUNDRAISING EVENTS)	X	3	3,285	DONOR VALUATION
28	Other ▶ (GIFT CARDS)	X	3	9,866	DONOR VALUATION

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 | 0

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

Part II

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

Identifier	Return Reference	Explanation
Number of contributions or items contributed	Schedule M, part I, column (b), Line 9	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=EQUIPMENT	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=GOODS FOR AUCTION	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=FOOD FOR FUNDRAISING EVENTS	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=GIFT CARDS	

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	(CONTINUED FROM PART III) CHS ALSO WORKS TO PROMOTE AN UNDERSTANDING OF THE NEEDS OF PERSONS WITH SERIOUS OR LIFE-LIMITING ILLNESSES AS WELL AS THE NEEDS OF ITS FAMILIES AND CAREGIVERS CHS PROVIDES SIGNIFICANT MANAGEMENT DUTIES, INCLUDING WITHOUT LIMITATION, FINANCIAL AND ACCOUNTING SERVICES, HUMAN RESOURCES, LEGAL AND MARKETING SERVICES, INFORMATION TECHNOLOGY SERVICES, TO ITS SUBSIDIARIES AND WHOLLY OWNED LLC'S VIA A WRITTEN MANAGEMENT AGREEMENT

Identifier	Return Reference	Explanation
PROGRAM SERVICES	FORM 990, PART III, LINE 4A	(CONTINUED FROM PART III) B LIFEPATH HOSPICE, INC LIFEPATH HOSPICE IS A MEDICARE-CERTIFIED AGENCY THAT PROVIDES END-OF-LIFE CARE IN HILLSBOROUGH COUNTY, FLORIDA IN 2011, LIFEPATH HOSPICE SERVED 7045 PATIENTS IN ITS COMMUNITY LIFEPATH HOSPICE PROFESSIONALS CARED FOR 63 9% OF ALL PEOPLE WHO DIED IN HILLSBOROUGH COUNTY IN 2011 (THIS FIGURE ALSO TAKES INTO ACCOUNT SUDDEN DEATHS, ACCIDENTS, HOMICIDES AND SUICIDES) THE COMPANY HAS 1044 TRAINED VOLUNTEERS WHOSE DONATED TIME IS VALUED AT $1,626,799 LIFEPATH HOSPICE PROVIDED $2,732,000 IN CHARITY CARE IN 2011 C GOOD SHEPHERD HOSPICE, INC GOOD SHEPHERD HOSPICE IS A MEDICARE-CERTIFIED AGENCY THAT PROVIDES END-OF-LIFE CARE IN POLK, HIGHLANDS AND HARDEE COUNTIES IN FLORIDA IN 2011, GOOD SHEPHERD HOSPICE SERVED 3958 PATIENTS IN ITS COMMUNITIES GOOD SHEPHERD HOSPICE PROFESSIONALS CARED FOR 46 1% OF ALL PEOPLE WHO DIED IN POLK, HIGHLANDS AND HARDEE COUNTIES IN 2011 (THIS FIGURE ALSO TAKES INTO ACCOUNT SUDDEN DEATHS, ACCIDENTS, HOMICIDES AND SUICIDES) THE COMPANY HAS 580 TRAINED VOLUNTEERS WHOSE DONATED TIME IS VALUED AT $656,265 GOOD SHEPHERD HOSPICE PROVIDED $1,200,000 IN CHARITY CARE IN 2011 D CHAPTERS HEALTH PALLIATIVE CARE, LLC CHAPTERS HEALTH PALLIATIVE CARE PROVIDES PAIN AND PALLIATIVE CARE CONSULTS IN HOSPITALS AND OTHER FACILITIES IN HILLSBOROUGH AND POLK COUNTIES IN 2011, CHAPTERS HEALTH PALLIATIVE CARE PROVIDED 3,760 PATIENT VISITS, WHICH INCLUDED 1,280 NEW PALLIATIVE CARE CONSULTS AT THREE HOSPITALS AND THREE NURSING HOME/REHABILITATION CENTERS E CHAPTERS HEALTH PHARMACY, LLC CHAPTERS HEALTH PHARMACY IS A NOT-FOR-PROFIT SUBSIDIARY THAT PROVIDES MEDICATIONS FOR THE PATIENTS OF LIFEPATH HOSPICE AND GOOD SHEPHERD HOSPICE CHAPTERS HEALTH PHARMACY IMPROVED STAFF EFFICIENCY WITH ELECTRONIC MEDICATION ORDERS, FILLING 156,143 PRESCRIPTIONS IN 2011 CHAPTERS HEALTH PHARMACY PROVIDES FREE DELIVERY OF MEDICATIONS FOR HOSPICE PATIENTS, AT A COST OF MORE THAN $892,922 F CHAPTERS HEALTH STAFFING, LLC CHAPTERS HEALTH SYSTEM ESTABLISHED A NOT-FOR-PROFIT SUBSIDIARY, CHAPTERS HEALTH STAFFING, LLC, IN 2009 CHAPTERS HEALTH STAFFING OPERATES A LICENSED HEALTH CARE SERVICES POOL THIS COMPANY PROVIDES TEMPORARY STAFFING OF HEALTHCARE PERSONNEL TO OTHER CHAPTERS HEALTH SYSTEM SUBSIDIARIES AND ENABLES CHAPTERS HEALTH SYSTEM TO CENTRALIZE THE MANAGEMENT OF CLINICAL STAFF WHOSE DUTIES CROSS BETWEEN MULTIPLE SUBSIDIARIES CHAPTERS HEALTH STAFFING STAFF INCLUDES PHYSICIANS, NURSES, RESPIRATORY THERAPISTS AND MANAGERS FOR THE ONCOLOGY PROGRAM, MEDICAL STAFF AND INFUSION SERVICES G CHAPTERS HEALTH SYSTEM DEVELOPMENT DEPARTMENT THE CHAPTERS HEALTH SYSTEM DEVELOPMENT DEPARTMENT IS THE FUNDRAISING ENTITY FOR LIFEPATH HOSPICE AND GOOD SHEPHERD HOSPICE THROUGH COMMUNITY EVENTS AND FUNDRAISING ACTIVITIES, THE DEVELOPMENT DEPARTMENT RAISES FUNDS TO SUPPORT THE UNFUNDED PROGRAMS OF LIFEPATH HOSPICE AND GOOD SHEPHERD HOSPICE, WHICH INCLUDE CHARITY CARE, COMMUNITY GRIEF SUPPORT AND MEDICAL STUDENT EDUCATION IN 2011, A TOTAL OF 21,954 DONORS CONTRIBUTED $3,119,444 91 TO THE CHAPTERS HEATH SYSTEM DEVELOPMENT DEPARTMENT THROUGH CAPITAL CAMPAIGNS, MEMORIALS, REALIZED PLANNED GIFTS, SPECIAL EVENTS AND OTHER GIFTS H CHAPTERS SENIOR INDEPENDENCE, INC CHAPTERS SENIOR INDEPENDENCE, INC IS A NOT FOR PROFIT CORPORATION FORMED IN 2011 CHAPTERS SENIOR INDEPENDENCE'S MISSION IS TO PROVIDE SERVICES FOR THE SUPPORT AND CARE OF FRAIL ELDERLY PERSONS CHAPTERS SENIOR INDEPENDENCE WILL PROVIDE THE AFOREMENTIONED SERVICES THROUGH CHAPTERS HEALTH PACE (PACE) AND CHAPTERS NURSING HOME DIVERSION (HOME DIVERSION) PACE PROVIDES COMPLETE HEALTH CARE SOLUTIONS FOR SENIORS WHO WANT TO REMAIN INDEPENDENT HOME DIVERSION PROVIDES CASE MANAGEMENT SERVICES TO EVALUATE AND COORDINATE VARIOUS SERVICES THAT ARE INDISPENSIBLE TO ELDERLY PERSONS

Identifier	Return Reference	Explanation
Significant changes to organizational documents	Form 990, Part VI, Section A, Line 4	THE ARTICLES OF INCORPORATION AND BYLAWS WERE AMENDED FOR THE NAME CHANGE FROM HPC HEALTHCARE TO CHAPTERS HEALTH SYSTEM, INC IN ADDITION, THE ORGANIZATION'S BYLAWS WERE AMENDED TO INCLUDE ALL C-SUITE EXECUTIVES AS OFFICERS OF THE CORPORATION THE AMENDED BYLAWS ALSO COMBINE THE CORPORATE COMPLIANCE COMMITTEE AND THE AUDIT COMMITTEE INTO ONE COMMITTEE CALLED THE ''AUDIT AND COMPLIANCE COMMITTEE'

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	CHAPTERS HEALTH SYSTEM, INC RETAINS AN INDEPENDENT TAX ADVISOR TO ASSIST MANAGEMENT IN THE PREPARATION AND REVIEW OF ITS IRS FORM 990 PRIOR TO FILING THE RETURN, MANAGEMENT AND THE INDEPENDENT TAX ADVISOR REVIEW THE RETURN AND ALL REQUIRED SCHEDULES WITH THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS THE COMPENSATION COMMITTEE IS COMPOSED OF INDEPENDENT DIRECTORS OF THE COMPANY UPON COMPLETION OF ITS REVIEW, THE COMPENSATION COMMITTEE RECOMMENDS TO THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS THAT MANAGEMENT BE AUTHORIZED TO SIGN AND FILE THE RETURN UNDER THE COMPANY'S BY LAWS THE EXECUTIVE COMMITTEE HAS THE AUTHORITY TO TAKE THIS ACTION ON BEHALF OF THE BOARD OF DIRECTORS A COPY OF THE FORM 990 IS PROVIDED TO THE FULL BOARD PRIOR TO FILING WITH THE IRS AND THE EXECUTIVE COMMITTEE REPORTS ITS ACTIVITIES TO THE BOARD OF DIRECTORS ON A QUARTERLY BASIS

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	ANNUALLY, EACH OFFICER, DIRECTOR AND KEY EMPLOYEE SIGNS AN ACKNOWLEDGEMENT AND DISCLOSURE FORM ATTESTING THAT THEY HAVE READ THE CONFLICT OF INTEREST POLICY AND AGREEING TO COMPLY FULLY WITH ITS TERMS AND CONDITIONS DURING THEIR SERVICES WITH CHAPTERS HEALTH SYSTEM, INC THEY FURTHER AGREE THAT IF, AT ANY TIME SUBSEQUENT TO THE SUBMISSION OF THE DISCLOSURE F ORM, THEY BECOME AWARE OF ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST OR THE INFORMATION PREVIOUSLY SUBMITTED BECOMES INACCURATE OR INCOMPLETE, THEY WILL PROMPTLY NOTIFY THE CHS B OARD OF DIRECTORS OR THE PRESIDENT AND CEO OF CHAPTERS HEALTH SYSTEM, INC DETERMINATION O F AND REMEDIES FOR CONFLICTS OF INTEREST 1 DISCLOSURE IN CONNECTION WITH ANY ACTUAL OR P OSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF HIS OR H ER FINANCIAL INTEREST AND MUST BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS (AND MEMBERS OF COMMITTEES) CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEM ENT THE DISCLOSURE SHALL BE MADE AS SOON AS PRACTICABLE FOLLOWING THE REALIZATION BY THE INTERESTED PERSON THAT AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST EXISTS ORDINARILY, DISC LOSURES BY INTERESTED PERSONS SHOULD BE TO THE CHAIRPERSON OF THE BOARD WHEN AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST BECOMES APPARENT IN THE COURSE OF A BOARD MEETING (OR COMMI TTEE MEETING), THE INTERESTED PERSON SHALL IMMEDIATELY DISCLOSE HIS OR HER FINANCIAL INTER EST AND RELATED MATERIAL FACTS TO THE PRESIDING DIRECTOR OR OFFICER AT SUCH MEETING 2 DE TERMINING WHETHER A CONFLICT OF INTEREST EXISTS AFTER DISCLOSURE OF THE FINANCIAL INTERES T AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, THE INTERES TED PERSON SHALL LEAVE THE BOARD (OR COMMITTEE) MEETING WHILE THE DETERMINATION OF A CONFL ICT OF INTEREST IS DISCUSSED AND VOTED UPON THE REMAINING BOARD (OR COMMITTEE) MEMBERS SH ALL DECIDE IF A CONFLICT OF INTEREST EXISTS 3 PROCEDURES FOR ADDRESSING THE CONFLICT OF I NTEREST (A) AN INTERESTED PERSON WHO HAS A CONFLICT OF INTEREST MAY MAKE A PRESENTATION A T THE BOARD (OR COMMITTEE) MEETING, BUT AFTER SUCH PRESENTATION, HE OR SHE SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT THAT RE SULT IN THE CONFLICT OF INTEREST THE INTERESTED PERSON WHO HAS A CONFLICT OF INTEREST WIL L NOT BE COUNTED AS PRESENT FOR DETERMINING A MAJORITY WITH RESPECT TO THE VOTE ON THE TRA NSACTION OR ARRANGEMENT THAT RESULTS IN THE CONFLICT OF INTEREST (B) THE CHAIRPERSON OF T HE BOARD (OR COMMITTEE) SHALL, IF APPPROPRIATE, APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT (C) AFTER EXERCIS ING DUE DILIGENCE, THE BOARD (OR COMMITTEE) SHALL DETERMINE WHETHER CHAPTERS HEALTH SYSTEM CAN OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT WITH REASONABLE EFFORTS FROM A PERSON OR BUSINESS ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST (D)IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY ATTAINABLE UNDER CIRCUMSTANCES THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST, THE BOARD (OR COMMITTEE) SHALL DETERMI NE BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS (OR COMMITTEE MEMBERS) WHETHER THE TR ANSACTION OR ARRANGEMENT IS IN CHS'S BEST INTEREST AND FOR ITS OWN BENEFIT AND WHETHER THE TRANSACTION IS FAIR AND REASONABLE TO CHS AND SHALL MAKE ITS DECISION AS TO WHETHER TO EN TER INTO THE TRANSACTION OR ARRANGEMENT IN CONFORMITY WITH SUCH DETERMINATION VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY (A) IF THE BOARD (OR COMMITTEE) HAS REASONABLE CAUSE T O BELIEVE THAT AN INTERESTED PERSON HAS FAILED TO DISCLOSE ACTUAL OR POSSIBLE CONFLICTS OF INTEREST, IT SHALL INFORM THE INTERESTED PERSON OF THE BASIS FOR SUCH BELIEF AND AFFORD T HE INTERESTED PERSON AN OPPORTUNITY TO EXPLAIN THE ALLEGED FAILURE TO DISCLOSE (B) IF, AF TER HEARING THE RESPONSE OF THE INTERESTED PERSON AND MAKING SUCH FURTHER INVESTIGATION AS MAY BE WARRANTED UNDER THE CIRCUMSTANCES, THE BOARD (OR COMMITTEE) DETERMINES THAT THE IN TERESTED PERSON HAS IN FACT FAILED TO DISCLOSE AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, IT SHALL TAKE SUCH ACTION AS IT DETERMINES TO BE APPROPRIATE, INCLUDING CORRECTIVE AND DI SCIPLINARY ACTION RECORD OF PROCEEDINGS THE MINUTES OF THE BOARD (AND EACH COMMITTEE) SHA LL CONTAIN 1 THE NAME OF EACH PERSON WHO DISCLOSED OR OTHERWISE WAS FOUND TO HAVE A FINA NCIAL INTEREST IN CONNECTION WITH AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, THE NATURE O F THE FINANCIAL INTEREST, ANY ACTION TAKEN TO DETERMINE WHETHER A CONFLICT OF INTEREST WAS PRESENT, AND THE BOARD'S (OR COMMITTEE'S) DECISION AS TO WHETHER A CONFLICT OF INTEREST I N FACT EXISTED 2 THE NAMES OF THE PERSONS WHO WERE PRESENT FOR DISCUSSIONS AND VOTES REL ATING TO THE TRANSACTION OR ARRANGEMENT, THE CONTENT OF THE DISCUSSION, INCLUDING ANY ALTE RNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT, AND A RECORD OF ANY VOTES TAKEN IN CO NNECTION THEREWITH PERIODIC REVIEWS TO ENSURE THA

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	T CHS OPERATES IN A MANNER CONSISTENT WITH ITS CHARITABLE PURPOSES AND THAT IT DOES NOT EN GAGE IN ACTIVITIES THAT COULD JEOPARDIZE ITS STATUS AS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX, PERIODIC REVIEWS SHALL BE CONDUCTED CHS MAY, BUT NEED NOT, USE AN OUTSIDE AD VISOR TO CONDUCT A PERIODIC REVIEW THE PERIODIC REVIEW SHALL INCLUDE, AT A MINIMUM, THE F OLLOWING SUBJECTS 1 WHETHER COMPENSATION ARRANGEMENTS AND BENEFITS ARE REASONABLE AND AR E THE RESULTS OF ARM'S-LENGTH BARGAINING 2 WHETHER AGREEMENTS TO PROVIDE HEALTH CARE AND AGREEMENTS WITH OTHER HEALTH CARE PROVIDERS, EMPLOYEES AND THIRD PARTY PAYERS FURTHER CHS 'S CHARITABLE PURPOSES AND DO NOT RESULT IN PRIVATE INUREMENT OR IMPERMISSIBLE PRIVATE BEN EFIT

Identifier	Return Reference	Explanation
Process used to establish compensation of top management official	Form 990, Part VI, Section B, Line 15a	THE ORGANIZATION ENGAGED AN INDEPENDENT COMPENSATION CONSULTANT TO ASSIST IN ESTABLISHING A COMPENSATION CHARTER THAT DETAILS THE ORGANIZATION'S PROCEDURES FOR SETTING COMPENSATION OF THE CEO AND ALL OTHER OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION THE COMPENSATION CHARTER ESTABLISHED THE COMPENSATION COMMITTEE, THE INDEPENDENT BODY RESPONSIBLE FOR ESTABLISHING THE COMPENSATION OF THE CEO AND ALL OTHER OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION THE COMPENSATION COMMITTEE RELIES ON A RECENT COMPENSATION STUDY PERFORMED BY AN INDEPENDENT COMPENSATION CONSULTANT, WHICH IS DONE ON AN ANNUAL BASIS, THAT PROVIDES COMPENSATION DATA FOR SIMILARLY QUALIFIED PERSONS IN COMPARABLE ORGANIZATIONS TO SUPPORT ITS DECISION-MAKING PROCESS AND REPORTS ITS ACTIVITIES TO THE BOARD OF DIRECTORS AT THE NEXT REGULARLY SCHEDULED MEETING THE COMPENSATION COMMITTEE ADEQUATELY DOCUMENTS ITS COMPENSATION DETERMINATIONS IN THE MEETING MINUTES ON A TIMELY BASIS

Identifier	Return Reference	Explanation
Process used to establish compensation of other officers/key employees	Form 990, Part VI, Section B, Line 15b	SEE NARRATIVE FOR PART VI, LINE 15A

Identifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	THE ORGANIZATION'S ARTICLES OF INCORPORATION ARE FILED WITH AND VIEWABLE BY THE PUBLIC AT THE OFFICIAL WEBSITE OF THE FLORIDA DEPARTMENT OF STATE, DIVISION OF CORPORATIONS THE ORGANIZATION'S BYLAWS AND CONFLICT OF INTEREST POLICY ARE NOT MADE AVAILABLE TO THE PUBLIC UNAUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION ARE FILED AND VIEWABLE BY THE PUBLIC AT THE OFFICIAL WEBSITE OF THE STATE OF FLORIDA, DIVISION OF CONSUMER SERVICES THE ORGANIZATION IS REQUIRED TO FILE ITS AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION WITH ITS ANNUAL MEDICARE COST REPORT THIS INFORMATION IS SUBJECT TO A PUBLIC RECORDS REQUEST IN ADDITION, THE ORGANIZATION REPORTS ITS FINANCIAL PERFORMANCE EACH YEAR IN ITS ANNUAL REPORT, COPIES OF WHICH ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
HOURS DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A	GEORGE H WALLACE, H DARRELL WHITE, KATHY L FERNANDEZ, RONALD S SCHONWETTER, ANDREW LUTTON, BRIAN HINTON, JAMES T JOINER, REX YENTES, DAVID O'NEIL AND STANLEY L PIOTROWSKI DEVOTE APPROXIMATELY 2 HOURS A WEEK TO GOOD SHEPHERD HOSPICE, INC , A RELATED TAX-EXEMPT ORGANIZATION GEORGE H WALLACE, H DARRELL WHITE, KATHY L FERNANDEZ, RONALD S SCHONWETTER, ANDREW LUTTON, GENE FOGARTY, WILLIAM BECKER, JR , HERB BELL, DAVID O'NEIL, KRISTIN E DIMEO, R FENN GILES, JR AND VICKI MARSEE DEVOTE APPROXIMATELY 2 HOURS A WEEK TO LIFEPATH HOSPICE, INC , A RELATED TAX-EXEMPT ORGANIZATION GEORGE H WALLACE, H DARRELL WHITE, KATHY L FERNANDEZ, RONALD S SCHONWETTER, ANDREW LUTTON AND DAVID O'NEIL DEVOTE APPROXIMATELY 1 HOUR A WEEK TO THE JUDGE ALVA CARVER FOUNDATION, A RELATED TAX-EXEMPT ORGANIZATION GEORGE H WALLACE, H DARRELL WHITE, KATHY L FERNANDEZ, RONALD S SCHONWETTER, ANDREW LUTTON AND DAVID O'NEIL DEVOTE APPROXIMATELY 2 HOURS A WEEK TO CHAPTERS HEALTH SENIOR INDEPENDENCE, INC , A RELATED TAX-EXEMPT ORGANIZATION

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990, Part XI, Line 5	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS - -1528847, CHANGE IN VALUE OF SPLIT INTEREST AGREEMENT - -383694, CHANGE IN CASH SURRENDER VALUE - 3988, TRANSFER TO AFFILIATES - -2000000,

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHAPTERS HEALTH SYSTEM INC

Employer identification number
59-2264957

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
(1) CHAPTERS HEALTH PALLIATIVE CARE LLC 12973 TELECOM PARKWAY STE 100 TEMPLE TERRACE, FL 33637 20-5620723	PALLIATIVE	FL	389,214	0	NA
(2) CHAPTERS HEALTH PHARMACY LLC 12973 TELECOM PARKWAY STE 100 TEMPLE TERRACE, FL 33637 20-8607458	PHARMACY	FL	8,819,646	660,367	NA
(3) CHAPTERS HEALTH STAFFING LLC 12973 TELECOM PARKWAY STE 100 TEMPLE TERRACE, FL 33637 26-4146328	STAFFING	FL	1,901,619	0	NA

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
(1) LIFEPATH HOSPICE INC 12973 TELECOM PARKWAY STE 100 TEMPLE TERRACE, FL 33637 20-5276870	HOSPICE CARE	FL	501(C)(3)	9	NA	Yes	
(2) GOOD SHEPHERD HOSPICE INC 12973 TELECOM PARKWAY STE 100 TEMPLE TERRACE, FL 33637 20-5276923	HOSPICE CARE	FL	501(C)(3)	9	NA	Yes	
(3) THE JUDGE ALVA CARVER FOUNDATION INC 12973 TELECOM PARKWAY STE 100 TEMPLE TERRACE, FL 33637 20-0187631	SUPPORT	FL	501(C)(3)	N/A	NA	Yes	
(4) CHAPTERS HEALTH SENIOR INDEPENDENCE INC 12973 TELECOM PARKWAY STE 100 TEMPLE TERRACE, FL 33637 27-5158323	LONG-TERM CARE	FL	501(C)(3)	9	NA	Yes	

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

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

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

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

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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by related organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n Sharing of paid employees with related organization(s)	1n	Yes	
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q	Yes	
r Other transfer of cash or property from related 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) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

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

Schedule R (Form 990) 2011

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: 11000230
Software Version: v2011.1.0
EIN: 59-2264957
Name: CHAPTERS HEALTH SYSTEM INC

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	LIFEPATH HOSPICE INC	A	1,540,787	FMV
(2)	GOOD SHEPHERD HOSPICE INC	A	845,716	FMV
(3)	LIFEPATH HOSPICE INC	K	454,892	FMV
(4)	GOOD SHEPHERD HOSPICE INC	K	242,312	FMV
(5)	LIFEPATH HOSPICE INC	N	4,282,322	FMV
(6)	GOOD SHEPHERD HOSPICE INC	N	2,626,216	FMV
(7)	LIFEPATH HOSPICE INC	P	28,208,677	FMV
(8)	GOOD SHEPHERD HOSPICE INC	P	14,281,010	FMV
(9)	CHAPTERS HEALTH SENIOR INDEPENDENCE INC	R	2,000,000	FMV

Additional Data

Software ID: 11000230
Software Version: v2011.1.0
EIN: 59-2264957
Name: CHAPTERS HEALTH SYSTEM INC

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) LIFEPATH HOSPICE INC	205276870	9	Yes		Yes		Yes		0
(B) GOOD SHEPHERD HOSPICE INC	205276923	9	Yes		Yes		Yes		0
(C) CHAPTERS HEALTH SENIOR INDEPENDENCE INC	275158323	9		No	Yes		Yes		0

Additional Data

Software ID: 11000230
Software Version: v2011.1.0
EIN: 59-2264957
Name: CHAPTERS HEALTH SYSTEM INC

Form 990, Special Condition Description:

Special Condition Description

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
GENE FOGARTY VICE CHAIR	2 00	X		X				0	0	0
JACK KOLOSKY CHAIR	2 00	X		X				0	0	0
KATHY L FERNANDEZ PRESIDENT & CEO	40 00	X		X				716,660	0	24,684
MICHAEL ALOIAN TREASURER	2 00	X		X				0	0	0
THOMAS E CONGER SECRETARY	2 00	X		X				0	0	0
BRIAN HINTON IMMEDIATE PAST CHAIR	2 00	X						0	0	0
HERB BELL BOARD MEMBER	2 00	X						0	0	0
JAMES JOINER BOARD MEMBER	2 00	X						0	0	0
KRISTIN E DIMEO BOARD MEMBER	2 00	X						0	0	0
MIKE MARINO BOARD MEMBER	2 00	X						0	0	0
R FENN GILES JR BOARD MEMBER	2 00	X						0	0	0
REX YENTES BOARD MEMBER	2 00	X						0	0	0
RICK LENTZ BOARD MEMBER	2 00	X						0	0	0
STANLEY L PIOTROWSKI BOARD MEMBER	2 00	X						0	0	0
SUSAN MCMILLAN BOARD MEMBER	2 00	X						0	0	0
WILLIAM BECKER JR BOARD MEMBER	2 00	X						0	0	0
ANDREW LUTTON CHIEF OPERATING OFFICER	40 00			X				263,441	0	84,023
GEORGE H WALLACE EVP-FINANCE & OPERATIONS - PARTIAL YEAR	40 00			X				325,694	0	18,666
RONALD S SCHONWETTER CHIEF MED OFFICER	40 00			X				457,440	0	139,856
BJ DUDNEY VP-CLINICAL SERV & EDUC	40 00				X			207,324	0	383
DAVID J O'NEIL CHIEF FINANCIAL OFFICER	40 00				X			225,499	0	48,988
H DARRELL WHITE CHIEF LEGAL OFFICER	40 00				X			279,623	0	67,689
JUDITH M GODDARD VP-HR	40 00				X			211,232	0	28,850
PEGGY M MADILL VP-CHIEF QUALITY & COMPLIANCE OFFICER	40 00				X			206,847	0	29,410
SHARON A JONES VP-DEVELOPMENT	40 00				X			169,349	0	21,264

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
VICKI MARSEE VICE PRESIDENT	40 00				X			173,202	0	28,065
ALAN RICE DIRECTOR OF IT	40 00					X		132,982	0	27,100
CHAD A FARMER PHYSICIAN	40 00					X		186,039	0	9,521
DIPESH PATEL DIRECTOR OF PHARMACY	40 00					X		143,240	0	27,941
EDINA VONROTTENTHALER PHYSICIAN	40 00					X		136,359	0	9,416
JOSE FERNANDEZ-SEMIDEY PHYSICIAN	40 00					X		156,720	0	24,125