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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 07-01-2011 and ending 06-30-2012

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

C Name of organization
FLOYD HEALTHCARE MANAGEMENT INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
304 TURNER MCCALL BLVD

City or town, state or country, and ZIP + 4
ROME, GA 301620233

D Employer identification number
58-1973570

E Telephone number
(706) 509-6074

G Gross receipts $ 380,411,767

F Name and address of principal officer
KURT STUENKEL
304 TURNER MCCALL BLVD
ROME, GA 301620233

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW FLOYD ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1990

M State of legal domicile GA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
OPERATE A NON-PROFIT HOSPITAL SYSTEM AND SUPPORT 501 (C)(3) ORGANIZATIONS

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	2,811
6	Total number of volunteers (estimate if necessary)	**6**	263
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,591,683
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	216,739

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	2,526,479	451,500
	9 Program service revenue (Part VIII, line 2g)	323,912,023	313,013,978
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,565,486	2,064,697
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,810,831	4,600,337
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	332,814,819	320,130,512
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	141,685	3,516,540
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	156,964,007	165,867,051
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶218,094		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	164,237,033	143,580,224
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	321,342,725	312,963,815
	19 Revenue less expenses Subtract line 18 from line 12	11,472,094	7,166,697

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	305,664,058	321,675,722
	21 Total liabilities (Part X, line 26)	186,201,842	213,447,564
	22 Net assets or fund balances Subtract line 21 from line 20	119,462,216	108,228,158

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

****** 2013-05-15
Signature of officer Date

RICHARD T SHEERIN CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: JACQUELINE G ATKINS | Date: 2013-05-15 | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: DRAFFIN & TUCKER LLP, PO BOX 71309, ALBANY, GA 317081309 | EIN ▶ | Phone no ▶ (229) 883-7878

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

OPERATE A NON-PROFIT HOSPITAL SYSTEM AND SUPPORT 501 (C)(3) ORGANIZATIONS

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 $ 250,062,367 including grants of $ 3,516,540) (Revenue $ 311,689,575)

FLOYD HEALTHCARE MANAGEMENT, INC OPERATES FLOYD MEDICAL CENTER, A GENERAL ACUTE CARE HOSPITAL, AND FLOYD BEHAVIORAL HEALTH CENTER, A PSYCHIATRIC HOSPITAL SEE ADDITIONAL DISCLOSURES AT SCHEDULE O, "SUPPLEMENTAL INFORMATION TO FORM 990"

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** ▶ $ 250,062,367

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		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, 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	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, 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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
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**	Yes	
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**	Yes	
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**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	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**		No
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**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	283		
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**		
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**	2,811		
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**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
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**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
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	12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			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		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	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		No
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	Yes	
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	Yes	

Section C. Disclosure

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

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 ▶

RICHARD T SHEERIN
304 TURNER MCCALL BLVD
ROME, GA 30161
(706) 509-6074

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)**								7,612,021	4,750	426,720

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 ▶ 164

			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**	Yes	
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
BRASFIELD AND GORRIE LLC PO BOX 11407 BIRMINGHAM, AL 35246	GENL CONTRACTOR	7,511,183
CERNER CORP PO BOX 412702 KANSAS CITY, MO 64141	IT SERVICES	6,711,712
ARAMARK MANAGEMENT SERVICES PO BOX 233 ROME, GA 30161	ENVIRON SVCS	3,459,122
MORRISON MANAGEMENT SPECIALISTS PO BOX 102289 ATLANTA, GA 30368	DIETARY SVC	2,550,472
IN COMPASS HEATLH INC 318 MAXWELL ROAD SUITE 500 ALPHARETTA, GA 30009	HOSPITALIST	2,092,034

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 ▶ 62

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	451,500			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		451,500			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	623000	310,194,980	310,194,980		
	b	FAMILY PRACTICE CAPITATION	621990	1,227,732	1,227,732		
	c	REFERENCE LAB	621500	1,031,685		1,031,685	
	d	SUBWAY/STARBUCKS	722210	559,581		559,581	
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		313,013,978			
	3	Investment income (including dividends, interest and other similar amounts)		1,542,823			1,542,823
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	3,275,610				
	b	Less rental expenses	340,933				
	c	Rental income or (loss)	2,934,677				
	d	Net rental income or (loss)			2,934,677			2,934,677
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	60,107,230	354,134			
	b	Less cost or other basis and sales expenses	59,646,315	293,175			
	c	Gain or (loss)	460,915	60,959			
	d	Net gain or (loss)			521,874			521,874
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a	1,249			
	b	Less cost of goods sold	b	832			
	c	Net income or (loss) from sales of inventory		417		417	
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	624200	1,398,380			1,398,380
	b	MISCELLANEOUS INCOME	621990	210,550	210,550		
	c	FAMILY PRACTICE REVENUE	621110	30,907	30,907		
	d	All other revenue		25,406	25,406		
	e	**Total.** Add lines 11a–11d		1,665,243			
	12	**Total revenue.** See Instructions		320,130,512	311,689,575	1,591,683	6,397,754

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	3,271,448	3,271,448		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	245,092	245,092		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	5,315,665		5,315,665	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	125,378,561	106,227,090	18,982,997	168,474
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,991,353	5,150,667	832,476	8,210
9	Other employee benefits	20,237,939	16,563,837	3,647,701	26,401
10	Payroll taxes	8,943,533	6,694,604	2,236,846	12,083
11	Fees for services (non-employees)				
a	Management				
b	Legal	364,607		364,607	
c	Accounting	504,400		504,400	
d	Lobbying	81,404		81,404	
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	30,903,893	22,074,745	8,829,148	
12	Advertising and promotion	1,471,200	173,798	1,297,402	
13	Office expenses	11,202,856	8,424,063	2,777,992	801
14	Information technology	4,019,083	676,792	3,342,291	
15	Royalties . .				
16	Occupancy	14,618,054	12,745,481	1,872,573	
17	Travel	2,704,647	1,146,293	1,556,229	2,125
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	641,362	422,787	218,575	
20	Interest	144,941		144,941	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	22,204,478	19,360,084	2,844,394	
23	Insurance	1,671,426	926,068	745,358	
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	MEDICAL SUPPLIES	43,033,285	42,969,940	63,345	
b	R&M	4,364,487	2,185,946	2,178,541	
c	LICENSE & TAXES	3,139,517	117,265	3,022,252	
d	DUES & SUBSCRIPTIONS	940,456	320,997	619,459	
e					
f	All other expenses	1,570,128	365,370	1,204,758	
25	**Total functional expenses.** Add lines 1 through 24f	312,963,815	250,062,367	62,683,354	218,094
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		-187,421	1	-82,982
	2	Savings and temporary cash investments		10,297,588	2	21,299,969
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		47,957,467	4	49,651,972
	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		370,261	7	617,200
	8	Inventories for sale or use		9,641,637	8	10,156,932
	9	Prepaid expenses and deferred charges		3,415,204	9	3,516,658
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 343,998,339			
	b	Less accumulated depreciation	10b 172,182,300	168,246,690	10c	171,816,039
	11	Investments—publicly traded securities		59,298,918	11	56,491,768
	12	Investments—other securities See Part IV, line 11		1,453,170	12	1,491,848
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		1,224,502	14	1,132,664
	15	Other assets See Part IV, line 11		3,946,042	15	5,583,654
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		305,664,058	16	321,675,722
Liabilities	17	Accounts payable and accrued expenses		28,900,554	17	33,108,358
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		105,916,554	20	123,849,124
	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		16,551,555	23	16,080,247
	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		34,833,179	25	40,409,835
	26	**Total liabilities.** Add lines 17 through 25		186,201,842	26	213,447,564
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		119,462,216	27	108,228,158
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		119,462,216	33	108,228,158
	34	Total liabilities and net assets/fund balances		305,664,058	34	321,675,722

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	320,130,512
2	Total expenses (must equal Part IX, column (A), line 25)	2	312,963,815
3	Revenue less expenses Subtract line 2 from line 1	3	7,166,697
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	119,462,216
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-18,400,755
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	108,228,158

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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

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?
Total									

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

SCHEDULE A, PART IV - REASON FOR NON-PRIVATE FOUNDATION STATUS ON JANUARY 1, 1998 FLOYD HEALTHCARE MANAGEMENT, INC ACQUIRED BY LEASE ALL OF THE ASSETS OF THE HOSPITAL AUTHORITY OF FLOYD COUNTY AND THEREBY BECAME THE LICENSED OPERATOR OF FLOYD MEDICAL CENTER, A GENERAL, ACUTE CARE HOSPITAL WITH 300+ BEDS SINCE THAT TIME, FLOYD HEALTHCARE MANAGEMENT, INC HAS CONTINUED TO OPERATE FLOYD MEDICAL CENTER AS A NON-PROFIT HOSPITAL, OFFERING A WIDE ARRAY OF SERVICES TO THE COMMUNITY, INCLUDING AN EMERGENCY ROOM WHICH SEES APPROXIMATELY 76,000 PATIENTS PER YEAR AND A BUSY OUTPATIENT INDIGENT CLINIC

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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
FLOYD HEALTHCARE MANAGEMENT INC	58-1973570

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?	Yes		50,000
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		2,338
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		29,066
j	Total lines 1c through 1i			81,404
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?		No	

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		No
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		No
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		No

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
	SCHEDULE C, PART II-B, LINE 1	NATIONAL AND STATE ORGANIZATION DUES ARE PAID, A PERCENTAGE OF WHICH ARE DEVOTED TO LOBBYING EXPENDITURES ADDITIONALLY, A DONATION WAS MADE TO "COALITION TO PROTECT AMERICA'S HEALTH CARE", AN ORGANIZATION WHOSE MISSION IS TO PROTECT HIGH QUALITY PATIENT CARE BY CREATING MEDIA STRATEGIES TO PRESERVE THE FINANCIAL VIABILITY OF AMERICA'S HOSPITALS THE FILING ORGANIZATION ALSO PAID LOBBYING FEES TO THE RUSS REID COMPANY AND REIMBURSED DIRECTOR FOR THEIR LOBBYING TRIP TO WASHINGTON DC RELATED TO HEALTHCARE ISSUES

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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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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		12,803,932		12,803,932
b Buildings		114,170,801	48,198,176	65,972,625
c Leasehold improvements		15,096,900	7,155,120	7,941,780
d Equipment		186,580,191	116,829,004	69,751,187
e Other		15,346,515		15,346,515
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				171,816,039

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	
ACCRUED PENSION	32,398,591
MALPRACTICE CLAIMS	6,339,271
ACCRUED INTEREST	1,671,973
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	40,409,835

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	320,130,512
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	312,963,815
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	7,166,697
4	Net unrealized gains (losses) on investments	4	-226,729
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	2,819,948
9	Total adjustments (net) Add lines 4 - 8	9	2,593,219
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	9,759,916

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	319,699,995
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-226,729		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	341,765		
e	Add lines **2a** through **2d**			2e	115,036
3	Subtract line **2e** from line **1**			3	319,584,959
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	545,553		
c	Add lines **4a** and **4b**			4c	545,553
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	320,130,512

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

1	Total expenses and losses per audited financial statements			1	309,940,079
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	341,765		
e	Add lines **2a** through **2d**			2e	341,765
3	Subtract line **2e** from line **1**			3	309,598,314
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	3,365,501		
c	Add lines **4a** and **4b**			4c	3,365,501
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	312,963,815

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
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE CORPORATION IS A NOT-FOR-PROFIT CORPORATION THAT HAS BEEN RECOGNIZED AS TAX-EXEMPT PURSUANT TO SECTION 501(C)3 OF THE INTERNAL REVENUE CODE THE CORPORATION APPLIES ACCOUNTING POLICIES THAT PRESCRIBE WHEN TO RECOGNIZE AND HOW TO MEASURE THE FINANCIAL STATEMENT EFFECTS OF INCOME TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON ITS INCOME TAX RETURNS THESE RULES REQUIRE MANAGEMENT TO EVALUATE THE LIKELIHOOD THAT, UPON EXAMINATION BY THE RELEVANT TAXING JURISDICTIONS, THOSE INCOME TAX POSITIONS WOULD BE SUSTAINED BASED ON THAT EVALUATION, THE CORPORATION ONLY RECOGNIZES THE MAXIMUM BENEFIT OF EACH INCOME TAX POSITION THAT IS MORE THAN 50% LIKELY OF BEING SUSTAINED TO THE EXTENT THAT ALL OR A PORTION OF THE BENEFITS OF AN INCOME TAX POSITION ARE NOT RECOGNIZED, A LIABILITY WOULD BE RECOGNIZED FOR THE UNRECOGNIZED BENEFITS, ALONG WITH ANY INTEREST AND PENALTIES THAT WOULD RESULT FROM DISALLOWANCE OF THE POSITION SHOULD ANY SUCH PENALTIES AND INTEREST BE INCURRED, THEY WOULD BE RECOGNIZED AS OPERATING EXPENSES BASED ON THE RESULTS OF MANAGEMENT'S EVALUATION, NO LIABILITY IS RECOGNIZED IN THE ACCOMPANYING BALANCE SHEET FOR UNRECOGNIZED INCOME TAX POSITIONS FURTHER, NO INTEREST OR PENALTIES HAVE BEEN ACCRUED OR CHARGED TO EXPENSE AS OF JUNE 30, 2012 AND 2011 OR FOR THE YEARS THEN ENDED THE CORPORATION'S OPEN AUDIT PERIODS ARE FOR TAX YEARS ENDED 2009-2011
RECONCILIATION OF CHANGES - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 8	RENTAL EXPENSES 340,933 COST OF GOODS SOLD 832 GAIN ON SALE/LEASEBACK MOB -94,053 CAPITAL CONTRIBUTIONS -451,500 RENTAL EXPENSES -340,933 COST OF GOODS SOLD -832 GAIN ON SALE/LEASEBACK MOB 94,053 EQUITY TRANSFER 3,271,448
REVENUE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 2D	RENTAL EXPENSES 340,933 COST OF GOODS SOLD 832
REVENUE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 4B	GAIN ON SALE/LEASEBACK MOB 94,053 CAPITAL CONTRIBUTIONS 451,500
EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 2D	RENTAL EXPENSES 340,933 COST OF GOODS SOLD 832
EXPENSE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 4B	GAIN ON SALE/LEASEBACK MOB 94,053 EQUITY TRANSFER 3,271,448

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other **1.25000 %**	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other **3.25000 %**	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			20,353,457		20,353,457	6 500 %
b Medicaid (from Worksheet 3, column a)			52,840,624	41,263,910	11,576,714	3 700 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			73,194,081	41,263,910	31,930,171	10 200 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)						
f Health professions education (from Worksheet 5)			9,133,524	5,843,139	3,290,385	1 050 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,188,997	4,925	1,184,072	0 380 %
j **Total** Other Benefits			10,322,521	5,848,064	4,474,457	1 430 %
k **Total.** Add lines 7d and 7j			83,516,602	47,111,974	36,404,628	11 630 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense	2 33,715,038		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3 17,868,970		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5 68,287,878		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 72,094,107		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7 -3,806,229		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	FLOYD HEALTHCARE MANAGEMENT INC FLOYD MEDICAL CENTER 304 TURNER MCCALL BLVD ROME,GA 30161	X	X		X			X		HOSPICE, CLINICS, REHAB, PSYCH

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

FLOYD HEALTHCARE MANAGEMENT INC

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**	Yes	
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**	Yes	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☑ Hospital facility's website			
b ☑ Available upon request from the hospital facility			
c ☑ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☑ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☑ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**	Yes	
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 125 0%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 325 0% If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**16**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **2**

	Name and address	Type of Facility (Describe)
1	FLOYD HEYMAN HOSPICE P O BOX 233 ROME,GA 30165	HOME HOSPICE CARE
2	FLOYD EMERGENCY MEDICAL SERVICES P O BOX 233 ROME,GA 30165	EMERGENCY SERVICES
3		
4		
5		
6		
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10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE	PART I LINE 7 COLUMN F	IN DERIVING THE DENOMINATOR TO BE USED FOR COLUMN F THE FOLLOWING ADJUSTMENTS WERE MADE TO THE TOTAL EXPENSES REPORTED ON FORM 990 PART IX LINE 25 FORM 990 PART IX LINE 25 312963815 ADD EXPENSES REPORTED IN PART VIII 341765 DENOMINATOR FOR COLUMN F 313305580

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	THE DATA REPORTED IN THIS AREA IS REPORTED AS INSTRUCTED BY CATHOLIC HEALTH ASSOCIATIONS A GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFITS 2008 SEE ALSO THE DESCRIPTION FOR PART III LINE 4

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	AMOUNTS INCLUDED ON PART III LINE 2 REPRESENT THE AMOUNT OF CHARGES CONSIDERED UNCOLLECTIBLE AFTER REASONABLE ATTEMPTS TO COLLECT AND WRITTEN OFF TO BAD DEBT EXPENSE THE FIGURE ON PART III LINE 3 REPRESENTS MANAGEMENTS ESTIMATE APPROXIMATELY 53 BASED ON PAST EXPERIENCE FROM INCOMPLETE FINANCIAL APPLICATIONS EXCERPT FROM AUDITED FINANCIAL STATEMENTS ALLOWANCE FOR DOUBTFUL ACCOUNTS THE CORPORATION PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED ON THE EVALUATION OF THE OVERALL COLLECTIBILITY OF THE ACCOUNTS RECEIVABLE AS ACCOUNTS ARE KNOWN TO BE UNCOLLECTIBLE THE ACCOUNT IS CHARGED AGAINST THE ALLOWANCE

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	MEDICARE ALLOWABLE COSTS ARE COMPUTED IN ACCORDANCE WITH COST REPORTING METHODOLOGIES UTILIZED ON THE MEDICARE COST REPORT AND IN ACCORDANCE WITH RELATED REGULATIONS INDIRECT COSTS ARE ALLOCATED TO DIRECT SERVICE AREAS USING THE MOST APPROPRIATE STATISTICAL BASIS

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	FOR PATIENTS RECEIVING ONLY A PORTION OF THEIR BILL AS CHARITY THE REMAINING PORTIN OF THE BILL IS TREATED THE SAME AS ALL OTHER PATIENTS IN REGARDS TO COLLECTIONS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	FLOYD HEALTHCARE MANAGEMENT INC FHMI HAS COMPLETED A HEALTH CARE NEEDS ASSESSMENT IN CHATTOOGA FLOYD AND POLK COUNTIES THIS INCLUDED A RANDOM PAPER SURVEY OF RESIDENTS OF EACH COUNTY AS WELL AS INTERVIEWS WITH COMMUNITY LEADERS AND HEALTH CARE PROFESSIONALS AND FOCUS GROUPS IN ADDITION FHMI DEVELOPES A STRATEGIC PLAN THAT IS UPDATED ANNUALLY THE STRATEGIC PLAN TAKES INTO CONSIDERATION HEALTH NEEDS FOR OUR SERVICE AREA IN ADDITION TO UTILIZATION OF SERVICES COMMUNITY PARTICIPATION AND QUALITY OF SERVICES PROVIDED

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	FHMI COMMUNICATES THIS INFORMATION THROUGH SIGNAGE IN THE EMERGENCY CARE CENTER PATIENT REGISTRATION AREAS IN THE BUSINESSPATIENT FINANCIAL SERVICES OFFICES AND IN THE OFFICES OF OUR FINANCIAL COUNSELORS DURING TIMES OF PREADMISSION AS WELL AS ONSITE REGISTRATION THE ACCESSREGISTRATION STAFF DISCUSS POLICIES WITH THE PATIENTPATIENTS FAMILY IF APPROPRIATE AFTER DISCHARGE AND DURING THE COLLECTION PERIOD OUR STAFF ONCE AGAIN DISCUSS OUR FINANCIAL ASSISTANCE POLICIES IN ADDITION THERE IS A DEMONSTRATED WORDOFMOUTH COMMUNICATION OF THESE POLICIES THROUGH OUR PATIENT POPULATION

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	LOCATED IN NORTHWEST GA FHMI DBA FLOYD MEDICAL CENTER FMC IS BASED IN ROME GA WHICH IS THE COUNTY SEAT FOR FLOYD COUNTY ABOUT 60 MILES NORTH OF ATLANTA AND 60 MILES SOUTH OF CHATTANOOGA TN THE 163000 2011 ESTIMATE RESIDENTS OF THE THREECOUNTY REGION ARE SERVED BY FMC AND TWO SMALLER HOSPITALS THE POPULATION BASE IS APPROXIMATELY 81 CAUCASIAN 15 AFRICAN AMERICAN AND 4 OTHER ETHNICITIES NORTHWEST GA IS A MEDICAL AND EDUCATIONAL HUB THREE OF THE LARGEST EMPLOYERS IN THE THREECOUNTY AREA ARE HEALTH CARE PROVIDERS THE AREA IS ALSO HOME TO FOUR POSTSECONDARY EDUCATIONAL INSTITUTIONS STILL THE MANUFACTURING SECTOR REMAINS AN ECONOMIC FORCE IN THE AREA AS IN OTHER PARTS OF THE COUNTRY THE UNEMPLOYMENT RATE REMAINED IN DOUBLE DIGITS IN 2011 AND ALMOST 19 OF RESIDENTS ARE BELOW THE FEDERAL POVERTY LEVEL JUST UNDER ONETHIRD OF THE ADULT POPULATION HAS NOT GRADUATED HIGH SCHOOL MALIGNANT CANCER PRIMARILY LUNG CANCER AND CARDIOVASCULAR DISEASE ARE THE PRIMARY CAUSES OF DEATH IN THESE COUNTIES

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	FHMI IS THE SAFETYNET HEALTH CARE PROVIDER FOR NORTHWEST GEORGIA IN ADDITION TO PROVIDING EMERGENCY CARE SERVICES FMC HAS GONE THE EXTRA STEP OF PROVIDING 24HOUR COVERAGE FOR SURGERY AND OTHER SERVICES TO MAINTAIN STATUS AS A LEVEL II TRAUMA CENTER FHMI IS ALSO THE SITE FOR THE REGIONAL POISON CONTROL CENTER HOUSES THE REGIONS ONLY LEVEL III NEONATAL INTENSIVE CARE UNIT AND OPERATES A FAMILY MEDICINE RESIDENCY PROGRAM THAT OPERATES THE FLOYD COUNTY CLINIC TO PROVIDE BASIC HEALTH CARE SERVICES FOR THE ECONOMICALLY DISADVANTAGED IN THE COMMUNITY IN ADDITION TO THESE SERVICES FHMI ACTIVELY PROMOTES HEALTH AND SAFETY THROUGHOUT THE COMMUNITY THROUGH VARIOUS COMMUNITY BENEFIT ACTIVITIES INCLUDING BUT NOT LIMITED TO BICYCLE SAFETY HELMET GIVEAWAYS AND CLINICS SCHOOLBASED CHILD SAFETY PROGRAMS MOBILE MAMMOGRAPHY AND ACTIVE SPEAKERS BUREAU CHILDBIRTH CLASSES COMMUNITY HEALTH SCREENINGS AND HEALTH FAIRS AN ANNUAL CAMP FOR CHILDREN WITH DIABETES HEALTH CARE INTERNSHIPS EXTERNSHIPS AND SHADOWING OPPORTUNITIES AND SUPPORT FOR COMMUNITYWIDE INITIATIVES WITH HEALTH PARTNERS INCLUDING THE NORTHWEST GEORGIA CANCER COALITION CANCER NAVIGATORS AND THE FREE CLINIC OF ROME

Identifier	ReturnReference	Explanation
LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED	PART VI	GEORGIA

Identifier	ReturnReference	Explanation
FLOYD HEALTHCARE MANAGEMENT INC LINE NUMBER 1 PART V LINE 3	PART V LINE 3	THE INTERESTS OF THE COMMUNITIES WERE ENLISTED THROUGH A SURVEY PROCESS COMMUNITY FORUMS AND DIRECT INPUT FROM REPRESENTATIVES OF THE GEORGIA DEPARTMENT OF PUBLIC HEALTH THE SURVEY PROCESS WAS COMPLETED ON A CONVENIENCE BASIS AT PUBLIC EVENTS USING AN INSTRUMENT DESIGNED TO CAPTURE THE PUBLICS PERCEPTION OF HEALTH AND HEALTHCARE SERVICES IN THE COMMUNITY THE SURVEY INSTRUMENT AND RESULTS ARE INCLUDED IN THE CHNA THE INTERESTS OF THE COMMUNITY ARE ALSO REPRESENTED IN THE CHNA THROUGH PRIMARY DATA COLLECTED AT PUBLIC INPUT SESSIONS HELD IN EACH COUNTY CARE WAS TAKEN TO INVITE A CROSSSECTION OF THE COMMUNITY WITH REPRESENTATIVES FROM BUSINESS HEALTHCARE NONPROFITS PUBLIC HEALTH LOCAL GOVERNMENT AND EDUCATIONAL INSTITUTIONS DISTRICT PUBLIC HEALTH REPRESENTATIVES WERE ASKED TO REVIEW RAW DATA AND PROVIDE ASSISTANCE DEVELOPING PRIORITY NEEDS

Identifier	ReturnReference	Explanation
FLOYD HEALTHCARE MANAGEMENT INC LINE NUMBER 1 PART V LINE 5C	PART V LINE 5C	THE 2011 CHNA HAS BEEN DISTRIBUTED UPON REQUEST TO OTHER NONPROFIT AGENCIES IN THE AREA TO ASSIST WITH GRANTS COPIES HAVE ALSO BEEN MADE AVAILABLE TO ELECTED OFFICIALS CHAMBERS OF COMMERCE AND EDUCATIONAL INSTITUTIONS IN THE AREA

Identifier	ReturnReference	Explanation
FLOYD HEALTHCARE MANAGEMENT INC LINE NUMBER 1 PART V LINE 19D	PART V LINE 19D	FLOYD USES A SLIDING SCALE BASED ON FEDERAL POVERTY GUIDELINES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) HOSPITAL AUTHORITY OF FLOYD COUNTY304 TURNER MCCALL BLVD ROME,GA 301610233	58-6001173	501	1,453,571				CAPITAL CONTRIBUTION
(2) HOSPITAL AUTHORITY OF FLOYD COUNTY304 TURNER MCCALL BLVD ROME,GA 301610233	58-6001173	501	1,817,877				PENSION PLAN FUNDING

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) COBRA INSURANCE PREMIUM	42	167,872			
(2) TUITION	32	77,220			

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

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	IT IS THE POLICY OF THE ORGANIZATION TO ESTABLISH PROCEDURES TO POTENTIALLY SECURE PAYMENT FOR HEALTHCARE SERVICES VIA EXTENSION OF INSURANCE BENEFITS THROUGH COBRA THIS EXTENSION OF INSURANCE COVERAGE WILL BE PROVIDED ON A CASE-BY-CASE BASIS THE HOSPITAL'S ROLE IN COVERAGE PAYMENT WILL BE REVIEWED MONTHLY, THERE IS NO OBLIGATION FOR THE HOSPITAL TO CONTINUE COVERAGE PAYMENT BEYOND THE INITIAL STATED LENGTH THIS COVERAGE PAYMENT IS NOT TYPICALLY INTENDED FOR LONGER THAN A SPECIFIC SERVICE EVENT IN GENERAL, ASSIGNED STAFF WILL EXAMINE PATIENTS FOR POTENTIAL QUALIFICATION FOR THIS PROGRAM UPON QUALIFICATION, PAYMENT OF THE INSURANCE PREMIUM IS MADE TO THE EMPLOYER/INSURANCE COMPANY PATIENT LIABILITY WILL BE EVALUATED AND DISCUSSED WITH THE PATIENT/GUARANTOR PRIOR TO DISCHARGE THIS DISCUSSION WILL FOLLOW THE SAME PROTOCOL AS OTHER PATIENTS WITH RESIDUAL LIABILITIES FINALLY, A 1099 TAX FORM IS ISSUED TO THE PATIENT TUITION POLICY THE ORGANIZATION PROVIDES OPPORTUNITIES FOR TRAINING, DEVELOPMENT, AND ADVANCEMENT WHICH ARE CONSISTENT WITH INDIVIDUAL ABILITY AND PERFORMANCE AS WELL AS BUDGETARY LIMITATIONS AND NEEDS OF THE ORGANIZATION FHMI WILL SHARE IN THE COST OF TUITION AND BOOKS FOR CLASSROOM AND/OR CORRESPONDENCE COURSES FOR ELIGIBLE EMPLOYEES THE EDUCATION MUST BE DIRECTLY RELATED TO THE EMPLOYEE'S DUTIES OR A POSITION TO WHICH THE EMPLOYEE MIGHT REASONABLY BE EXPECTED TO PROGRESS BY REASON OF PROMOTION APPROVAL FROM THE EMPLOYEE'S DEPARTMENT HEAD, HUMAN RESOURCES DIRECTOR, AND APPLICABLE VICE PRESIDENT MUST BE GRANTED PRIOR TO ENROLLMENT, AND A GRADE OF B OR HIGHER MUST BE MAINTAINED ALL EDUCATIONAL ASSISTANCE WILL BE SET UP AS A "FORGIVABLE LOAN" CONTRACT BETWEEN THE EMPLOYEE AND FHMI THE LOAN WILL BE REPAID BY SERVICE REIMBURSEMENT IS MADE SUBJECT TO RECEIPTS AND PROOF OF AWARDED GRADES

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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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**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**	Yes	
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				
See Additional Data Table								

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
FRINGE OR EXPENSE EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1A	TRAVEL FOR COMPANIONS SPOUSAL TRAVEL EXPENSES ARE REIMBURSED WHEN ATTENDANCE IS NECESSARY AND APPROPRIATE THE POLICY RECOGNIZES THAT GOVERNING BOARD MEMBERS AND SENIOR EXECUTIVES ARE OFTEN PLACED IN SOCIAL SITUATIONS AT SUCH MEETINGS AND WOULD REPRESENT THE HOSPITAL OPTIMALLY WITH THE ASSISTANCE OF THEIR SPOUSES CONSEQUENTLY, THESE BENEFITS ARE NOT INCLUDED IN THEIR TAXABLE WAGES SPOUSAL TRAVEL EXPENSES REQUIRE PRIOR APPROVAL AND ARE LIMITED TO EVENTS WHERE BOARD MEMBERS AND SENIOR EXECUTIVES ATTEND REIMBURSEMENT SHALL BE LIMITED TO TRANSPORTATION EXPENSE NOT TO EXCEED THE AIR TRAVEL RATE IN COACH CLASS AND OUT-OF-POCKET EXPENSES WITH RESPECT TO LODGING AND FOOD REIMBURSEMENT SHALL BE LIMITED TO LODGING BASED ON DOUBLE ACCOMMODATIONS FLOYD HEALTHCARE MANAGEMENT, INC ("FHMI") PROVIDES THE CEO WITH A MONTHLY AUTO ALLOWANCE EACH YEAR THE AMOUNT THAT IS NONBUSINESS RELATED IS INCLUDED IN TAXABLE INCOME FHMI PROVIDES A MEMBERSHIP TO THE LOCAL COUNTRY CLUB FOR THE CEO AND CMO ANY AMOUNT CONSIDERED NONBUSINESS IS INCLUDED IN THE RECIPIENT'S TAXABLE INCOME
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	KURT STUENKEL 0 351,447 0
COMPENSATION CONTINGENT UPON NET EARNINGS OF ORGANIZATION	SCHEDULE J, PAGE 1, PART I, LINE 6A	ALL MEMBERS OF THE EXECUTIVE TEAM FOR FHMI PARTICIPATE IN AN INCENTIVE COMPENSATION PLAN UNDER WHICH ANNUAL YEAR-END BONUSES ARE PAID BASED ON INDIVIDUAL AND CORPORATE-WIDE ACHIEVEMENT OF SPECIFIC GOALS AND OBJECTIVES ONE OF THE GOALS RELATES TO THE ORGANIZATION'S NET INCOME THESE BONUSES ARE A CASH-BASED SYSTEM
OTHER ADDITIONAL INFORMATION	SCHEDULE J, PART III	THE CEO PARTICIPATES IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) WHICH IS FUNDED ANNUALLY IN AN AMOUNT WHICH, WHEN ADDED TO OTHER SOURCES OF RETIREMENT INCOME, WILL AFFORD A RETIREMENT INCOME AT A TARGETED PERCENTAGE OF PRE-RETIREMENT COMPENSATION THE SERP IS A NON-QUALIFIED RETIREMENT PLAN, AND AS SUCH THE ANNUAL FUNDING PAYMENTS PAID INTO IT ARE TAXABLE TO THE PARTICIPANT IN THE YEAR IN WHICH MADE EFFECTIVE WITH CALENDAR YEAR 2009, MR STUENKEL'S SERP IS A CASH-BASED PROGRAM ADDITIONALLY, OF THE 1,086,769 LISTED AS COMPENSATION FOR MR STUENKEL, 187,371 REPRESENTS A PERFORMANCE BASED PAYMENT ARISING FROM THE 2011 PERFORMANCE PERIOD AND 351,447 REPRESENTS THE NONQUALIFIED SERP PLAN ACORDINGLY, MR STUENKEL'S SALARY FOR 2011 WOULD HAVE BEEN 547,951 EXCLUDING THE 2011 PORTION OF THE INCENTIVE BASED PAYMENT AND THE SERP PLAN AMOUNT TOTAL DIRECT CASH COMPENSATION (SALARY AND BONUS) IS 726,452 WHICH DOES NOT INCLUDE A PAYMENT FOR RETIREMENT OF 351,447, NOR OTHER FRINGE BENEFITS WHICH TOTAL 43,096

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 58-1973570
Name: FLOYD HEALTHCARE MANAGEMENT INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** 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 compensation				
KURT STUENKEL	(I) (II)	539,081	187,371	360,317	35,542	7,554	1,129,865	
RICHARD T SHEERIN	(I) (II)	286,876	90,951	1,445	25,878	6,630	411,780	
DEE RUSSELL MD	(I) (II)	274,547	110,551	7,799		8,066	400,963	
WARREN RIGAS	(I) (II)	287,061	85,351	1,429	25,177	4,680	403,698	
C WADE MONK	(I) (II)	282,897	82,351	3,909	36,959	4,030	410,146	
JOSEPH BIUSO MD	(I) (II)	286,054	35,889	2,612	34,716	858	360,129	
GREG POLLEY	(I) (II)	209,328	65,951	1,889	32,998	8,838	319,004	
SHEILA HORNER	(I) (II)	199,661	62,951	975		4,992	268,579	
MARY MAIRE	(I) (II)	176,987	50,551	2,289	48,039	7,020	284,886	
REBEKAH LOWREY MD	(I) (II)	203,901	22,429	1,827			228,157	
DAN SWEITZER	(I) (II)	171,774	53,651	2,341	43,401	3,770	274,937	
ALISON LAND	(I) (II)	156,187	52,251	481	12,189	3,120	224,228	
ROBERT PURCELL	(I) (II)	167,838	21,900	515	17,861	3,140	211,254	
DAVID EARLY	(I) (II)	137,981	22,551	262		858	161,652	
BRIAN BARNETTE	(I) (II)	131,522	15,666	9,718	11,076	7,280	175,262	
JOHN HARDWELL MD	(I) (II)	647,144		665		2,548	650,357	
LOUIS A SPENCER MD	(I) (II)	610,326		984		4,680	615,990	
GARRETT H BARNESMD	(I) (II)	501,906		764	12,418	4,680	519,768	

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
CLINE T JACKSON MD	(I) (II)	445,525		671		3,822	450,018	
MOLLY VICCHRILLI MD	(I) (II)	436,788		620		3,900	441,308	
CHARLOTTE DOUGHERTY	(I) (II)	19,582					19,582	
DON TATE	(I) (II)	19,309					19,309	
BG WATERS	(I) (II)	6,744					6,744	

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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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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	HOSPITAL AUTHORITY OF FLOYD COUNTY REVENUE CERTIFICATES 2003	58-6001973	343575ER3	12-17-2003	40,000,000	HOSPITAL IMPROVEMENTS		X		X		X
B	HOSPITAL AUTHORITY OF FLOYD COUNTY 2009 REVENUE ANTICIPATION BONDS	58-6001973	343575FQ4	06-30-2009	40,000,000	IMPROVEMENTS/DEFEASE 2005-2006 BONDS		X		X		X
C	HOSPITAL AUTHORITY OF FLOYD COUNTY REVENUE BOND SERIES 2012 A	58-6001173	343575GH3	06-27-2012	20,000,000	CAPITAL IMPROVEMENTS		X		X		X
D	HOSPITAL AUTHORITY OF FLOYD COUNTY REVENUE BONDS SERIES 2012B	58-6001173	343575GY6	06-27-2012	31,885,000	DEFEASE 2003 REVENUE SERIES BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	11,182,808			
2	Amount of bonds defeased				
3	Total proceeds of issue	40,710,583	40,240,151	20,074,922	34,970,725
4	Gross proceeds in reserve funds	1,572,553	1,332,751	279,011	444,814
5	Capitalized interest from proceeds		18,595,720		
6	Proceeds in refunding escrow	25,989,711			36,387,986
7	Issuance costs from proceeds	576,451	588,380	243,560	388,296
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds		1,552,974		
10	Capital expenditures from proceeds	12,571,868	18,170,340	19,552,351	
11	Other spent proceeds				1,777
12	Other unspent proceeds				
13	Year of substantial completion	2004	2010		

		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		X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X			X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		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		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		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		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?		X		X		X		X
c	Are there any research agreements that may result in private business use of bond-financed property?		X		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?	X		X			X		X
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 ▶								
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 ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		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		X
2	Is the bond issue a variable rate issue?		X		X		X		X
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		X
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		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		X
6	Did the bond issue qualify for an exception to rebate?		X		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
DIFFERENCES IN ISSUE PRICE EXPLANATION	SCHEDULE K	HOSPITAL AUTHORITY OF FLOYD COUNTY THE DIFFERENCE IN THE ISSUE PRICE REPORTED IN SCHEDULE K PART I AND TOTAL PROCEEDS OF ISSUE REPORTED IN SCHEDULE K PART II IS A PREMIUM ASSOCIATED WITH THE 2003 ISSUE HOSPITAL AUTHORITY OF FLOYD COUNTY THE DIFFERENCE IN THE ISSUE PRICE REPORTED IN SCHEDULE K PART I AND TOTAL PROCEEDS OF ISSUE REPORTED IN SCHEDULE K PART II IS A PREMIUM ASSOCIATED WITH THE 2009 ISSUE HOSPITAL AUTHORITY OF FLOYD COUNTY EXPENDITURES INCLUDE 2252148 IN FUNDS FROM THE SERIES 2002 DEBT SERVICE RESERVE FUNDS

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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

Open to Public Inspection

Name of the organization
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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
(1) SHEILA B HORNER	VP OF NURSING	2,714

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) JOSHUA POLLEY	FAMILY-OFFICER	43,242	EMPLOYEE WAGES		No
(2) ROXANNE NORMAN	FAMILY-BD MBR	41,625	EMPLOYEE WAGES		No
(3) MISTY RIGAS	FAMILY-OFFICER	25,038	EMPLOYEE WAGES		No
(4) JOY HOWARD	FAMILY-BD MBR	14,022	EMPLOYEE WAGES		No
(5) ELIZABETH BROOKS	FAMILY-BD MBR	20,311	EMPLOYEE WAGES		No
(6) JOAN BIUSO	FAMILY-OFFICER	22,840	EMPLOYEE WAGES		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
ADDITIONAL INFORMATION	SCHEDULE L PART V	VARIOUS FAMILY MEMBERS OF BOARD OFFICERS AND BOARD MEMBERS ARE ACTIVELY EMPLOYED AND COMPENSATED BY FHMI

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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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	THE ORGANIZATION'S CEO, CFO, CONTROLLER, LEGAL COUNSEL AND EMPLOYEES OF FHMI REVIEW THE FORM 990 FOR FINANCIAL AND DISCLOSURE ACCURACY PRIOR TO ITS FILING, A COPY OF THE ORGANIZATION'S 990 RETURN IS POSTED ON THE BOARD OF DIRECTOR'S SECURE WEBSITE FOR THEIR REVIEW MANAGEMENT WILL SEND AN EMAIL NOTIFYING MEMBERS OF ITS POSTING

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	FLOYD HEALTHCARE MANAGEMENT, INC (''FHMI'') HAS A WRITTEN POLICY RESPECTING CONFLICTS OF INTEREST AND DISCLOSURE OF SAME GENERALLY SPEAKING, THE POLICY REQUIRES ANY ''COVERED PERSON'' WHO BELIEVES HE HAS A CONFLICT OF INTEREST TO -DISCLOSE THE EXISTENCE AND NATURE OF THE CONFLICT OF INTEREST (INCLUDING ALL FACTS KNOWN RESPECTING THE SUBJECT MATTER) TO THE CHAIRMAN OF THE BOARD, -PLAY NO PART, DIRECTLY OR INDIRECTLY, IN THE DELIBERATION OR VOTE OF THE BOARD OF DIRECTORS WITH RESPECT TO THE DETERMINATION OF WHETHER A CONFLICT OF INTEREST EXISTS, AND -ABSENT HIMSELF FROM THAT PORTION OF THE MEETING AT WHICH THE CONFLICT OF INTEREST IS DISCUSSED THE DEFINITION OF A ''COVERED PERSON'' INCLUDES ALL BOARD MEMBERS, OFFICERS AND MEMBERS OF SENIOR MANAGEMENT OF FHMI WHEN A COVERED PERSON DISCLOSES A POTENTIAL CONFLICT OF INTEREST TO THE BOARD CHAIRMAN, THE CHAIRMAN IS OBLIGED TO BRING THE MATTER TO THE ATTENTION OF THE FULL BOARD THE BOARD DETERMINES WHETHER A CONFLICT OF INTEREST ACTUALLY EXISTS IF THE BOARD DETERMINES THAT THERE IS A CONFLICT OF INTEREST, THE TRANSACTION OR MATTER GIVING RISE TO THE CONFLICT OF INTEREST MAY NOT PROCEED UNLESS THE BOARD DETERMINES, BY A MAJORITY VOTE, THAT, DESPITE THE CONFLICT OF INTEREST, THE TRANSACTION/MATTER IS NEVERTHELESS IN THE CORPORATION'S BEST INTEREST AND IS FAIR AND REASONABLE TO THE CORPORATION IN ADDITION TO THE REQUIREMENT THAT A COVERED PERSON DISCLOSE A POTENTIAL CONFLICT OF INTEREST AT THE TIME IT ARISES, EACH COVERED PERSON IS ALSO REQUIRED TO SUBMIT, ON AN ANNUAL BASIS, A `CONFLICT AND DISCLOSURE OF INTEREST QUESTIONNAIRE' THIS MULTI-QUESTION DOCUMENT SERVES AS A REMINDER AND PROMPTS EACH COVERED PERSON TO PONDER THOSE AREAS AND SITUATIONS WHERE A POTENTIAL CONFLICT MIGHT EXIST ADDITIONALLY, ANY PROPOSED TRANSACTION AT FHMI WHICH INVOLVES AN ''INSIDER'' (I E., A BOARD MEMBER, OFFICER, MANAGER, ETC) IS SCRUTINIZED, WITH THE ASSISTANCE OF CORPORATE LEGAL COUNSEL, FROM THE STANDPOINT OF WHETHER THE TRANSACTION WILL RESULT IN ANY EXCESS BENEFIT TO THE INSIDER TYPICALLY THIS INVOLVES OBTAINING APPROPRIATE DATA REGARDING COMPARABILITY WHICH IS PROVIDED TO THE BOARD FOR ITS USE IN DETERMINING THAT THE CONSIDERATION BEING PAID TO THE INSIDER AS A PART OF THE TRANSACTION IS REASONABLE AND DOES NOT EXCEED THE VALUE OF THE BENEFIT RECEIVED BY FHMI

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	IT IS THE RESPONSIBILITY OF THE COMPENSATION COMMITTEE OF FLOYD HEALTHCARE MANAGEMENT, INC BOARD TO ACTIVELY MANAGE AND MONITOR EXECUTIVE COMPENSATION TO DO SO, THE COMMITTEE HAS ESTABLISHED THE FOLLOWING OBJECTIVES FOR THE EXECUTIVE COMPENSATION PROGRAM -PROVIDE A COMPETITIVE TOTAL COMPENSATION EARNING OPPORTUNITY TO RECRUIT, RETAIN, AND REWARD THE EXECUTIVES NEEDED TO MEET THE COMMUNITY'S HEALTHCARE NEEDS, NOW AND IN THE FUTURE, -PROVIDE PAY OPPORTUNITIES THAT WILL REWARD THE EXECUTIVE TEAM WHEN ORGANIZATIONAL PERFORMANCE IN KEY AREAS IS DEMONSTRATED, -INCENTIVE COMPENSATION UNDER THE EXECUTIVE INCENTIVE COMPENSATION PLAN IS PAYABLE ONLY IN THE EVENT THE ORGANIZATION'S OPERATING MARGIN FROM OPERATING REVENUE EXCEEDS CERTAIN PARAMETERS ESTABLISHED BY THE COMPENSATION COMMITTEE, -ENSURE THAT THE COMPENSATION PROGRAMS ARE EASY FOR ALL INTERESTED PARTIES TO UNDERSTAND ANNUALLY, THE COMMITTEE REVIEWS THE APPROPRIATENESS OF THE TOTAL COMPENSATION PROVIDED TO EACH EXECUTIVE -AS RELATED TO THE COMPETITIVE MARKET PAY RATES, -AS RELATED TO THE INDIVIDUAL'S ROLE AND RESPONSIBILITY IN THE ORGANIZATION, -AS IT PERTAINS TO VARIABLE OR INCENTIVE EARNING OPPORTUNITIES RELATING TO THE PERFORMANCE OF THE ORGANIZATION TO DETERMINE THE MARKET RATES FOR EACH POSITION, THE COMMITTEE UTILIZES AN OUTSIDE CONSULTANT TO SURVEY COMPARABLE ORGANIZATIONS TO DEVELOP AN APPROPRIATE RANGE OF PAY FOR EACH EXECUTIVE POSITION THIS RANGE GENERALLY REFLECTS THE PAY PRACTICES AND LEVELS OF COMPARABLE ORGANIZATIONS IN GEORGIA, THE SOUTHEAST, AND ACROSS THE COUNTRY SPECIFICALLY, THE COMMITTEE REVIEWS DATA FOR MARKET RATES OF BASE SALARY AND TOTAL COMPENSATION (THE COMBINATION OF BASE SALARY AND BONUSES) AFTER REVIEWING THIS DATA, THE COMMITTEE ASSESSES THE APPROPRIATENESS OF THE BASE PAY LEVELS FOR EACH EXECUTIVE WITHIN A RANGE THAT GENERALLY REFLECTS INDUSTRY NORMS IN ADDITION TO MONITORING BASE SALARIES, THE COMMITTEE IS RESPONSIBLE FOR ADMINISTERING THE EXECUTIVE INCENTIVE COMPENSATION PROGRAM THE PROGRAM IS DESIGNED TO -FURTHER ALIGN EXECUTIVE PAY WITH THE STRATEGIC AND OPERATIONAL ACHIEVEMENTS OF THE ORGANIZATION, -WHEN THE ORGANIZATION ACHIEVES RESULTS IN KEY AREAS OF PERFORMANCE, TO APPROPRIATELY REWARD EXECUTIVES ACCORDING TO THAT PROGRAM, THE COMMITTEE HAS ALSO ESTABLISHED SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAMS (SERPS) THESE SERPS WERE DESIGNED WITH THE ADVICE AND HELP OF CONSULTANTS AND ARE DESIGNED TO RETAIN AND REWARD EXECUTIVES WITH RETIREMENT OPPORTUNITIES THAT ARE CONSISTENT WITH MARKET PRACTICES IN GEORGIA, THE SOUTHEAST, AND ACROSS THE COUNTRY IN 2001, THESE PLANS VESTED TWO EXECUTIVES IT IS THE PHILOSOPHY OF THE FHMI BOARD THAT THE COMBINATION OF THE INCENTIVE EARNING OPPORTUNITY, THE BASE SALARY, AND THE SERPS WILL PROVIDE A COMPETITIVE COMPENSATION LEVEL TO EACH EXECUTIVE THAT REFLECTS THE MARKET FOR EACH POSITION AND ORGANIZATION PERFORMANCE THE COMMITTEE HAS DEVELOPED THE PROGRAM TO RECRUIT, RETAIN, AND REWARD EXECUTIVES IN ORDER TO MEET THE PRESENT AND FUTURE NEEDS OF THE ORGANIZATION TO PROVIDE A HIGH QUALITY OF PATIENT CARE TO THE COMMUNITY IN A COST EFFECTIVE MANNER

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	SEE NARRATIVE UNDER PART VI, LINE 15A

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC WHEN THE REQUEST IS MADE AT THE ADMINISTRATIVE OFFICE OF THE FILING CORPORATION

Identifier	Return Reference	Explanation
RELATED ORGANIZATIONS	FORM 990, PAGE 7, PART VII	AVERAGE HOURS DEVOTED TO RELATED ORGANIZATIONS BILL WIGLEY 1 HOUR CARL HERRING 1 HOUR GARRY FRICKS 1 HOUR GEORGE BOSWORTH, MD 1 HOUR JERRY NORMAN 2 HOURS JOHN MAYES 2 HOURS MARK MANIS 2 HOURS ROGER SUMNER 2 HOURS SAM FREEMAN 2 HOURS TIM MAHANAY 2 HOURS WESLEY JOHNSON 1 HOUR LARRY KUGLAR 1 HOUR FRANK SHELLEY 1 HOUR KURT STUENKEL 4 HOURS RICHARD T SHEERIN 4 HOURS FORM 990, PART VII SECTION A - COMPENSATION FROM RELATED ORGANIZATIONS MEMBERS OF THE BOARD OF DIRECTORS FOR FLOYD HEALTHCARE RESOURCES, INC , AND FOR THE HOSPITAL AUTHORITY OF FLOYD COUNTY, RELATED PARTIES OF FLOYD HEALTHCARE MANAGEMENT, INC , RECEIVE A STIPEND FOR EACH BOARD MEETING ATTENDED FOR THE 2011 TAXABLE YEAR, DIRECTORS SUMNER AND MANIS ALSO SERVED ON THE BOARD OF FLOYD HEALTHCARE RESOURCES, INC WHILE DIRECTORS NORMAN, MAYES, AND MAHANAY SERVED ON THE BOARD OF THE HOSPITAL AUTHORITY OF FLOYD COUNTY FORM 990, PART VII SECTION A - COMPENSATION DR CARL HERRING BOARD MEMBER CARL HERRING, MD IS A PRACTICING NEUROSURGEON WHO HAS CLINICAL PRIVILEGES AT FLOYD MEDICAL CENTER (FMC) AS SUCH, HE IS A PARTY TO A CONTRACT UNDER WHICH FMC PAYS THE NEUROSURGEONS ON ITS MEDICAL STAFF A PER DIEM FOR COVERING TRAUMA CALL IN THE EMERGENCY ROOM UNDER THIS CONTRACT, THE NEUROSURGEON COVERING CALL FOR THE DAY DURING CALENDAR YEAR 2011 WAS PAID A PER DIEM OF 2,000 FMC HAS DETERMINED WITH THE ASSISTANCE OF OUTSIDE EXPERT VALUATION CONSULTANTS THAT THIS AMOUNT IS CONSISTENT WITH FAIR MARKET VALUE ADDITIONALLY, DR HERRING IS AN EMPLOYEE AND SHAREHOLDER IN THE HARBIN CLINIC, LLC, A 140+ DOCTOR MULTI-SPECIALTY GROUP MEDICAL PRACTICE FMC HAS NUMEROUS CONTRACTS WITH HARBIN CLINIC UNDER WHICH HARBIN SUPPLIES ITS PHYSICIANS TO SERVE AS MEDICAL DIRECTORS OF VARIOUS DEPARTMENTS AND SERVICE LINES AT FMC, INCLUDING RESPIRATORY THERAPY, BARIATRICS, NEUROLOGY, VASCULAR LAB, HOSPICE, BREAST CENTER, INPATIENT REHAB, INFECTIOUS DISEASE, ETC UNDER THESE CONTRACTS HARBIN CLINIC IS PAID FAIR MARKET COMPENSATION BASED ON AN HOURLY RATE FOR THE ACTUAL TIME EXPENDED BY ITS PHYSICIANS IN THE PERFORMANCE OF THE DUTIES CALLED FOR IN THESE CONTRACTS OTHER COMMENTS & DISCLOSURES FLOYD MEDICAL CENTER IS A 300+ BED GENERAL, ACUTE-CARE HEALTH INSTITUTION, OFFERING A WIDE RANGE OF SPECIALIZED SERVICES AND PROGRAMS SUCH SERVICES AND PROGRAMS INCLUDE ACUTE, MEDICAL/SURGICAL CARE, AMBULANCE SERVICE, BLOOD BANK, CANCER CARE UNIT, CARDIOVASCULAR LABORATORY, CORONARY CARE UNIT, CHAPLAIN SERVICE, CHEMICAL DEPENDENCY UNIT, CRISIS INTERVENTION, CT SCANNER, DIABETES CARE UNIT, LITHOTRIPSY, MEDICAL/SURGICAL INTENSIVE CARE, MAGNETIC RESONANCE IMAGING, NEUROLOGY, LEVEL III NEWBORN NURSERY/NEONATAL INTENSIVE CARE UNIT, OB/GYN, ORTHOPEDIC SURGERY, OUTPATIENT SURGERY CENTER, PATIENT REPRESENTATIVES, PEDIATRIC CARE, PHARMACY, DIAGNOSTIC RADIOLOGY, A 24-HOUR EMERGENCY SERVICE, ENDOSCOPIC LABORATORY, FAMILY PRACTICE RESIDENCY PROGRAM, PRIMARY CARE PHYSICIAN NETWORK, HEALTH EDUCATION AND PROMOTION, HOSPITAL AUXILIARY, INDUSTRIAL MEDICINE PROGRAM, INPATIENT REHABILITATION UNIT, LAPAROSCOPIC CHOLECYSTECTOMY SURGERY, LASER SURGERY, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH THERAPY, POISON CONTROL CENTER, POST-OPERATIVE RECOVERY ROOM, PROGRESSIVE INTENSIVE CARE UNIT, RESPIRATORY CARE SERVICES, SOCIAL WORK SERVICES, ULTRASOUND, CONGESTIVE HEART FAILURE CLINIC, WOUND OSTOMY CLINIC, BREAST CENTER, MOBILE MAMMOGRAPHY DURING FISCAL YEAR 2012, PATIENT DAYS AT FLOYD MEDICAL CENTER TOTALED 73,189 AND DISCHARGES TOTALED 13,878 FLOYD MEDICAL CENTER PROVIDED APPROXIMATELY 68,204,000 IN DIRECT CHARITY AND INDIGENT CARE, AND IT INCURRED UNREIMBURSED MEDICARE AND MEDICAID ADJUSTMENTS OF 256,414,000 AND 134,850,000 RESPECTIVELY A COPY OF THE REPORT TO THE COMMUNITY FOR FLOYD MEDICAL CENTER CAN BE FOUND AT WWW FLOYD ORG/ABOUT/INDEX HTM

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	INCREASES IN NET ASSETS AMORTIZATION OF ACTUARIAL LOSS 1,297,067 AMORTIZATION OF PRIOR SERVICE CREDIT 29,062 DECREASES IN NET ASSETS CURRENT YEAR ACTUARIAL LOSS 19,500,155 UNREALIZED LOSS ON INVESTMENTS 226,729 TOTAL CHANGES IN NET ASSETS 18,400,755

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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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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) FLOYD EMERGENCY PHYSICIANS LLC 304 TURNER MCCALL BLVD ROME, GA 30161 05-0608795	ER SVC	GA	5,730,078	2,485,514	FHMI
(2) FLOYD PHYSICIANS LLC 304 TURNER MCCALL BLVD ROME, GA 30161 20-5415285	SPEC PHYS	GA	2,232,032	885,337	FHMI

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) HOSPITAL AUTHORITY OF FLOYD COUNTY 304 TURNER MCCALL BLVD ROME, GA 301610233 58-6001173	HEALTHCARE	GA	501C3	3	NA		No
(2) FLOYD HEALTHCARE RESOURCES INC 304 TURNER MCCALL BLVD ROME, GA 301610233 58-2010524	HEALTHCARE	GA	501C3	9	NA		No
(3) HOSPITAL AUTHORITY OF FLOYD COUNTY SELF INSURANCE TRUST 304 TURNER MCCALL BLVD ROME, GA 301610233 58-6140617	TRUST	GA	501C3	11	FHMI		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
(1) NORTHWEST GA COMMUNITY CARE NETWORK 402 EAST 2ND AVENUE ROME, GA 30161 58-2076826	MNGD CARE	GA	N/A				
(2) FLOYD HEALTH VENTURES INC 304 TURNER MCCALL BLVD ROME, GA 30162 58-1925982	MED SVCS	GA	N/A				

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

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

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	**1a**	**No**
b	Gift, grant, or capital contribution to related organization(s)	**1b**	**No**
c	Gift, grant, or capital contribution from related organization(s)	**1c**	**No**
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**	**No**
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**	**Yes**
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**	**No**
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) FLOYD EMERGENCY PHYSICIANS	N	4,901,578	GENERAL LEDGER
(2) FLOYD EMERGENCY PHYSICIANS	P	4,800,872	GENERAL LEDGER
(3) FLOYD PHYSICIANS LLC	N	1,711,010	GENERAL LEDGER
(4) FLOYD PHYSICIANS LLC	P	2,050,000	GENERAL LEDGER
(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 INFORMATION	SCHEDULE R	PART I DISREGARDED ENTITIES IN SEPTEMBER 2004 FLOYD HEALTHCARE MANAGEMENT INC FHMI SPONSORED THE CREATION OF FLOYD EMERGENCY PHYSICIANS LLP FEP A GEORGIA LIMITED LIABILITY COMPANY FHMI IS THE SOLE MEMBEROWNER OF FEP AND HAS THE SOLE AUTHORITY TO APPOINT FEPS FIVEPERSON BOARD OF DIRECTORS FEP WAS FORMED FOR THE PURPOSE OF HIRING OR OTHERWISE ENGAGING EMERGENCY PHYSICIANS TO PROVIDE PROFESSIONAL MEDICAL SERVICES TO PATIENTS PRESENTING TO FLOYD MEDICAL CENTERS EMERGENCY CARE CENTER IN AUGUST 2006 FHMI SPONSORED THE CREATION OF FLOYD PHYSICIANS LLC FP A GEORGIA LIMITED LIABILITY COMPANY FHMI IS THE SOLE MEMBEROWNER OF FP AND HAS THE SOLE AUTHORITY TO APPOINT FPS FIVEPERSON BOARD OF DIRECTORS FP WAS FORMED FOR THE PURPOSE OF HIRING OR OTHERWISE ENGAGING PHYSICIANS TO PROVIDE PROFESSIONAL MEDICAL SERVICES TO PATIENTS PART IV TAXABLE SUBSIDIARIES IN DECEMBER OF 1990 THE HOSPITAL AUTHORITY OF FLOYD COUNTY GEORGIA AUTHORITY SPONSORED THE CREATION OF FLOYD HEALTH VENTURES I INC VENTURES A GEORGIA NONPROFIT TAXABLE CORPORATION VENTURES I HAS A FOURPERSON BOARD OF DIRECTORS THE MEMBERS OF WHICH ARE APPOINTED BY THE AUTHORITY BECAUSE VENTURES I IS A NONPROFIT NONSTOCK CORPORATION THE AUTHORITY DOES NOT HAVE AN OWNERSHIP INTEREST VENTURES HAS BEEN INACTIVE FOR A NUMBER OF YEARS NORTHWEST GEORGIA COMMUNITY CARE NETWORK INC DBA GEORGIA HEALTH PLUS INC CEASED OPERATION IN SEPTEMBER 2002 THE FINAL DISTRIBUTION HAS NOT BEEN MADE AT THIS TIME THERE WERE NO TRANSFERS BETWEEN FHMI AND TAXABLE SUBSIDIARIES

FLOYD HEALTHCARE MANAGEMENT, INC.
ROME, GEORGIA

COMBINED FINANCIAL STATEMENTS

for the years ended June 30, 2012 and 2011

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Draffin & Tucker, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Member
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Floyd Healthcare Management, Inc.
Rome, Georgia

We have audited the accompanying combined balance sheets of Floyd Healthcare Management, Inc. as of June 30, 2012 and 2011, and the related combined statements of operations and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We have conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Floyd Healthcare Management, Inc. as of June 30, 2012 and 2011, and the results of their operations and changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Continued

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As discussed in Note 1 to the combined financial statements, the Corporation changed its presentation of revenues and provision for doubtful accounts as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities.*

Draffin & Tucker, LLP

Albany, Georgia
October 22, 2012

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED BALANCE SHEETS, June 30, 2012 and 2011

	2012	2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 21,216,985	$ 10,110,165
Assets limited as to use	7,208,786	10,041,722
Patient accounts receivable, net of estimated uncollectibles of $155,000,000 in 2012 and $148,000,000 in 2011	49,651,985	47,957,467
Inventories	10,156,932	9,641,637
Other current assets	10,197,821	6,317,317
Total current assets	98,432,509	84,068,308
Assets limited as to use:		
By board for capital improvements	40,739,757	43,030,600
Under malpractice funding arrangement - held by trustee	4,704,998	5,682,978
Under indenture agreement - held by trustee	10,197,576	9,735,904
Total assets limited as to use	55,642,331	58,449,482
Less amount required to meet current obligations	7,208,786	10,041,722
Noncurrent assets limited as to use	48,433,545	48,407,760
Property, plant and equipment, net	171,816,042	168,246,690
Other assets:		
Unamortized bond issue costs	1,255,540	1,295,904
Due from the Hospital Authority of Floyd County	599,424	-
Other	3,694,679	3,645,395
Total other assets	5,549,643	4,941,299
Total assets	$ 324,231,739	$ 305,664,057

	2012	2011
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	$ 1,633,731	$ 2,526,108
Accounts payable	13,233,580	11,789,840
Short-term notes payable	7,793,670	7,429,914
Estimated third-party payor settlements	2,556,059	2,421,103
Accrued expenses:		
Salaries and compensation	7,373,452	6,605,647
Employee benefits	10,925,541	8,669,225
Other	9,587,035	11,829,670
Total current liabilities	53,103,068	51,271,507
Due to the Hospital Authority of Floyd County	-	8,532,887
Long-term debt, net of current portion	130,501,970	112,512,087
Noncurrent pension liability	32,398,591	13,885,361
Total liabilities	216,003,629	186,201,842
Net assets – unrestricted	108,228,110	119,462,215
Total liabilities and net assets	$ 324,231,739	$ 305,664,057

See auditor's report and notes to financial statements.

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS
for the years ended June 30, 2012 and 2011

	2012	2011
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	$ 344,941,459	$ 331,080,123
Provision for bad debt	(33,715,038)	(29,913,260)
Net patient service revenue	311,226,421	301,166,863
Other operating revenue	6,729,675	6,823,695
Total revenues, gains and other support	317,956,096	307,990,558
Expenses:		
Operating expenses	281,734,003	274,750,747
Depreciation and amortization	22,277,120	19,438,798
Interest	5,929,019	5,728,382
Total expenses	309,940,142	299,917,927
Operating income	8,015,954	8,072,631
Nonoperating income (expense):		
Investment income	2,431,169	3,798,740
Loss on defeasance	(687,254)	-
Total nonoperating income	1,743,915	3,798,740
Excess of revenues over expenses	9,759,869	11,871,371

Continued

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS, Continued
for the years ended June 30, 2012 and 2011

	2012	2011
Contributions for capital improvement and expansion	$ 451,500	$ 897,500
Defined benefit pension plan:		
Current year actuarial gain (loss)	(19,500,155)	3,978,708
Amortization of actuarial loss	1,297,067	2,130,735
Amortization of prior service credit	29,062	29,062
Equity transfer to fund Hospital Authority of Floyd County Pension Plan	(1,817,877)	(1,942,265)
Equity transfer to Hospital Authority of Floyd County for Polk Medical Center	(1,453,571)	-
Increase (decrease) in net assets – unrestricted	(11,234,105)	16,965,111
Net assets – unrestricted, beginning of year	119,462,215	102,497,104
Net assets – unrestricted, end of year	$ 108,228,110	$ 119,462,215

See auditor's report and notes to financial statements.

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED STATEMENTS OF CASH FLOWS
for the years ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Change in net assets	$(11,234,105)	$ 16,965,111
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Proceeds from contributions for capital improvements and expansion	(451,500)	(897,500)
Loss on defeasance	687,254	-
Depreciation and amortization	22,277,120	19,438,798
Provision for bad debts	33,715,038	29,913,260
Unrealized (gain) loss on investments	226,729	(1,296,791)
Changes in:		
Patient accounts receivable	(35,409,556)	(36,971,387)
Inventories and other assets	(4,445,083)	(976,760)
Accounts payable, accrued expenses, and other current liabilities	2,225,226	3,533,884
Estimated third-party payor settlements	134,956	316,710
Due to the Hospital Authority of Floyd County	(9,132,311)	(89,000)
Noncurrent pension liability	18,513,230	(2,588,222)
Net cash provided by operating activities	17,106,998	27,348,103
Cash flows from investing activities:		
Purchase of property and equipment	(25,823,703)	(29,237,046)
Proceeds from sale of investments	71,293,974	53,048,935
Purchase of investments	(68,713,552)	(54,313,216)
Net cash used by investing activities	(23,243,281)	(30,501,327)

Continued

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED STATEMENTS OF CASH FLOWS, Continued
for the years ended June 30, 2012 and 2011

	2012	2011
Cash flows from financing activities:		
Proceeds from short-term debt	$ 17,846,648	$ 14,706,000
Payment on short-term debt	(17,482,892)	(15,193,086)
Payment on long-term debt	(37,515,063)	(2,346,336)
Proceeds from issuance of long-term debt	54,815,796	250,000
Proceeds from contributions for capital improvements and expansion	451,500	897,500
Payment for issuance of long-term debt	(872,886)	-
Net cash provided (used) by financing activities	17,243,103	(1,685,922)
Net increase (decrease) in cash and cash equivalents	11,106,820	(4,839,146)
Cash and cash equivalents, beginning of year	10,110,165	14,949,311
Cash and cash equivalents, end of year	$ 21,216,985	$ 10,110,165

Supplemental disclosures of cash flow information:

- Cash paid for interest in 2012 and 2011 was $6,874,000 and $5,792,000, respectively.
- The Corporation entered into capital lease obligations in the amount of $6,983,000 for new building space in 2011.

See auditor's report and notes to financial statements.

1. Summary of Significant Accounting Policies

Organization

Floyd Healthcare Management, Inc., a Georgia not-for-profit Corporation, (Corporation) provided management services to the Hospital Authority of Floyd County through December 31, 1997 pursuant to a management agreement. The following entities comprised the Hospital Authority of Floyd County (Authority) prior to a lease of the facilities as described below: Floyd Medical Center, an acute care hospital providing inpatient, outpatient, primary care and home health services; Floyd Behavioral Health Center, a long-term care psychiatric facility; and Heyman HospiceCare at Floyd.

Pursuant to the Lease, Transfer and Reversion Agreement between Hospital Authority of Floyd County and Floyd Healthcare Management, Inc. (Lease) the Authority leased the above described operations and substantially all of its net assets to Floyd Healthcare Management, Inc., effective January 1, 1998. The Corporation sold the home healthcare services in 2007. The above mentioned management agreement was replaced and superseded by the Lease. The consideration to be paid by the Corporation consists primarily of: payment of principal and interest on the Hospital Authority of Floyd County Revenue Anticipation Certificates; payment equal to the contribution which the Authority is required to make to satisfy minimum funding obligations under the Authority's Pension Plan with respect to benefits which had accrued under such plan prior to the Lease; and the provision of healthcare services to indigent, charity and other needy patients equal but not limited to a minimum dollar amount annually as set forth in the Lease.

During 2012, the Authority and the Corporation entered into a lease agreement with Cedartown-Polk County Hospital Authority (Cedartown-Polk Authority) to lease all of the assets associated with Polk Medical Center, a Critical Access Hospital providing inpatient and outpatient services. The lease had an effective date of April 1, 2012, at which time the assets and operations of Polk Medical Center transferred to the Authority. Upon signing the lease, the Corporation created a Georgia nonprofit corporation called Polk Medical Center, Inc. (PMCI) to manage the day to day operations of Polk Medical Center. The Corporation will manage Polk Medical Center for the Authority through a management agreement. The Corporation is the sole member of PMCI. Pursuant to the lease, PMCI will apply for a Certificate of Need to build a new hospital to be owned by Cedartown-Polk Authority to replace the current facilities at Polk Medical Center at no cost to Cedartown-Polk Authority.

Continued

1. Summary of Significant Accounting Policies, Continued

Organization, Continued

The combined financial statements include the accounts of the Corporation and its affiliates, Floyd Medical Center (the Hospital), Floyd Behavioral Health, Floyd Primary Care, Heyman HospiceCare at Floyd, Floyd Emergency Physicians, Floyd Emergency Medical Services, Floyd Retail Services, Floyd Neonatology Physicians, LLC and Polk Medical Center, Inc. Significant intercompany transactions have been eliminated.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less.

The Corporation routinely invests its surplus operating funds in money market mutual funds. These funds generally invest in highly liquid U. S. government and agency obligations.

Continued

1. Summary of Significant Accounting Policies, Continued

Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Corporation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts, service dates, and service type and provides an allowance for doubtful accounts and a provision for bad debts, if necessary, based on the anticipated reimbursement. Management also reviews subsequent collection activity to assess the accuracy of the allowance estimated. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Corporation records a significant provision for bad debts in the period of service on the basis of prior payments, service date, service type, and its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's allowance for doubtful accounts for self-pay patients was 95% and 99% of self-pay accounts receivable at June 30, 2012 and 2011, respectively. In addition, the Hospital's self-pay writeoffs, including writeoffs for charity and indigent patients, increased approximately $6,000,000 from $84,000,000 for fiscal year 2011 to $90,000,000 for fiscal year 2012. The increase in writeoffs was mostly attributed to an increase in charity and indigent care writeoffs for 2012. The Hospital has not changed its charity care or uninsured discount policies during fiscal years 2012 or 2011.

Risk Management

The Corporation is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. The Corporation is self-insured for employee health and accident benefits and medical malpractice claims and judgments, as discussed in Note 8. The provisions for estimated claims under self-insurance plans include estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Continued

1. Summary of Significant Accounting Policies, Continued

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities.

Inventory

Inventories are valued at lower of cost or market, as determined by the first-in, first-out method.

Assets Limited As To Use

Assets limited as to use include assets set aside by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes; assets held by a trustee for malpractice payments and assets held by trustees under indenture agreements. Amounts required to meet current liabilities of the Corporation have been reclassified in the balance sheet at June 30, 2012 and 2011.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Continued

1. Summary of Significant Accounting Policies, Continued

Deferred Financing Cost

Costs related to the issuance of the 2003, 2012A and 2012B Revenue Certificates were deferred and are being amortized using the effective interest method over the life of the related debt. The costs related to the issuance of the 2009 Revenue Certificates were deferred and are being amortized over the life of the related debt using the straight-line method, which approximates the effective interest method.

Excess of Revenues Over Expenses

The statement of operations and changes in net assets includes excess of revenues over expenses as a performance indicator. Changes in unrestricted net assets which are excluded from the performance indicator, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, defined benefit actuarial gains and losses and the resulting amortization associated with those gains and losses, defined benefit prior service costs and credits and the resulting amortization associated with those costs and credits, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Net Patient Service Revenue

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement arrangements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Continued

1. Summary of Significant Accounting Policies, Continued

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Income Taxes

The Corporation is a not-for-profit corporation that has been recognized as tax-exempt pursuant to Section 501(c)3 of the Internal Revenue Code.

The Corporation applies accounting policies that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by the relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Corporation only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Based on the results of management's evaluation, no liability is recognized in the accompanying balance sheet for unrecognized income tax positions. Further, no interest or penalties have been accrued or charged to expense as of June 30, 2012 and 2011 or for the years then ended. The Corporation's open audit periods are for tax years ended 2009-2011.

Continued

1. Summary of Significant Accounting Policies, Continued

Impairment of Long-Lived Assets

The Corporation evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounted estimated future cash flows using an appropriate interest rate. The Corporation has not recorded any impairment charges in the accompanying combined statements of operations and changes in net assets for the years ended June 30, 2012 and 2011.

Fair Value Measurements

FASB ASC 820, *Fair Value Measurement and Disclosures* defines fair value as the amount that would be received for an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

FASB ASC 820 describes the following three levels of inputs that may be used:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

- Level 2: Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

- Level 3: Unobservable inputs when there is little or no market data available, thereby requiring an entity to develop its own assumptions. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Continued

1. Summary of Significant Accounting Policies, Continued

Subsequent Event

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through October 22, 2012, the date the financial statements were issued.

Prior Year Reclassifications

Certain reclassifications have been made to the fiscal year 2011 combined financial statements to conform to the fiscal year 2012 presentation. These reclassifications had no impact on the change in net assets in the accompanying financial statements.

Recently Issued Accounting Pronouncement

In 2012, the Corporation adopted the provisions of FASB Accounting Standards Update (ASU) No. 2011-7, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The ASU requires health care entities to change the presentation of the statement of operations by reclassifying the provision for doubtful accounts from an operating expense to a deduction from patient service revenues. All periods presented in these financial statements and notes to financial statements have been reclassified in accordance with ASU.

In 2012, the Corporation adopted the provisions of Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*. Under the ASU, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities are to be presented separately on the balance sheet. The Corporation's adoption of the ASU did not have a material effect on the financial statements.

2. Net Patient Service Revenue

The Corporation has arrangements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. The Corporation does not believe that there are any significant credit risks associated with receivables due from third-party payors.

Continued

2. Net Patient Service Revenue, Continued

The Corporation recognizes patient service revenue associated with services provided to patients who have third-party coverage on the basis of anticipated collections and dates of service for services rendered. For uninsured patients that do not qualify for charity care, the Corporation recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Corporation records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), from these major payor sources as of June 30, 2012, is as follows:

Medicare	$ 105,486,716
Medicaid	55,133,892
Third-party payors	162,179,756
Self-pay	22,141,095
Total patient service revenue, net of contractual allowances and discounts	$ 344,941,459

A summary of the payment arrangements with major third-party payors follows:

- Medicare

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

  Outpatient services rendered to Medicare beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Continued

2. Net Patient Service Revenue, Continued

- Medicare, Continued

The Corporation is reimbursed for certain reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare Administrative Contractor (MAC). The Corporation's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Corporation. All Medicare cost reports have been audited by the MAC through June 30, 2007.

- Medicaid

Inpatient acute care services rendered to Medicaid program beneficiaries are paid at a prospectively determined rate per admission. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services rendered to the Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Corporation is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicaid fiscal intermediary. Medicaid cost reports have been audited by the Medicaid fiscal intermediary through June 30, 2009.

The Corporation contracts with certain managed care organizations to receive reimbursement for providing services to selected enrolled Medicaid beneficiaries. Payment arrangements with these managed care organizations consist primarily of prospectively determined rates per discharge, discounts from established charges, or prospectively determined per diems.

The Corporation qualified as a Medicaid disproportionate share hospital for the years 2012 and 2011 and received increased payment adjustments reflected in net patient service revenue. It is uncertain if the payment adjustments will continue in future periods. The financial statements include payment adjustments for 2012 and 2011 of approximately $4,500,000 and $5,800,000, respectively.

The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) provides for enhanced payments to Medicaid providers under the Upper Payment Limit (UPL) methodology. Subsequent to the implementation of the UPL methodology, federal budget concerns have led to reconsideration of the BIPA legislation with possible elimination of enhanced Medicaid payments. The financial statements include enhanced payments for 2012 and 2011 of approximately $700,000 and $2,600,000, respectively.

Continued

2. Net Patient Service Revenue, Continued

- Medicaid, Continued

  During 2010, the state of Georgia enacted legislation known as the Provider Payment Agreement Act (the Act) whereby hospitals in the state of Georgia are assessed a "provider payment" in the amount of 1.45% of their net patient revenue. The Act became effective July 1, 2010, the beginning of state fiscal year 2011. The provider payments are due on a quarterly basis to the Department of Community Health. The payments are to be used for the sole purpose of obtaining federal financial participation for medical assistance payments to providers on behalf of Medicaid recipients. The provider payment will result in an increase in hospital payments on Medicaid services of approximately 11.88%. Approximately $2,900,000 and $2,700,000 relating to the Act is included in operating expenses in the accompanying statement of operations for 2012 and 2011, respectively.

Revenue from the Medicare and Medicaid programs accounted for approximately 34% and 18%, respectively, of the Corporation's net patient revenue for the year ended June 30, 2012, and 32% and 16%, respectively, of the Corporation's net patient revenue for the year ended June 30, 2011. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a possibility that recorded estimates will change by a material amount in the near term.

The Corporation believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. However, there has been an increase in regulatory initiatives at the state and federal levels including the initiation of the Recovery Audit Contractor (RAC) program and the Medicaid Integrity Contractor (MIC) program. These programs were created to review Medicare and Medicaid claims for medical necessity and coding appropriateness. The RAC's have authority to pursue improper payments with a three year look back from the date the claim was paid. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

The Corporation also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Corporation under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Continued

3. Uncompensated Services

The Corporation was compensated for services at amounts less than its established rates. Charges for uncompensated services for 2012 and 2011 were approximately $681,800,000 and $633,000,000, respectively.

Uncompensated care includes charity and indigent care services of approximately $68,200,000 and $63,700,000 in 2012 and 2011, respectively. Charity and indigent care services provided to Floyd County residents in 2012 and 2011 were approximately $36,600,000 and $39,300,000, respectively. The cost of charity and indigent care services provided during 2012 and 2011 was approximately $21,300,000 and $20,100,000, respectively computed by applying a total cost factor to the charges foregone.

The following is a summary of uncompensated services and a reconciliation of gross patient charges to net patient service revenue for 2012 and 2011.

	2012	2011
Gross patient charges	$ 992,985,474	$ 934,166,584
Uncompensated services:		
Charity and indigent care	68,203,841	63,721,376
Medicare	256,413,998	239,911,065
Medicaid	134,850,461	133,393,594
Other allowances	188,575,715	166,060,426
Bad debts	33,715,038	29,913,260
Total uncompensated care	681,759,053	632,999,721
Net patient service revenue	$ 311,226,421	$ 301,166,863

Continued

4. Investments

All investments are classified as trading securities.

Investment income and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ending June 30, 2012 and 2011:

	2012	2011
Income:		
Interest and dividend income	$ 1,445,902	$ 1,899,446
Realized gain (loss) on trading securities	1,211,996	602,503
Unrealized gain (loss) on trading securities	(226,729)	1,296,791
Total	$ 2,431,169	$ 3,798,740

Assets Limited as to Use

Assets limited as to use that are required for obligations classified as current liabilities are reported in current assets. Investments are stated at fair value. The composition of assets limited as to use at June 30, 2012 and 2011 is set forth in the following table.

	2012	2011
By board for capital improvements:		
Cash and cash equivalents	$ 4,414,841	$ 5,236,820
CMO and asset backed securities	551,899	-
Mutual funds - index	7,542,810	9,623,578
Corporate bonds	12,130,344	9,877,763
Municipal bonds	1,008,430	1,014,430
Mortgage backed securities	6,227,307	8,844,055
Federal agency bonds	1,267,912	1,084,265
U.S. Treasury obligations	5,561,111	7,349,689
Investment in Babson Partnership	2,035,103	-
	40,739,757	43,030,600
By board under malpractice funding arrangement - held by trustee:		
Cash and cash equivalents	1,876,352	717,175
Certificates of deposit	2,828,646	4,965,803
	4,704,998	5,682,978

Continued

4. Investments, Continued

	2012	2011
Under indenture agreement – held by trustee:		
Cash and cash equivalents	$ 4,227,881	$ -
U.S. Treasury obligations	5,969,695	9,735,904
	10,197,576	9,735,904
Total assets limited as to use	$ 55,642,331	$ 58,449,482

The Corporation's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements.

5. Property, Plant and Equipment

A summary of property, plant and equipment at June 30, 2012 and 2011 follows:

	2012	2011
Land	$ 12,803,932	$ 10,365,210
Land improvements	5,858,034	5,650,145
Buildings	102,695,953	94,841,287
Fixed equipment	64,581,748	63,253,603
Major movable equipment	121,594,246	121,539,493
Leasehold improvements	9,368,537	5,243,901
Building under capital lease	11,474,848	11,474,848
Equipment under capital lease	274,527	274,527
	328,651,825	312,643,014
Less accumulated depreciation	172,182,299	160,989,790
	156,469,526	151,653,224
Construction in progress	15,346,516	16,593,466
Property, plant and equipment, net	$ 171,816,042	$ 168,246,690

Continued

5. Property, Plant and Equipment, Continued

Depreciation expense for the years ended June 30, 2012 and 2011 amounted to approximately $22,100,000 and $19,200,000, respectively. Accumulated amortization for equipment under capital lease obligations was $4,500,000 and $3,600,000 at June 30, 2012 and 2011, respectively. Construction contracts of approximately $11,900,000 exist at year end for the remodeling of Hospital facilities. At June 30, 2012, the remaining commitment on these contracts approximated $6,000,000.

6. Long-Term Debt

Long-term debt for the years ended June 30, 2012 and 2011 follows:

	2012	2011
Revenue Certificates, Series 2002 paid in full during 2012. The certificates were guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority.	$ -	$ 35,000,000
Revenue Certificates, Series 2003 maturing in installments of $770,000 to $1,990,000 each July 1, and continuing until 2033. The certificates are guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority. The certificates bear interest at rates per annum ranging from 3.38% to 5.00%.	28,420,000	30,100,000
Revenue Certificates, Series 2009 maturing in installments of $560,000 to $6,220,000 each July 1, beginning in 2015 and continuing until 2039. The certificates are guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority. The certificates bear interest rates per annum ranging from 5.25% to 5.50%.	40,000,000	40,000,000

Continued

6. Long-Term Debt, Continued

	2012	2011
Revenue Certificates, Series 2012A maturing in installments of $370,000 to $585,000 each July 1, beginning in 2013 and continuing until 2026 with a balloon payment of $13,380,000 on July 1, 2042. The certificates are guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority. The certificates bear interest rates per annum ranging from 2.00% to 5.00%.	$ 20,000,000	$ -
Revenue Certificates, Series 2012B maturing in installments of $1,075,000 to $1,725,000 each July 1, beginning in 2013 and continuing until 2025 with an additional payment of $3,725,000 on July 1, 2027 and with a balloon payment of $10,915,000 on July 1, 2032. The certificates are guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority. The certificates bear interest rates per annum ranging from 2.00% to 5.00%.	31,885,000	-
Notes payable with monthly payments ranging from $3,181 to $4,053, maturing October 31, 2016, secured by equipment.	182,637	224,810
Capital lease obligations, collateralized by building, with interest rates from 5.25% to 6.00% and monthly payments ranging from $13,484 to $64,388.	8,103,940	8,896,831
Total long-term debt	128,591,577	114,221,641
Unamortized bond premium	3,544,124	816,554
Less current maturities of long-term debt	1,633,731	2,526,108
Long-term debt, net of current maturities	$ 130,501,970	$ 112,512,087

Continued

6. Long-Term Debt, Continued

Scheduled principal repayments on long-term debt and payments on capital lease obligations for the next five years are as follows:

	Long-Term Debt	Capital Lease Obligation
2013	$ 812,147	$ 1,255,870
2014	2,297,147	1,342,990
2015	2,362,147	583,058
2016	3,007,346	599,368
2017	3,088,850	613,145
Thereafter	108,920,000	7,273,844
Less amount representing interest under capital lease obligation		3,564,335
Total	$ 120,487,637	$ 8,103,940

Revenue Anticipation Certificates, Series 2012A were issued to (i) finance or refinance, in whole or in part, the costs of the acquisition, construction, renovation, expansion, installation and equipping of new or existing medical and healthcare facilities and equipment of the Corporation; (ii) fund a debt service reserve fund; and (iii) pay all or a portion of the costs of issuance of the Series 2012A Certificates.

Revenue Anticipation Certificates, Series 2012B were issued to (i) refund the $35,000,000 Series 2002 Certificates; (ii) fund a debt service reserve fund; and (iii) pay all or a portion of the costs of issuance of the Series 2012B Certificates. The provision for payment of the Series 2002 Certificates constitutes a defeasance of the bonds and the lien on the related bond indentures. The defeasance resulted in a loss of approximately $687,000.

Revenue Anticipation Certificates, Series 2009 were issued to (i) finance or refinance the cost of the acquisition, construction, installation and equipping of certain additions, extensions and improvements to Floyd Medical Center; (ii) refund all of the outstanding Revenue Anticipation Certificates, Series 2005 and Series 2006; (iii) fund a debt service reserve fund securing the Series 2009 Certificates; and (iv) pay all or a portion of the costs of issuance of the Series 2009 Certificates.

Continued

6. Long-Term Debt, Continued

Revenue Anticipation Certificates, Series 2003 were issued to (i) finance or refinance the cost of the acquisition, construction, installation and equipping of certain additions, extensions and improvements to Floyd Medical Center; and (ii) refund all of outstanding Revenue Anticipation Certificates, Series 1993. Under the terms of an escrow agreement, a portion of the proceeds of the Series 2003 Certificates was deposited into an escrow fund. The escrow agent applied such monies to redeem in full the Series 1993 Certificates on December 17, 2003 at 102% of par. Remaining proceeds were used to pay the costs of issuing the Series 2003 Certificates and to fund a portion of a debt service reserve fund.

Revenue Anticipation Certificates, Series 2002 were issued to provide for the acquisition, construction, renovation, equipping and installing of certain additions of the Corporation. All proceeds are being used to pay the costs of issuing the Series 2002 Certificates and to finance the acquisition, construction, renovation, equipping and installation costs of certain facilities of the Corporation. The Series 2002 Certificates were paid in full during 2012 from the proceeds of the 2012B Certificates.

Both the Authority and the Corporation are members of the obligated group of the Revenue Anticipation Certificates Series 2012A, Series 2012B, Series 2009, and Series 2003. Additionally, if the Authority and the Corporation cannot meet their obligation under the Series 2012A, Series 2012B, and Series 2009 Certificates, Floyd County has agreed to make payments to the Certificate Trustee sufficient to guarantee the payment of the principal and interest on these certificates pursuant to Georgia law and the constitutional power of the County.

At its option, to be exercised on or before the 45th day preceding any sinking fund redemption date, the Corporation may (a) deliver to the Certificate Trustee for cancellation Series 2012A, Series 2012B, Series 2009, or Series 2003 Certificates of the appropriate maturity in any aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Series 2012A, Series 2012B, Series 2009, or Series 2003 Certificates of the appropriate maturity which prior to said date have been redeemed (otherwise than through the operation of the mandatory sinking fund obligation) and cancelled by the Certificate Trustee and not theretofore applied as a credit against any prior mandatory sinking fund redemption obligation. Each Series 2012A, Series 2012B, Series 2009, or Series 2003 Certificate so delivered or previously redeemed shall be credited by the Certificate Trustee at 100% of the principal amount thereof on the obligation of the Corporation on such sinking fund redemption date and any excess shall be credited on future sinking fund redemption obligations in such order as may be specified by the Corporation. The principal amount of such Series 2012A, Series 2012B, Series 2009, or Series 2003 Certificates to be redeemed by operation of the sinking fund shall be accordingly reduced.

Continued

6. Long-Term Debt, Continued

Under the terms of the Series 2012A, 2012B, 2009, and 2003 indentures, the Corporation is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use. The indentures also place limits on the incurrence of additional borrowings and require that the Corporation satisfy certain measures of financial performance as long as the Certificates are outstanding. In the opinion of management, all measures of financial performance have been satisfied.

Capital Lease Obligation

In 2004, the Corporation entered into a sale-leaseback agreement under which a medical office building owned by the Corporation was sold for approximately $3,600,000 to a partnership, of which the Corporation owns a 28% share. A portion of the medical office building was subsequently leased back to the Corporation pursuant to a 10-year master capital lease.

In 2011, the Corporation entered into a capital lease agreement under which the Corporation leases an office suite devoted to long-term acute care. The lease payments end in January 2031.

In 2011, the Corporation entered into a capital lease agreement under which the Corporation leases premises located within the Rome Cancer Center. The lease payments end in April 2026.

Line of Credit

The Corporation has a revolving line of credit agreement for a maximum amount of $10,000,000 bearing interest of 2.00% as of June 30, 2012. If default occurs, the lender has the right to place a lien against the Corporation's deposit accounts also held by the bank. At June 30, 2012, approximately $2,200,000 of unused borrowing remains on the line of credit.

7. Employee Benefit Plans

At January 1, 1998, the Corporation implemented a defined benefit pension plan (Plan) covering substantially all of its employees. The benefits are based on 1.75% of earnings for each year after January 1, 1998, with the total benefit subject to thirty-five years of benefit service maximum. The Corporation's funding policy is to contribute annually an amount intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Employees hired after September 30, 2005 are not eligible to participate in the Plan.

Continued

7. Employee Benefit Plans, Continued

The following table sets forth the Plan's funded status, the related changes in the defined benefit plan, and amounts recognized in the financial statements at June 30, 2012 and 2011:

	2012	2011
Plan assets at fair value	$ 61,668,703	$ 58,407,322
Projected benefit obligation	94,067,294	72,292,683
Funded status	$(32,398,591)	$(13,885,361)
Amounts recognized in the balance sheet consist of:		
Noncurrent liability	$(32,398,591)	$(13,885,361)
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 72,292,683	$ 64,192,659
Interest cost	4,303,732	3,992,124
Actuarial loss	15,949,133	2,116,590
Benefits paid	(1,633,683)	(1,276,260)
Service cost	3,155,429	3,267,570
Benefit obligation at end of year	$ 94,067,294	$ 72,292,683
Change in plan assets:		
Fair value of plan assets at beginning of year	58,407,322	47,719,076
Actuarial gain (loss)	(3,551,022)	6,095,298
Employer contribution	3,840,000	2,178,750
Benefits paid	(1,633,683)	(1,276,260)
Expected return on plan assets	4,606,086	3,690,458
Fair value of plan assets at end of year	$ 61,668,703	$ 58,407,322
Cumulative amounts recognized in unrestricted net assets consist of:		
Net actuarial loss	$ 36,198,010	$ 17,994,922
Prior service cost	230,911	259,973
	$ 36,428,921	$ 18,254,895

Continued

7. Employee Benefit Plan, Continued

The accumulated benefit obligation for the defined benefit pension plan was $88,060,000 and $67,730,000 at June 30, 2012 and 2011, respectively.

The Corporation uses a June 30th measurement date.

	2012	2011
Components of net periodic benefit cost:		
Service cost	$ 3,155,429	$ 3,267,570
Interest cost	4,303,732	3,992,124
Expected return on plan assets	(4,606,086)	(3,690,458)
Amortization of unrecognized net loss	1,297,067	2,130,735
Amortization of unrecognized prior service cost	29,062	29,062
Net periodic benefit cost	4,179,204	5,729,033
Other changes in plan assets and benefit obligations recognized in the statement of operations and changes in net assets:		
Current year actuarial (gain)/loss	19,500,155	(3,978,708)
Amortization of actuarial gain/(loss)	(1,297,067)	(2,130,735)
Amortization of prior service credit/(cost)	(29,062)	(29,062)
Total other changes	18,174,026	(6,138,505)
Total recognized in statement of operations and changes in net assets	$ 22,353,230	$(409,472)
Assumptions:		
Weighted-average assumptions used to determine benefit obligations at June 30:		
Discount rate	4.57%	5.76%
Rate of compensation increase	3.00%	3.00%
Weighted-average assumptions used to determine net periodic benefit cost for years ended June 30:		
Discount rate	5.76%	5.97%
Expected long-term return on plan assets	7.75%	7.75%
Rate of compensation increase	3.00%	3.00%

Continued

7. Employee Benefit Plan, Continued

The discount rate for pension cost purposes is the rate at which the pension obligations could be effectively settled. This rate is developed from yields on available high-quality bonds and reflects the plan's expected cash flows.

Both the assumed rate of return on assets and salary increase rate assumptions reflect long-term expectations. The assumed rate of return on assets for pension cost purposes is the weighted average of expected asset returns. The salary increase rate is based on current expectations of future pay increases.

Assumptions used to determine statutory contribution limits must be reasonable taking into account the experience of the plan and reasonable expectations. However, certain assumptions (such as interest and mortality) are either prescribed by the IRS or are subject to IRS approval. The interest rates used to determine the funding target and target normal cost are based on a high-quality corporate bond yield curve.

The gain/loss, and prior service cost/credit amount expected to be recognized in net periodic benefit cost for the 12 months beginning July 1, 2012 are as follows:

Actuarial loss	$ 3,239,574
Prior service cost	29,062
Total	$ 3,268,636

Plan Assets

The composition of plan assets at June 30, 2012 and 2011 is as follows:

	2012	2011
Asset category:		
Money market fund	$ 2,926,756	$ 2,761,625
Index fund	36,635,239	36,662,053
Balanced fund	20,071,605	-
Corporate bond	2,035,103	18,983,644
Total	$ 61,668,703	$ 58,407,322

Continued

7. Employee Benefit Plan, Continued

Plan Assets, Continued

The asset allocation at the end of 2012 and 2011, and the target allocation for 2013, by asset category:

	Target Allocation	Actual Allocation, End of Year	
Asset Category	2013	2012	2011
Equity securities	65%	59.4%	62.8%
Broad fixed income	35%	35.8%	32.5%
Other	0%	4.8%	4.7%
Total	100%	100.0%	100.0%

The Corporation's investment strategy with respect to pension plan assets is to provide a secure source of retirement income to Plan beneficiaries. The Corporation's basis used to determine expected return on assets assumption is determined from a strategic asset allocation study undertaken by an investment consultant to identify an appropriate asset mixture likely to produce a moderate growth of total asset value while managing risk through suitable diversification. The study included an analysis of various asset classes, their correlation to one another, and assumptions as to each asset class' risk and return characteristics.

The Corporation has approved the use of the following classes of marketable securities for asset allocation and investment purposes for the Plan:

- Domestic common stocks
- International (non-U.S.) common stocks
- Domestic and foreign government, mortgage-backed and corporate bonds
- Cash equivalents
- Other asset classes that the Committee may from time to time deem prudent

Continued

7. Employee Benefit Plan, Continued

The fair values of the Corporation's pension plan assets at June 30, 2012 and 2011, by asset category are as follows:

	Fair Value Measurements At June 30, 2012			
Asset Category	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Money market fund	$ 2,926,756	$ 2,926,756	$ -	$ -
Index funds	36,635,239	36,635,239	-	-
Balanced fund	20,071,605	20,071,605	-	-
Corporate bonds	2,035,103	-	2,035,103	-
Total	$ 61,668,703	$ 59,633,600	$ 2,035,103	$ -

	Fair Value Measurements At June 30, 2011			
Asset Category	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Money market fund	$ 2,761,625	$ 2,761,625	$ -	$ -
Index funds	36,662,053	36,662,053	-	-
Balanced fund	18,983,644	18,983,644	-	-
Total	$ 58,407,322	$ 58,407,322	$ -	$ -

All assets have been valued using a market approach.

Contributions

The Corporation expects to contribute $2,923,000 to its pension plan in 2013.

Continued

7. Employee Benefit Plan, Continued

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid.

Year Ended	Pension Benefits
2013	$ 1,810,358
2014	2,129,801
2015	2,462,867
2016	2,801,369
2017	3,226,578
Years 2018-2022	24,757,515

Effective December 31, 2005, the Corporation froze future accruals for active participants electing to join the defined contribution plan.

Defined Contribution Plan

Floyd Healthcare Management, Inc. established a 401(k) retirement plan effective January 1, 2006. The plan is a defined contribution 401(k) profit sharing plan covering full-time employees over the age of twenty-one with at least one year of service who are not participating in the defined benefit pension plan. Employees may contribute between 1% and 25% of their salary, subject to the maximum dollar limit allowed by the IRS. The Corporation will match 100% of the employee's contributions up to 3% of their salary plus 50% of the next 2% of the employee's contributions. The employer contributions during the fiscal years ending June 30, 2012 and 2011 were approximately $1,700,000 and $1,600,000, respectively.

Continued

8. Self-Insurance

Malpractice

In 1977, the Authority adopted a self-insurance program under which a trust fund was created to be used only for the limited purposes specified. These purposes include, but are not limited to the payment of such sums as the Authority shall become legally obligated to pay any claim up to $2 million and $4.5 million in aggregate for damages resulting from the course of operations. In 1991, a resolution was adopted to provide for payment of settlements and judgments rendered against the Corporation.

Additionally, payment is restricted to expenses incurred in connection with the investigation, adjustment, settlement, and defense of any claim or suit against such, an officer, director, member, trustee of the Authority or the Corporation. The management of the trust fund is the responsibility of a bank, functioning as an independent fiduciary. Losses from asserted and unasserted claims are accrued by the Corporation based on claims reported and estimated claims incurred but not reported as derived from the Authority's or the Corporation's risk management program. Also, the Corporation has employed outside consultants to estimate the annual contribution to the fund.

Malpractice claims in excess of the self-insurance retention limits are insured with commercial insurance carriers on a claims-made basis. The policy covers malpractice claims up to $20 million in aggregate.

Employee Hospitalization

The Corporation has a self-insurance program for employee health insurance under which a third-party administrator processes and pays claims. The Corporation reimburses the third-party administrator monthly for claims incurred and paid to other providers. The charges, less any deductibles and coinsurance for covered services provided to employees by the Corporation, are written off against gross patient service revenue. In addition, the Corporation has entered into a loss financing agreement with ten Georgia hospitals through a program developed by Georgia ADS, LLC. The program is designed to provide for the financing and payment of covered claims between $150 thousand and $500 thousand. The program also buys a reinsurance policy to cover claims reaching $1 million. Further, the Corporation purchased additional insurance to cover claims up to $5 million. Payments received from the program must be repaid over a specified period of time with interest. Under this self-insurance program, the Corporation paid or accrued and expensed approximately $3,500,000 and $3,300,000 during the years ended June 30, 2012 and 2011, respectively. The Corporation wrote off services to employees net of deductible and coinsurance of approximately $14,600,000 and $14,000,000 during the years ended June 30, 2012 and 2011, respectively.

Continued

9. Functional Expenses

The Corporation provides general health care services to residents in Northwest Georgia. Expenses related to providing these services are as follows:

	June 30,	
	2012	2011
Health care services	$ 248,794,768	$ 243,238,790
General and administrative services	61,145,374	56,679,137
Total	$ 309,940,142	$ 299,917,927

10. Fair Value of Financial Instruments

The following methods and assumptions were used by the Corporation in estimating the fair value of its financial instruments:

- Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

- Assets limited as to use: The carrying amount reported in the balance sheet approximates fair value. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

- Other assets: The carrying amount of the cash surrender value of life insurance policy reported in the balance sheet approximates fair value.

- Accounts payable and accrued expenses: The carrying amount reported in the balance sheet approximates its fair value.

- Short-term notes payable: The carrying amount reported in the balance sheet approximates its fair value.

- Estimated third-party payor settlements: The carrying amount reported in the balance sheet approximates its fair value.

- Due from (to) the Hospital Authority of Floyd County: The carrying amount reported in the balance sheet approximates its fair value.

Continued

10. Fair Value of Financial Instruments, Continued

- Long-term debt: The fair value of the Corporation's long-term debt is estimated using discounted cash flow analyses, based on the Corporation's current incremental borrowing rates for similar types of borrowing arrangements.

The carrying amounts and fair values of the Corporation's financial instruments at June 30, 2012 and 2011 are as follows:

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$ 21,216,985	$ 21,216,985	$ 10,110,165	$ 10,110,165
Assets limited as to use	$ 55,642,331	$ 55,642,331	$ 58,449,482	$ 58,449,482
Cash surrender value of life insurance policy	$ 1,469,425	$ 1,469,425	$ 1,377,424	$ 1,377,424
Accounts payable and accrued expenses	$ 41,119,608	$ 41,119,608	$ 38,894,382	$ 38,894,382
Short-term notes payable	$ 7,793,670	$ 7,793,670	$ 7,429,914	$ 7,429,914
Estimated third-party payor settlements (net)	$ 2,556,059	$ 2,556,059	$ 2,421,103	$ 2,421,103
Due from (to) the Authority	$ 599,424	$ 599,424	$(8,532,887)	$(8,532,887)
Long-term debt (excluding capital leases)	$124,031,761	$135,810,806	$106,141,364	$111,973,592

Continued

11. Fair Value Measurement

Fair values of assets measured on a recurring basis at June 30, 2012 and 2011 are as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2012				
Assets:				
Capital improvements:				
Cash and cash equivalents	$ 4,414,841	$ 4,414,841	$ -	$ -
CMO and asset backed securities	551,899	-	551,899	-
Mutual funds - index	7,542,810	7,542,810	-	-
Corporate bonds	12,130,344	11,982,510	147,834	-
Municipal bonds	1,008,430	-	1,008,430	-
Mortgage backed securities	6,227,307	-	6,227,307	-
Federal agency bonds	1,267,912	1,267,912	-	-
U.S. Treasury obligations	5,561,111	5,561,111	-	-
Investment in Babson Partnership	2,035,103	-	2,035,103	-
Malpractice funds:				
Money market fund	1,876,352	-	1,876,352	-
Certificates of deposit	2,828,646	-	2,828,646	-
Sinking fund:				
Cash and cash equivalents	4,227,881	4,227,881	-	-
U.S. Treasury obligations	5,969,695	5,969,695	-	-
Cash surrender value of life insurance policy	1,469,425	-	1,469,425	-
Total assets	$ 57,111,756	$ 40,966,760	$ 16,144,996	$ -

Continued

11. Fair Value Measurement, Continued

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2011				
Assets:				
Capital improvements:				
Cash and cash equivalents	$ 5,236,820	$ 5,236,820	$ -	$ -
Mutual funds - index	9,623,578	9,623,578	-	-
Corporate bonds	9,877,763	9,722,270	155,493	-
Municipal bonds	1,014,430	-	1,014,430	-
Mortgage backed securities	8,844,055	229,179	8,614,876	-
Federal agency bonds	1,084,265	1,084,265	-	-
U.S. Treasury obligations	7,349,689	7,349,689	-	-
Malpractice funds:				
Money market fund	717,175	-	717,175	-
Certificates of deposit	4,965,803	-	4,965,803	-
Sinking fund:				
U.S. Treasury obligations	9,735,904	9,735,904	-	-
Cash surrender value of life insurance policy	1,377,424	-	1,377,424	-
Total assets	$ 59,826,906	$ 42,981,705	$ 16,845,201	$ -

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar investments in active or inactive markets. Valuation techniques utilized to determine fair value are consistently applied.

The mortgage backed securities are primarily invested in Ginnie Mae loan mortgages and Fannie Mae papers. The Babson Limited Partnership invests in senior secured loans, other high yield loans, high yield bonds, non-investment grade fixed income or debt securities and other debt instruments as decided by the partnership's investment management. The Babson Partnership values the underlying investments each month and updates the partnership's net

Continued

11. Fair Value Measurement, Continued

assets accordingly. The majority of the partnership's investments are traded on active markets. There is no penalty or fee for a partner to redeem their share of the partnership. There are no unfunded commitments. Any distributions can be accessed monthly.

Unlisted securities will be valued at the average of the quoted bid and asked prices in the over-the-counter market. The value of each such security for which readily available market quotations exist is based on a decision as to the broadest and most representative market for such security.

Securities or other assets for which market quotations are not broad, representative or readily available will be valued at fair value in accordance with procedures established by and under the general supervision and responsibility of the investment manager or its designee. Such procedures may include the use of independent pricing services (which use prices based upon yields or prices of securities of comparable quality, type, coupon and maturity) and/or indications as to value from dealers and exchanges; provided that prices obtained from independent pricing sources, including dealers and exchanges, may be adjusted by the investment manager or its designee if, in the reasonable belief of the investment manager or its designee, a more accurate value may be obtained by reference to recent trading activity or by incorporating other relevant information (including considerations of general market conditions) that may not be reflected in pricing obtained from independent pricing sources.

12. Concentrations of Credit Risk

The Corporation, located in Northwest Georgia, grants credit without collateral to its patients substantially all of whom are local residents of Northwest Georgia and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	2012	2011
Medicare	25%	23%
Medicaid	20%	25%
Other	55%	52%
Total	100%	100%

Management considers the concentrations of credit risk with respect to accounts receivable to be limited due to the large number of patients comprising the receivables base.

Continued

12. Concentrations of Credit Risk, Continued

The Corporation maintains deposits with financial institutions which exceed the Federal Depository insurance limits. At June 30, 2012, management believes the credit risk associated with these deposits is minimal.

13. Commitments and Contingencies

Operating Leases: The Corporation leases various equipment and facilities under operating leases. Total rental expense in 2012 and 2011 for all operating leases was $5,200,000 and $5,400,000, respectively.

The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2012, that have initial or remaining lease terms in excess of one year.

Year Ending	Amount at June 30
2013	$ 2,307,000
2014	894,000
2015	364,000
2016	69,000
2017	-
Thereafter	-
Total	$ 3,634,000

Litigation: The Corporation is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporation's future financial position or results from operations.

Regulatory Compliance: The healthcare industry has recently been subjected to increased scrutiny from governmental agencies at both the federal and state level with respect to compliance with regulations. Areas of noncompliance identified at the national level include Medicare and Medicaid, Internal Revenue Service, and other regulations governing the healthcare industry. The Corporation has implemented a compliance plan focusing on such issues. There can be no assurance that the Corporation will not be subjected to future investigations with accompanying monetary damages.

Continued

13. Commitments and Contingencies, Continued

Hospital Authority of Floyd County Pension Plan: Pursuant to the Lease described in Note 1, the Corporation agreed to make an annual payment equal to the contribution which the Authority is required to make to satisfy minimum funding obligations under the Authority's Pension Plan with respect to benefits which had accrued under such plan, prior to the Lease. The pension liability as actuarially determined was approximately $8,100,000 and $8,500,000 at June 30, 2012 and 2011, respectively. The liability is included in due from the Hospital Authority of Floyd County for 2012. The liability is included in due to the Hospital Authority of Floyd County for 2011.

14. Health Care Reform

In recent years, there has been increasing pressure on Congress and some state legislatures to control and reduce the cost of healthcare on the national or at the state level. In 2010 legislation was enacted which included cost controls on hospitals, insurance market reforms, delivery system reforms and various individual and business mandates among other provisions. The costs of certain provisions will be funded in part by reductions in payments by government programs, including Medicare and Medicaid. There can be no assurance that these changes will not adversely affect the Corporation.

15. Electronic Health Record Incentive Payments

The Health Information Technology for Economic and Clinical Health Act (the HITECH Act) was enacted into law on February 17, 2009 as part of the American Recovery and Reinvestment Act of 2009 (ARRA). The HITECH Act includes provisions designed to increase the use of Electronic Health Records (EHR) by both physicians and hospitals. Beginning with federal fiscal year 2011 and extending through federal fiscal year 2016, eligible hospitals participating in the Medicare and Medicaid programs are eligible for reimbursement incentives based on successfully demonstrating meaningful use of its certified EHR technology. Conversely, those hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to reductions in Medicare reimbursements beginning in FY 2015. On July 13, 2010, the Department of Health and Human Services (DHHS) released final meaningful use regulations. Meaningful use criteria are divided into three distinct stages: I, II, III. The final rules specify the initial criteria for physicians and eligible hospitals necessary to qualify for incentive payments; calculation of the incentive payment amounts; payment adjustments under Medicare for covered professional services and inpatient hospital services; eligible hospitals failing to demonstrate meaningful use of certified EHR technology; and other program participation requirements.

Continued

15. Electronic Health Record Incentive Payments, Continued

The final rule set the earliest interim payment date for the incentive payment at May 2011. The first year of the Medicare portion of the program is defined as the federal government fiscal year October 1, 2010 to September 30, 2011.

The Corporation recognizes income related to Medicare and Medicaid incentive payments using a grant model based upon when it has determined that it is reasonably assured that the Corporation will be using EHR technology in a meaningful way for the applicable period and the cost report information is reasonably estimable.
The Corporation successfully demonstrated meeting meaningful use of its certified EHR technology on July 2, 2012. The Corporation applied for and received approval from Medicare and Medicaid notifying the Corporation qualified for approximately $6.7 million from the two programs. The Corporation received $1.3 million of these funds during fiscal year 2012. The portion of these funds yet to be received but related to the Corporation's fiscal year end were accrued and are reported in other current assets on the balance sheet and other revenues on the income statement.

Draffin & Tucker, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Floyd Healthcare Management, Inc.
Rome, Georgia

We have audited the combined financial statements of Floyd Healthcare Management, Inc. as of and for the years ended June 30, 2012 and 2011, and our report thereon dated October 22, 2012, which expressed an unqualified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The information included in this report on pages 44 to 57, inclusive, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the combined financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Draffin & Tucker, LLP

Albany, Georgia
October 22, 2012

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Medical Center

FLOYD HEALTHCARE MANAGEMENT, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND
RESULTS OF OPERATIONS
Fiscal Year Ended June 30, 2012
(Unaudited)

Summary of Financial Condition and Results of Operation

The financial results for Floyd Healthcare Management, Inc. for the fiscal year ended June 30, 2012 reflect several positive events. These events helped produce excess of revenues over expenses in the amount of $9.8 million and total revenues, gains and other support of $318 million. Management's Discussion and Analysis of Financial Condition and Results of Operations will review the financial results for fiscal year 2012, the significant events impacting financial performance and management's outlook.

Floyd Healthcare Management, Inc. recorded gross patient revenues during fiscal year 2012 of $993 million, up 6.3% over the previous year. Revenue deductions (including contractual adjustments for Medicare, Medicaid and managed care plus provisions for indigent and charity care) and bad debt expenses for the fiscal year totaled $682 million, an increase of 7.7% or 68.7% of gross patient revenues. Operating expenses for the fiscal year were $281.7 million, an increase of 2.5% over the previous year, a result of increased volume and continued Cerner electronic medical records implementation costs. Operating expenses as a percent of total revenues, gains and other support decreased from 89.2% to 88.6% in fiscal year 2012.

The operating gain on earnings before interest, depreciation and amortization (EBIDA) increased to $36.2 million in fiscal year 2012 from $33.2 million in the prior year. The EBIDA margin for fiscal year 2012 was 11.4% compared to 10.8% in the previous year. Capital expenses, including depreciation, amortization and interest were up 12.1% to $28.2 million. Total expenses for fiscal year 2012 were $309.9 million, an increase of 3.3% over fiscal year 2011. Nonoperating income and expenses included investment gains of $2.5 million.

See independent auditor's report
on supplemental information.

FLOYD HEALTHCARE MANAGEMENT, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND
RESULTS OF OPERATIONS, Continued
Fiscal Year Ended June 30, 2012
(Unaudited)

The financial performance during the fiscal year continued to be strongly influenced by uncontrollable external and internal issues. Unreasonably low Medicare payments for inpatient and outpatient services continued to impact Floyd Healthcare Management, Inc. during fiscal year 2012. Additionally, the State of Georgia's managed care program continued to reimburse Floyd at below cost. Medicare and Medicaid patients make up approximately 56% of Floyd Healthcare Management, Inc.'s patient base. In spite of challenges, Floyd Healthcare Management, Inc.'s positive financial performance for fiscal year 2012 is the result of continued process improvements and market share increase.

Floyd Healthcare Management, Inc. has been and will continue to be a vital health care resource for Rome, northwest Georgia and northeast Alabama. Management remains optimistic that the programs completed, in progress and planned will ensure the long-term growth and viability of the health care system.

The following sections of Management's Discussion and Analysis of Financial Condition and Results of Operations will provide expanded information on the financial results and significant events.

Patient Volume, Gross Revenue and Net Revenue

During fiscal year 2012, Floyd Healthcare Management, Inc. recorded total inpatient admissions of approximately 15,908, a decrease of 67 admissions over the previous year. The total is comprised of 13,998 patients admitted to the main campus facility and 1,910 admitted to Floyd Behavioral Health Center. Total inpatient days for fiscal year 2012 increased 267 days or 0.4% to 73,189. The average length of stay reduced .1 days to 4.4 days from 2011. Overall outpatient volumes of 424,695 for the system showed an increase of 13,638 or 3.3% when compared to the prior year. Included in the total is Floyd Outpatient Services with 172,763 visits and Floyd Primary Care with 220,691 visits during fiscal year 2012.

See independent auditor's report
on supplemental information.

Gross patient revenues for Floyd Healthcare Management, Inc. for the fiscal year increased to $993 million, an increase of 6.3% over the previous year. Outpatient gross revenues increased $68.1 million, an increase of 13.8% over the previous year, and represented 56.5% of gross patient revenues at year-end, up from 52.7% in the prior year. Gross patient revenues by major payor sources included Medicare, commercial insurance and Medicaid representing 36%, 32%, and 19%, respectively, for fiscal year 2012. Medicare and Medicaid revenues combined for 55% of gross patient revenues, which is up slightly from the prior year. Revenue deductions and bad debt expense combined to account for over $682.0 million in reductions from gross patient revenues during fiscal year 2012 compared to $633.0 million in fiscal year 2011. Expressed as a percent of gross patient revenue, total revenue deductions and bad debt expense for fiscal year 2012 consumed 68.7% of each gross patient revenue dollar, up from 67.8% in the prior year. Net patient service revenue increased 3.3% to $311.2 million.

Expenses

Operating expense increased 2.5% to $281.7 million in fiscal year 2012 from $274.8 million in the prior year. The ratio of operating expense to total operating revenue decreased slightly to 88.6% during fiscal 2012 from 89.2% in the prior year. Staffing expense, including salary, wages and employee benefit programs, increased 5.7% to $166.2 million. Staffing expenses represent 52.7% of the operating expenses, up from 51.6% in the prior year. Staffing expense continues to reflect sustained or growing service needs for patient care; growing pressures on the availability and costs of selected technical personnel; and overall upward market pressures on wages and employee benefit levels. Operating expenses less staffing expenses for fiscal year 2012 account for approximately $149.3 million. Total capital expenses for fiscal year 2012 were $28.2 million, up 12.1% from the prior year. The ratio of capital expense to total revenue increased to 8.9%, up from 8.2% in the prior year.

Liquidity, Investment and Debt

Unrestricted cash resources consisted of approximately $40.7 million in short and intermediate term investments and $21.2 million in operating cash for a total of $62.0 million. For fiscal year 2012, Floyd Healthcare Management, Inc. recognized investment income in the amount of $2.5 million. Operating cash as of June 30, 2012 was $21.2 million, an increase of $11.1 million over the prior year. The number of days cash on hand, measuring the equivalent days of operating expenses contained in Floyd Healthcare Management, Inc.'s unrestricted cash resources, including cash, cash equivalents, temporary investments and funded depreciation were 78.8 days as of June 30, 2012 compared to 69.2 days as of June 30, 2011.

During fiscal year 2012 Floyd Healthcare Management, Inc. received $16.5 million in net cash from the issuance of Series 2012 bonds. The net cash amount resulted from 2012 bond proceeds of $51.5 million less defeasance of the Series 2002 bond issue of $35 million.

The cumulative investment in property, plant and equipment, based on acquisition cost, was $344.0 million at June 30, 2012. Accumulated depreciation for these assets at the end of fiscal year 2012 is $172 million, yielding net property, plant and equipment of $171.8 million. The average age of plant, an accounting measurement of overall plant and equipment age decreased to 7.7 years at June 30, 2012 from 8.3 years at the end of fiscal year 2011. As of June 30, 2012 Floyd Healthcare Management, Inc. was responsible for $130.5 million in long-term debt, which includes $51.9 million for the 2012 revenue certificates, $40 million for the 2009 revenue certificates, and $28.4 million for the 2003 certificates. The debt service coverage ratio for fiscal year 2012 was 4.54, calculated in accordance with the revenue certificate covenant requirements.

Mission

Since July 4, 1942, Floyd Medical Center has provided high quality, cost-effective healthcare to the citizens of northwest Georgia. Through the years Floyd has responded to the changing needs of its growing communities by increasing capacity, updating facilities, obtaining state-of-the-art technologies and developing new services.

See independent auditor's report
on supplemental information.

Mission, Continued

In FY 2012 Floyd continued this effort. Floyd began managing Polk Medical Center, a 25-bed critical access hospital in Cedartown, Georgia, and opened new Emergency Medical Services stations at Polk Medical Center and in Lindale. In addition, Floyd expanded the Emergency Care Center at Floyd Medical Center, which sees over 75,000 patients annually, from 38 beds to 52 beds while remodeling the space and creating larger waiting rooms and more space to triage patients to reduce wait times and increase capacity. Also, Floyd introduced new patient care capabilities that enabled the hospital to be upgraded to a Level III Neonatal Intensive Care Unit. Now, even the smallest babies can receive care at Floyd Medical Center. New technologies introduced in FY 2012 include high-field open magnetic resonance imaging, three-dimensional, low-dose radiation computed tomography and electromagnetic bronchoscopy.

Community Initiatives

During 2012 Floyd continued its support of several initiatives aimed at improving the health status of low-income patients and to address the growing burden and cost of uncompensated care.

Floyd County Clinic and We Care Program

The Floyd County Clinic, which Floyd Medical Center operates through the Family Medicine Residency program, had 2,652 outpatient visits in FY 2012. The Clinic provides assistance to financially and medically indigent patients in an effort to reduce their need for emergency and inpatient hospital care. During fiscal year 2012, there were 380 outpatient visits through Floyd's We Care program. We Care, which is aimed at controlling and improving chronic conditions with preventive care, assists low-income patients without health insurance or governmental benefits.

Indigent Outpatient Pharmacy Program

Floyd provides maintenance prescription pharmaceuticals to low income uninsured outpatients at no cost to the patient through its hospital pharmacy. Any qualified low-income patients under the care of any Floyd physician, including the Family Medicine residents, Emergency Care Center physicians or Floyd Primary Care physicians are eligible to receive the prescribed medications. In FY2012, Floyd provided over $1.7 million in prescription pharmaceuticals to low income uninsured outpatients.

Financial Counseling

Financial counselors in the Emergency Care Center and outpatient services departments assisted over 1,924 low-income patients seeking eligibility for Medicaid, PeachCare and other programs. In total 18,941 individual Medicaid and PeachCare patients were treated during the year for a total of 43,618 encounters.

Free Clinic of Rome

Floyd helped to create, contributed supplies and provided seed money to fund the Free Clinic of Rome, a local organization that provides free primary medical care to low income, uninsured patients in our community. The Free Clinic traces its roots to a volunteer mission effort to provide basic medical care services to Floyd County's homeless community. Now housed at the Floyd County Health Department, patients schedule appointments with volunteer physicians, dentists and nurses and receive free lab tests (via the Floyd Medical Center laboratory) and assistance with prescription medications.

Northwest Georgia Dental Clinic

In caring for low-income, uninsured patients through our clinics and the We Care program, it became apparent that there is also a need for dental care for low-income, uninsured families in Rome and Floyd County. To help meet this need, Floyd partnered with the District Public Health office to plan and fund (in part by a Federal grant) the construction and operation of a comprehensive dental clinic for low-income residents of the region. In addition, Floyd makes its Outpatient Surgery Center facilities and staff available at no cost to dental clinic dentists to perform dental surgery on high risk patients.

Mobile Mammography

Floyd's Mobile Mammography coach, equipped with state-of-the-art digital mammography equipment, seeks to reach out to the mostly rural and underserved areas around Rome. This outreach program, which began service in November 2008, provided 2,285 mammograms to women in our service area in fiscal year 2012. Of those, 605 patients were past due for a mammogram, 144 women had never had a mammogram before and 223 screenings revealed an abnormality that required further testing. Seven women were diagnosed with cancer as a result of their visit to the mobile mammography coach. The goal of this program is to reach women who have never had a mammogram, in hope of reducing the breast cancer mortality rate in our region, which is among the highest in the nation. The coach traveled 7,873 miles in FY 2012 to women in four counties to make mammography and clinical breast exams convenient for them. This program seeks to provide services and education to these women with the goal of reducing that mortality rate and improving the lives of these women and their families.

Community Benefits

The Floyd healthcare system, which includes Floyd Medical Center, Floyd Behavioral Health Center, Floyd Primary Care, Floyd Urgent Care, Floyd Outpatient Surgery Center, Floyd Physical Therapy and Rehab, Heyman HospiceCare and numerous ancillary services, is a vital contributor to Rome, Floyd County and the entire Coosa Valley.

The Georgia Hospital Association estimates that Floyd generates more than $534.6 million in economic activity in the state, including a $119.6 million annual payroll and benefits, as well as purchases and other business relationships. The organization also is Floyd County's largest employer, with over 2,700 employees.

Services

Floyd's health care system provides a complete continuum of medical care to serve the healthcare needs of individuals in northwest Georgia and northeast Alabama through 41 physician offices, including six urgent care facilities, 20 primary care locations, a combined urgent care/primary care practice, diagnostic services, hospice, behavioral health and hospital services.

At the hub is Floyd Medical Center, a 304-bed, full-service acute care hospital and regional referral center that includes joint commission-certified specialty programs in stroke care, hip replacement surgery, knee replacement surgery and spinal surgery, a Bariatric Surgery Center of Excellence, The Breast Center at Floyd, which is a Breast Imaging Center of Excellence and a Quality Breast Center of Excellence. In addition, Floyd is a state-designated level II Trauma Center, a level III Neonatal Intensive Care Unit and has specialty centers for pediatrics and wound care and hyperbarics. Floyd is uniquely positioned to provide the full circle of care from prenatal care to grief support, and includes the following medical specialties:

- Alcohol and Chemical Dependency Services
- Bariatric Medicine, Surgery and Aftercare
- Behavioral Health
- Cardiac Catheterization

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- Cardiology
- Cardiac Rehabilitation
- Diabetes Care
- Diagnostic Radiology
- Echocardiography
- Emergency Care
- Family Medicine
- Family Medicine Residency Program
- Gynecology
- Hospice
- Hospitalist
- Hyperbarics and Wound Care
- Intensive Care
- Interventional Cardiology
- IV Therapy
- Laboratory Services
- Level III Neonatal Intensive Care Unit
- Level II Trauma Care
- Maternity Services
- Neurology
- Neuropsychology
- Neurosurgery
- Neonatal care, intermediate and intensive
- Occupational Medicine
- Oncology
- Orthopedics
- Pediatrics
- Pediatric Intermediate Care
- Pharmacy, Inpatient and Outpatient
- Pulmonary Rehabilitation
- Radiology
- Inpatient Rehabilitation Services

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- Outpatient Rehabilitation Services
- Sleep Disorders
- Surgery, Inpatient and Outpatient
- Urgent Care
- Vascular Surgery

Technology

Floyd is committed to incorporating technology into the medical setting to enhance screening and diagnostics and to improve and protect patient safety. In FY 2012 Floyd began implementing the third of three phases to bring Electronic Medical Records fully into the organization. Customized, computer-based modules ensure patients are properly identified, that appropriate medicines are dispensed, that the correct services are ordered and performed and that bills accurately reflect the services provided. The result is instantly accessible information that already has impacted the areas of quality and safety. The third phase of this initiative will fully incorporate physicians into the process.

Also in FY 2012, Floyd added three new diagnostic tools:

Electromagnetic Navigation Bronchoscopy allows physicians to locate and biopsy spots on patients' lungs using a high-tech navigation system and a tiny catheter. Floyd is only the second Georgia hospital to use this minimally invasive tool, which uses a patient's natural airways to access lesions that previously were either impossible or hard to reach. The procedure can result in quicker diagnosis and treatment of lung cancer.

Open-concept, high-field magnetic resonance imaging (MRI) provides much clearer images, eliminates the enclosed feeling that claustrophobic patients find uncomfortable and includes a dedicated breast imaging table that provides the ability to focus scans on breast tissue.

Three-dimensional, low-radiation dose computed tomography (CT) provides diagnostic imaging to larger patients and includes the ability to create higher quality, three-dimensional images of a patient's anatomy, using radiation doses of 30% to 50% less than previously available to patients in the region.

In addition, our website, www.floyd.org, serves as an instant reference to the community, providing access to information about health concerns through our health library as well as information about Floyd services, and we have begun to use social media such as YouTube, Facebook, Twitter and Linked In to find new ways to talk to our customers and direct them to quality health care.

Industry Leader

Floyd is a recognized state and national leader in customer satisfaction and employee satisfaction, and our comprehensive health care services have earned Floyd regional, state and national accolades and certifications:

- 2012 Partnership for Health and Accountability Quality and Patient Safety Award for Inpatient Diabetes Care
- 2012 Livestrong® Community Impact Project grant for Palliative Care
- 2011 VHA Georgia Regional Leadership Award for Most Transferable Clinical Improvement process
- The Floyd Family Medicine Clinic earned Patient Centered Medical Home accreditation from the National Committee for Quality Assurance
- 2012 Georgia Society for Healthcare Marketing and Public Relations. Nine Target Awards for excellence in public relations and marketing efforts.
- Disease-Specific Certification from the joint commission for spinal surgery, inpatient diabetes care and stroke care
- 2011 VHA Georgia Regional Leadership Award for Best Clinical Results and Outcomes
- 2011 VHA Georgia Regional Leadership Award for Most Sustainable Clinical Improvement process
- 2011 VHA Georgia Regional Leadership Award for Best Overall Clinical Improvement process
- 2011 VHA Georgia Regional Leadership Award for Most Innovative Operations process
- 2011 VHA Georgia Regional President's Award for winning an award in all categories.

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Community Service

Individually and corporately, Floyd continues to be actively involved in the communities where we have a presence, lending leadership, time and other valuable resources in efforts to improve the quality of life for families in Northwest Georgia and Northeast Alabama.

In fiscal year 2012, the organization's outreach into the community, along with the provision of trauma and neonatal intensive care services touched more than 232,000 people through educational programs and screenings, physical examinations for athletes, childbirth classes, support groups and publications. Floyd co-workers and volunteers contributed 138,743.25 hours to community endeavors at an expense of $1,188,997:

- 264 individuals learned about pregnancy, labor, delivery and newborn care through Floyd Medical Center's childbirth classes at a cost to the organization of $8,812
- 9,909 people received free or discounted services at community health fairs at a cost of $38,626
- Floyd staff members provided assistance to organizations like Toys for Tots and the Alzheimer's Association, spending 174 hours at a cost of $17,570
- Floyd staff members worked 516 hours at community events, football games, athletic events, environmental clean-up projects, fairs and festivals, providing medical coverage at these events at a cost of $46,248.
- 4,435 students learned about automobile safety, bicycle safety and safe play from Buckle Bear; Floyd, the Little Green Ambulance; and emergency personnel at a cost of more than $10,791.
- Medical residents provided free sports physicals for 2,063 area high school and college athletes at a cost of $5,248.
- Support groups for individuals experiencing grief and those recovering from stroke reached 102 people at a cost of $2,284.
- Floyd.org, Floyd's website, was a resource with 178,416 unique visitors seeking health information at a cost of $49,835.
- Working with 645 nursing students, Floyd staff members provided 73,700 hours of clinical education at a cost of $482,057 to the organization. Many of these students eventually accept jobs in our service area, providing much-needed medical expertise in our primary and secondary service areas.

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- Working with 182 clinical students in such areas as physical therapy, nutrition services and the pharmacy, Floyd staff members provided 40,715 hours of clinical education at a cost of $266,309.
- Working with 106 medical students studying to become physicians, Floyd staff members provided 19,400 hours of clinical education at a cost of $126,892.

Outreach

As a community hospital, Floyd is continuously looking for opportunities to reach farther into our community to meet the needs of the full spectrum of individuals who seek medical care in Northwest Georgia. We currently have several outreach programs aimed at improving access to health care in our community.

Members of the Floyd team are committed to the community in many ways. In fiscal year 2012 Floyd co-workers loaned their talents and leadership skills to school, civic and professional organizations. A partial list of the leadership roles Floyd and our employees held during 2012 includes:

- Membership Committee and Regional Captain, Georgia Hospice and Palliative Care Organization
- Executive Committee, Region C Crisis Standards of Care
- Advisory Board, Floyd Home Health Agency
- Board Member, Georgia Chapter Healthcare Financial Management Association
- Chairman, Partners Cooperative Inc.
- Preceptor, Emory University Wound, Ostomy and Continence Nursing Program
- Board Member, Georgia Society of Public Relations and Marketing
- Secretary, Georgia Hospital Association's Georgia Society for Managed Care
- Chairman, VHA Revenue Cycle Council
- Board of Directors, Georgia Hospital Health Services
- Member, Department of Community Health Hospital Advisory Committee
- Vice President, Georgia Society of Respiratory Care
- Secretary, Georgia Organization of Nurse Leaders

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- Past President, Greater Chattanooga Chapter of the Association for Professionals in Infection Control and Epidemiology
- President, American Academy of Professional Coders, Rome, Ga. Chapter
- Chairman, Georgia Hospital Association's Partnership for Health and Accountability
- Board Member, Blue Ridge Area Health Education Center
- Board Member, Development Professionals of Georgia Hospital Association
- President, Northwest Georgia Dietetic Association
- Board Member and Past President, Georgia Society for Healthcare Materials Managers
- Vice Chairman, VHA Georgia Distribution Cooperative
- Chair, VHA Performance Improvement Council
- Advisory Committee Chairman, Medical Laboratory Technician program at West Georgia Technical College
- Board Member, Blood Assurance
- Chair, Public Policy and Advocacy, Society of Vascular Nurses
- Board Member, Bartow Health Access

Perhaps most significant is the continuing commitment of Floyd to provide comprehensive health care services to all individuals regardless of ability to pay. In fiscal year 2012, $57.3 million in unreimbursed care was delivered to individuals in the form of traditional charity care and through public programs and services. The value of all community benefit activities combined totaled $61.9 million.

While these statistics represent our best efforts to quantify the myriad of services Floyd and its employees provide, the numbers in this report cannot tell the full story of Floyd and its community service. Floyd's commitment to our role as an excellent community hospital may be best illustrated by the extraordinary acts of kindness and compassion that permeate our culture. On a daily basis, the employees of Floyd realize that each encounter is an opportunity to put our mission into action.

Fiscal year 2013 begins with Floyd's continued commitment to provide the highest standards of patient care and employee satisfaction; a commitment that enables a culture of high performance and high expectations.

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Additional Data

Software ID:
Software Version:
EIN: 58-1973570
Name: FLOYD HEALTHCARE MANAGEMENT INC

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			
J ROGER SUMNER CHAIRMAN	1 00	X		X				6,000	3,000	0
JERRY NORMAN DIRECTOR	1 00	X						7,575	0	0
TIM MAHANAY DIRECTOR	1 00	X						5,475	750	0
JOHN MAYES DIRECTOR	1 00	X						6,200	0	0
WESLEY F JOHNSON DIRECTOR	1 00	X						5,875	0	0
WILLIAM V WIGLEY DIRECTOR	1 00	X						5,875	0	0
GARRY FRICKS DIRECTOR	1 00	X						4,500	0	0
JOHN S FREEMAN DIRECTOR	1 00	X						3,000	1,000	0
GEORGE BOSWORTH MD DIRECTOR	1 00	X						3,875	0	0
CARL HERRING MD DIRECTOR	1 00	X						2,750	0	0
MARK MANIS DIRECTOR	1 00	X						0	0	0
LARRY KUGLAR DIRECTOR	1 00	X						0	0	0
FRANK SHELLEY DIRECTOR	1 00	X						0	0	0
KURT STUENKEL PRES/SECRE/C	40 00			X				1,086,769	0	43,096
RICHARD T SHEERIN CFO	40 00			X				379,272	0	32,508
DEE RUSSELL MD CHIEF MED AF	40 00				X			392,897	0	8,066
WARREN RIGAS SVP COO	40 00				X			373,841	0	29,857
C WADE MONK GENERAL COUN	40 00				X			369,157	0	40,989
JOSEPH BIUSO MD VP & CMO	40 00				X			324,555	0	35,574
GREG POLLEY VICE PRESIDE	40 00				X			277,168	0	41,836
SHEILA HORNER VP & CNO	40 00				X			263,587	0	4,992
MARY MAIRE VP & CCO	40 00				X			229,827	0	55,059
REBEKAH LOWREY MD SURGICAL DIR	40 00				X			228,157	0	0
DAN SWEITZER VP MARKET DE	40 00				X			227,766	0	47,171
ALISON LAND VICE PRESIDE	40 00				X			208,919	0	15,309

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		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ROBERT PURCELL PHARMACY DIR	40 00				X			190,253	0	21,001
DAVID EARLY DIRECTOR SUP	40 00				X			160,794	0	858
BRIAN BARNETTE CIO	40 00				X			156,906	0	18,356
JOHN HARDWELL MD PHYSICIAN	50 00					X		647,809	0	2,548
LOUIS A SPENCER MD PHYSICIAN	40 00					X		611,310	0	4,680
GARRETT H BARNESMD MEDICAL DIRE	52 00					X		502,670	0	17,098
CLINE T JACKSON MD PHYSICIAN	40 00					X		446,196	0	3,822
MOLLY VICCHRILLI MD NEONATOLOGIS	40 00					X		437,408	0	3,900
CHARLOTTE DOUGHERTY FORMER CFO	0 00						X	19,582	0	0
DON TATE FORMER ADMIN	0 00						X	19,309	0	0
BG WATERS FORMER CEO	0 00						X	6,744	0	0