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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 10-01-2011 and ending 09-30-2012

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

C Name of organization
Southern Baptist Hospital of Florida Inc

Doing Business As
Baptist Medical Center
& Baptist Medical Center South

Number and street (or P O box if mail is not delivered to street address) | Room/suite
3563 Philips Hwy Bldg F Ste 608
Attn Mike Lee

City or town, state or country, and ZIP + 4
Jacksonville, FL 322075663

D Employer identification number
59-0747311

E Telephone number
(904) 202-1797

G Gross receipts $ 979,695,785

F Name and address of principal officer
A Hugh Greene
841 Prudential Dr
Aetna Bld Ste 1601
Jacksonville, FL 32207

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: ▶ e-baptisthealth com

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

L Year of formation 1965

M State of legal domicile FL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Continue the healing ministry of Christ by providing accessible, quality healthcare services at a reasonable cost in an atmosphere that fosters respect and compassion

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	7,067
6	Total number of volunteers (estimate if necessary)	**6**	258
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	504,603
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	11,476,669	2,112,659
9	Program service revenue (Part VIII, line 2g)	835,083,336	860,904,210
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,523,609	102,982,912
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	10,840,420	11,807,224
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	861,924,034	977,807,005
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,783,709	1,578,667
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	355,223,385	363,828,310
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	412,520,391	422,846,046
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	769,527,485	788,253,023
19	Revenue less expenses Subtract line 18 from line 12	92,396,549	189,553,982

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	1,434,479,806	1,707,369,604
21	Total liabilities (Part X, line 26)	794,582,173	864,980,451
22	Net assets or fund balances Subtract line 21 from line 20	639,897,633	842,389,153

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer — 2013-08-14 Date

Michael Lukaszewski CFO
Type or print name and title

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no ▶

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

Continue the healing ministry of Christ by providing accessible, quality healthcare services at a reasonable cost in an atmosphere that fosters respect and compassion

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 $ 744,668,444 including grants of $ 2,112,659) (Revenue $ 860,904,210)

The program service accomplishments for the organization are numerous and expenses often overlap Southern Baptist Hospital of Florida, Inc (SBHF) is a subsidiary of Baptist Health System, Inc (the Parent), a tax-exempt parent holding company located in Jacksonville, Florida SBHF is a tax exempt organization that operates two acute care hospitals, Baptist Medical Center (BMC) and Baptist Medical Center South (BMCS) The primary program service accomplishments by expenses are the operation of the hospitals, and the following are some of the achievements accomplished for the organization's hospitals during the year The two hospitals have 619 and 225 licensed beds, respectively BMC is a full-service, Magnet-designated tertiary care hospital representing nearly all major specialties A Magnet hospital is the highest honor a healthcare organization can receive for excellence in patient care This flagship hospital is also home to Baptist Heart Hospital, offering comprehensive, high-quality cardiovascular care, and Wolfson Children's Hospital (WCH), the only full-service tertiary hospital for children in the region, serving North Florida, South Georgia and beyond BMC is consistently rated Jacksonville's "Most Preferred Healthcare Provider" by consumers in the National Research Corporation survey BMC and BMCS were ranked No 1 among metro Jacksonville hospitals and No 5 in Florida during 2012 in U S News & World Report's 2012-2013 Best Hospitals rankings WCH is recognized year after year as one of America's Best Children's Hospitals by U S News & World Report WCH serves as the main teaching facility for the University of Florida College of Medicine's Pediatric Residency Training Program For fiscal year 2012, SBHF had 39,754 admissions accounting for 198,727 patient days, 179,568 emergency room visits, and 68,326 home health visits SBHF's primary focus is addressing unmet health needs, particularly among vulnerable populations who have limited health resources and access to health care SBHF's community health efforts are guided by the Community Health Committee, which is comprised of selected BHS board members from across our health system A cornerstone of SBHF's commitment to the community is caring for the health of vulnerable, uninsured and underserved people among us During fiscal year 2012, SBHF provided the following uncompensated care and community benefit (1) Charity care - $27 8 million, (2) Unreimbursed Medicaid Costs - $47 0 million, (3) Unreimbursed Medicare Costs - $31 6 million, (4) Specific Community Programs - $9 2 million, and (5) Unreimbursed Bad Debt Expenses - $4 9 million, for a total of $120 million of uncompensated care and community benefits

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

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

4d Other program services (Describe in Schedule O)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ $ 744,668,444

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	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		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**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
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**	400		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	7,067			
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	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9		
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		Yes	
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		Yes	
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		No
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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 ▶

Scott Finnegan
841 Prudential Dr
Suite 1602
Jacksonville, FL 32207
(904) 202-3270

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) M C Harden III Chairman & Director	2	X		X				0	0	0
(2) Charles E Hughes Jr Vice Chairman & Director	2	X		X				0	0	0
(3) A Hugh Greene President/CEO & Director	40	X		X				1,013,169	0	448,925
(4) Richard L Sisisky Secretary/Treasurer & Director	2	X		X				0	0	0
(5) Charles C Baggs Director	2	X						0	0	0
(6) Pam Chally Director	2	X						0	0	0
(7) Richard D Glock MD Director	2	X						0	0	0
(8) Jack R Groover MD Director	2	X						0	0	0
(9) Robert E Hill Jr Director	2	X						0	0	0
(10) Barbara G Jaffe Director	2	X						0	0	0
(11) Eric Mann Director	2	X						0	0	0
(12) William C Mason Director	2	X						15,848	0	0
(13) Christine R Milton Director	2	X						0	0	0
(14) Ava Parker Director	2	X						0	0	0
(15) David Robertson Director	2	X						0	0	0
(16) Carol C Thompson Director	2	X						789	0	6,197
(17) John F Wilbanks Executive VP/COO	40			X				560,658	0	201,911

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Harvey Granger SVP/General Counsel/Asst Secretary/Asst Treasurer	40			X				441,898	0	189,620
(19) Michael Lukaszewski SVP/CFO	40			X				632,875	0	17,412
(20) Keith L Stein MD SVP/Chief Medical Officer	40			X				542,489	0	92,694
(21) Michael A Mayo SVP/Administrator of BMCJ	40			X				230,231	0	35,782
(22) Michael Aubin SVP/Administrator of WCH	40			X				489,424	0	38,952
(23) Ronald Robinson VP/Administrator of BMCS	40			X				262,060	0	73,568
(24) Marianne Hillegass VP, Operations	40					X		439,800	0	42,690
(25) Roland A Garcia SVP/CIO	40					X		427,288	0	84,128
(26) Serge Vilvar Physician - Psychiatrist	40					X		358,421	0	19,413
(27) Jerry A Bridgham Chief Medical Officer - WCH	40					X		325,936	0	27,964
(28) Diane Raines Chief Nursing Officer	40					X		295,979	0	72,128
(29) Larry Freeman SVP/Administrator of WCH	40						X	1,218,049	0	9,480
(30) Marlene Spalten VP, Baptist Health System	40						X	273,257	0	22,012
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								7,528,171	0	1,382,876

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 ▶ 172

			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
Sodexho Inc & Affiliates PO Box 536922 Atlanta, GA 303536922	Management fees - cafeteria & environmental services	7,853,771
Cerner Corporation PO Box 536922 Atlanta, GA 30353	Software maintenance and IT support	7,334,192
Vitalize Consulting Solutions Inc 248 Main St Ste 101 Reading, MA 01867	Software and IT consulting services	6,073,841
Baptist Primary Care Inc 3563 Philips Hwy Bldg A Ste 101 Jacksonville, FL 32207	Hospitalist services provided to BMC & BMCS	5,499,200
University of Florida Jacksonville Physicians Inc PO Box 44008 Jacksonville, FL 322314008	Physician specialty services for children's hospital	5,445,232

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 ▶ 71

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	0				
	b	Membership dues	0				
	c	Fundraising events	0				
	d	Related organizations	2,087,412				
	e	Government grants (contributions)	0				
	f	All other contributions, gifts, grants, and similar amounts not included above	25,247				
	g	Noncash contributions included in lines 1a-1f $ 0					
	h	**Total.** Add lines 1a-1f		2,112,659			
Program Service Revenue			Business Code				
	2a	Net patient service revenues	622000	860,878,206	860,878,206	0	0
	b	Partnership income - Premier	541900	26,004	0	26,004	0
	c						
	d						
	e						
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f		860,904,210			
	3	Investment income (including dividends, interest and other similar amounts)		102,308,708	0	0	102,308,708
	4	Income from investment of tax-exempt bond proceeds		0	0	0	0
	5	Royalties		0	0	0	0
			(i) Real	(ii) Personal			
	6a	Gross rents	2,496,775	0			
	b	Less rental expenses	813,115	0			
	c	Rental income or (loss)	1,683,660	0			
	d	Net rental income or (loss)		1,683,660	0	0	1,683,660
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	0	1,749,869			
	b	Less cost or other basis and sales expenses	0	1,075,665			
	c	Gain or (loss)	0	674,204			
	d	Net gain or (loss)		674,204	674,204	0	0
Other Revenue	8a	Gross income from fundraising events (not including $ 0 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				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Restaurant revenue	722100	5,292,464	0	0	5,292,464
	b	Reference lab revenues	621500	1,015,710	0	478,599	537,111
	c	Vending machine revenues	722210	300,867	0	0	300,867
	d	All other revenue		3,514,523	0	0	3,514,523
	e	**Total.** Add lines 11a–11d		10,123,564			
	12	**Total revenue.** See Instructions		977,807,005	861,552,410	504,603	113,637,333

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	1,578,667	1,578,667		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	8,749,935	0	8,749,935	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	244,792,021	231,782,945	13,009,076	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	23,209,711	21,196,893	2,012,818	0
9	Other employee benefits	68,192,495	64,145,038	4,047,457	0
10	Payroll taxes	18,884,148	17,349,864	1,534,284	0
11	Fees for services (non-employees)				
a	Management	4,890,028	2,445,014	2,445,014	0
b	Legal	584,374	292,187	292,187	0
c	Accounting	232,101	232,101	0	0
d	Lobbying	42,605	0	42,605	0
e	Professional fundraising *See Part IV, line 17*	0			0
f	Investment management fees	0	0	0	0
g	Other	39,098,927	37,695,276	1,403,651	0
12	Advertising and promotion	2,649,212	1,324,606	1,324,606	0
13	Office expenses	161,090,725	157,138,546	3,952,179	0
14	Information technology	8,050,575	7,847,700	202,875	0
15	Royalties	110,297	110,297	0	0
16	Occupancy	36,686,399	35,369,357	1,317,042	0
17	Travel	1,016,965	844,691	172,274	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	1,241,612	1,026,689	214,923	0
20	Interest	7,157,142	6,900,201	256,941	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	49,480,642	47,763,664	1,716,978	0
23	Insurance	4,932,737	4,761,571	171,166	0
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Provision for bad debts	75,894,556	75,894,556	0	0
b	Purchased services	13,528,442	13,059,005	469,437	0
c	Indigent care/other state assessments	9,930,444	9,930,444	0	0
d	Bond swap market changes	4,363,673	4,189,126	174,547	0
e					
f	All other expenses	1,864,590	1,790,006	74,584	0
25	**Total functional expenses.** Add lines 1 through 24f	788,253,023	744,668,444	43,584,579	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		23,916	1	24,166
	2	Savings and temporary cash investments		5,139,131	2	4,292,430
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		134,099,355	4	148,022,886
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		12,828,597	8	12,374,101
	9	Prepaid expenses and deferred charges		10,911,632	9	10,230,156
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 1,231,189,087			
	b	Less accumulated depreciation	10b 607,002,705	545,340,255	10c	624,186,382
	11	Investments—publicly traded securities		654,475,246	11	822,581,525
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		78,756	13	93,590
	14	Intangible assets		3,304,175	14	3,454,175
	15	Other assets See Part IV, line 11		68,278,743	15	82,110,193
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,434,479,806	16	1,707,369,604
Liabilities	17	Accounts payable and accrued expenses		82,583,233	17	84,584,707
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		477,321,578	20	546,393,284
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		234,677,362	25	234,002,460
	26	**Total liabilities.** Add lines 17 through 25		794,582,173	26	864,980,451
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		618,916,006	27	817,864,059
	28	Temporarily restricted net assets		12,794,613	28	13,746,875
	29	Permanently restricted net assets		8,187,014	29	10,778,219
		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		639,897,633	33	842,389,153
	34	Total liabilities and net assets/fund balances		1,434,479,806	34	1,707,369,604

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	977,807,005
2	Total expenses (must equal Part IX, column (A), line 25)	2	788,253,023
3	Revenue less expenses Subtract line 2 from line 1	3	189,553,982
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	639,897,633
5	Other changes in net assets or fund balances (explain in Schedule O)	5	12,937,538
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	842,389,153

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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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

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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
Southern Baptist Hospital of Florida Inc	59-0747311

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		42,605
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			42,605
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
SchC_P2B_S00_L01	Schedule C, Part II-B, Line 1	During the fiscal year, the organization paid $42,605 to an unrelated firm, BH & Associates, Inc , for State of Florida legislative and executive branch representation concerning hospital-related 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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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	13,206,971	13,652,478	12,440,512	13,034,648	
b Contributions	2,593,958	229,666	133,141	187,203	
c Investment earnings or losses	2,482,752	31,982	1,230,016	-241,049	
d Grants or scholarships	0	0	0	0	
e Other expenditures for facilities and programs	565,803	707,155	151,191	540,290	
f Administrative expenses	0	0	0	0	
g End of year balance	17,717,878	13,206,971	13,652,478	12,440,512	

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

- a Board designated or quasi-endowment ▶ 24 16 %
- b Permanent endowment ▶ 60 83 %
- c Term endowment ▶ 15 01 %

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)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

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	0	17,049,780		17,049,780
b Buildings	0	570,104,972	241,974,952	328,130,020
c Leasehold improvements	0	0	0	0
d Equipment	0	466,174,281	359,885,547	106,288,734
e Other	0	177,860,054	5,142,206	172,717,848
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				624,186,382

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
(1) Stock - Principal Financial	93,590	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	93,590	

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
Pension & SERP liability	176,361,069
Bond swap market valuation	23,787,005
Hospital self-insurance trust	22,349,298
Estimated third-party settlements	5,038,383
Worker's comp sel-insurance trust	4,499,438
Lease incentive obligation	1,224,868
SunTrust signing bonus	288,895
Other liabilities	453,504
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	234,002,460

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	977,807,005
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	788,253,023
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	189,553,982
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net) Add lines 4 - 8	9	0
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	189,553,982

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	978,620,120
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	0		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	978,620,120
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	0		
b	Other (Describe in Part XIV)	4b	-813,115		
c	Add lines **4a** and **4b**			4c	-813,115
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	977,807,005

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

1	Total expenses and losses per audited financial statements			1	789,066,138
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	789,066,138
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	0		
b	Other (Describe in Part XIV)	4b	-813,115		
c	Add lines **4a** and **4b**			4c	-813,115
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	788,253,023

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
SchD_P05_S00_L04	Schedule D, Part V, Line 4	Southern Baptist Hospital of Florida, Inc (SBHF) endowment funds are held by its related affiliate, Baptist Health System Foundation, Inc (BHF) BHF's endowment policy allows annually that 5% of the combined endowment corpus and accumulated earnings become available for spending on capital projects of SBHF
SchD_P10_S00_L02	Schedule D, Part X, Line 2	The following is Note 10, Income Taxes, included in the consolidated financial statements of the organization (all numbers in thousands) Deferred income taxes, which as of September 30, 2012 and 2011, have no net carrying value, reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income tax purposes As of September 30, 2012 and 2011, BHS had deferred tax assets of $21,411and $15,901, respectively, relating principally to net operating loss carryovers ASC 740-10-50-3, Income Taxes Disclosure, requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized After consideration of all the evidence, both positive and negative, management determined that a $21,411 and $15,901 allowance at September 30, 2012 and 2011, respectively, was necessary to reduce the deferred tax assets to the amount that would more likely than not be realized The change in the valuation allowance for the current year is $5,510 At September 30, 3012, BHS has available net operating loss carryforwards of $56,900, of which $466 expires at the start of fiscal year 2013
SchD_P12_S00_L04b	Schedule D, Part XII, Line 4b	Rental expenses of $813,115 are included on Form 990, Part VIII, Line 6b, Statement of Revenues, but are reported as expenses on the audited financial statements
SchD_P13_S00_L04b	Schedule D, Part XIII, Line 4b	Form 990, Part VIII, Line 6b, Statement of Revenues, includes rental expenses of $813,115 that are reported as expenses on the audited financial statements

Additional Data

Software ID: 11000129
Software Version: v1.00
EIN: 59-0747311
Name: Southern Baptist Hospital of Florida Inc

Form 990, Schedule D, Part X, - Other Liabilities

1 **(a)** Description of Liability	**(b)** Amount
Pension & SERP liability	176,361,069
Bond swap market valuation	23,787,005
Hospital self-insurance trust	22,349,298
Estimated third-party settlements	5,038,383
Worker's comp sel-insurance trust	4,499,438
Lease incentive obligation	1,224,868
SunTrust signing bonus	288,895
Other liabilities	453,504

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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 _____ %	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 _____ %	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)			27,716,946	0	27,716,946	3 89 %
b Medicaid (from Worksheet 3, column a)			47,054,156	0	47,054,156	6 6 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	0 %
d **Total** Charity Care and Means-Tested Government Programs	0	0	74,771,102	0	74,771,102	10 49 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			1,488,625	0	1,488,625	0 21 %
f Health professions education (from Worksheet 5)			3,499,051	0	3,499,051	0 49 %
g Subsidized health services (from Worksheet 6)			8,434,063	6,323,489	2,110,574	0 3 %
h Research (from Worksheet 7)			0	0	0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,538,874	0	1,538,874	0 22 %
j **Total** Other Benefits	0	0	14,960,613	6,323,489	8,637,124	1 22 %
k **Total.** Add lines 7d and 7j	0	0	89,731,715	6,323,489	83,408,226	11 71 %

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		No
2	Enter the amount of the organization's bad debt expense	2	4,938,990		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	186,501,797		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	218,021,508		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-31,519,711		
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					
9					
10					
11					
12					
13					

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? 2

	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	Baptist Medical Center 800 Prudential Dr Jacksonville, FL 32207	X	X	X	X		X	X		
2	Baptist Medical Center South 14550 Old St Augustine Rd Jacksonville, FL 32258	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Baptist Medical Center

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		No
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 ___			
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		
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		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
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		
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 200%			
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 400% 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	Yes	
	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 B. Facility Policies and Practices.

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

Name of Hospital Facility: Baptist Medical Center South

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

		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		No
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 ___			
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		
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		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
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		
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 200%			
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 400% 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	Yes	
	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? **6**

	Name and address	Type of Facility (Describe)
1	Baptist Behavioral Health 4160 University Blvd S Jacksonville, FL 32216	Comprehensive mental health services
2	Baptist Behavioral Health 87010 Professional Way Yulee, FL 32097	Comprehensive mental health services in Nassau County
3	Baptist Behavioral Health 900 Beach Blvd Ste 930 Jacksonville Beach, FL 32250	Comprehensive mental health services in the beaches' communities
4	Baptist Behavioral Health 13241 Bartram park Blvd Ste 1901 Jacksonville, FL 32258	Comprehensive mental health services in the Mandarin community
5	Baptist Behavioral Health 1325 San Marco Blvd Ste 500 Jacksonville, FL 32207	Comprehensive mental health services in the San Marco community
6	Baptist Behavioral Health 800 Prudential Dr Ste 510/512 Jacksonville, FL 32207	Comprehensive mental health services at Baptist Medical Center Jacksonville's hospital campus
7		
8		
9		
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
SchH_P01_S00_L06a	Schedule H, Part I, Line 6a	Baptist Health System, Inc (BHS), the parent affiliate of Southern Baptist Hospital of Florida, Inc , prepares annually a Community Benefit report, available at BHS's website, which includes consolidated information for all of the hospital affiliates of BHS

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07	Schedule H, Part I, Line 7	The organization uses a cost-to-charge ratio based on its cost accounting system

Identifier	ReturnReference	Explanation
SchH_P01_S00_L072f	Schedule H, Part I, Line 7, Column f	Bad debt expense of $75,894,556 was included in Form 990, Part IX, Line 24, column (A), but was not included in the percentage calculations for Schedule H, Part I, Line 7, column (f), per the Form 990, Schedule H instructions

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07g	Schedule H, Part I, Line 7g	Southern Baptist Hospital of Florida, Inc (SBHF) is one of only two Medical-Surgical hospitals in Duval County that are Baker Act receiving facilities, and the only hospital that offers a continuum of Behavioral Health Services SBHF's children's hospital, Wolfson Children's Hospital, is the only hospital with a Pediatric Psychiatric unit and a Behavioral day-stay program in the region SBHF believes that Behavioral Health is an essential service to its community even though these programs are operated at a financial loss

Identifier	ReturnReference	Explanation
SchH_P03_S0A_L04	Schedule H, Part III, Section A, Line 4	The provision for bad debts is based on management's assessments of historical and expected net collections considering business and economic conditions, trends in healthcare coverage and other collection indicators Accounts receivable are written off after collection effort has been followed in accordance with the organization's policies Accounts written off as uncollectible are deducted from the allowance for uncollectible patient accounts, and subsequent recoveries are added Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category Bad debt expense at cost is determined by the organization's cost accounting system and cost-to-charge ratio None of the bad debt expense at cost is included in Schedule H, Part I

Identifier	ReturnReference	Explanation
SchH_P03_S0B_L08	Schedule H, Part III, Section B, Line 8	Medicare allowable costs of care based on the organization's cost-to-charge ratio and cost accounting system are used to determine the amount reported on Line 6 None of the shortfall reported on Line 7 is included in Schedule H, Part I

Identifier	ReturnReference	Explanation
SchH_P03_S0C_L09b	Schedule H, Part III, Section C, Line 9b	Yes, the organization does have a written debt collection policy The policy does not specifically address those patients who are known to qualify or have applied for charity care as the organization does not bill these patients The organization's cost accounting system identifies all patients who have a pending or approved charity application The organization would only bill the patient if, after multiple attempts to obtain any needed documentation from the patient to complete the charity approval process, the patient was noncompliant

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L11	Schedule H, Part V, Section B, Line 11	Credit scores and existing credit delinquencies are also factors that are used

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L17	Schedule H, Part V, Section B, Line 17	At every patient access point, "Guidelines for Charity Care Eligibility" cards are provided that contains financial discount and charity care information This includes a general chart of eligible income levels and encourages patients to speak with our patient financial advocates to arrange a financial evaluation If seen by one of the organization's patient financial advocates, the patient is advised prior to discharge All statements to patients provide a number to call if they need financial assistance All applications for financial assistance are maintained whether or not the patient qualifies

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L19	Schedule H, Part V, Section B, Line 19	The organization has an automatic 40% discount for all uninsured patients

Identifier	ReturnReference	Explanation
SchH_P06_S00_L02	Schedule H, Part VI, Line 2	Baptist Health System, Inc (BHS), the parent affiliate of Southern Baptist Hospital of Florida, Inc , uses a variety of resources to assess the health care needs of the communities it serves BHS works closely with the Health Planning Council of NE Florida which regularly collects data on the most pressing health needs in our area We contract with the Health Planning Council to develop a "dashboard" which highlights health needs and tracks our progress in meeting those needs BHS considers our local health departments to be important partners and we also use their needs assessment information in making decisions BHS has a Social Responsibility and Community Health Committee that is made up of board members from across the health system (two of whom serve on the Southern Baptist Hospital of Florida Board of Directors) that regularly review the community benefit work of our hospitals and provides direction regarding specific areas of need BHS has been working in collaboration with the other nonprofit health systems in Northeast Florida to complete a comprehensive community health needs assessment and implementation plan and that work will be reported on the 2012 Form 990

Identifier	ReturnReference	Explanation
SchH_P06_S00_L03	Schedule H, Part VI, Line 3	At every patient access point, "Guidelines for Charity Care Eligibility" cards are provided that contains financial discount and charity care information This includes a general chart of eligible income levels and encourages patients to speak with one of our patient financial advocates to arrange a financial evaluation The organization sends statements to patients who have applied for charity care but have not provided all the documentation that is required to make a determination, letters are sent by the organization requesting the information to complete their application

Identifier	ReturnReference	Explanation
SchH_P06_S00_L04	Schedule H, Part VI, Line 4	The Southern Baptist Hospital of Florida license covers the downtown hospital (Baptist Medical Center and Wolfson Children's Hospital) which serves a large part of Duval County and our newest hospital serving southern Duval County and Northern St Johns County (Baptist Medical Center South) For purposes of community benefit, we target neighborhoods and populations with a high rate of poverty and unemployment We work with nonprofit partners to provide access to care to vulnerable populations and work in conjunction with our faith based partners to provide screenings and education The demographic information for Southern Baptist Hospital of Florida is as follows a) Service Area Population - 959,831, b) Estimated Average Household Income - $60,472, c) Families Below Poverty - 10 5%, d) Medicaid Discharges - 18 9%, e) Self Pay/NonPayment Discharges - 9 9% There are six other hospitals located in this service area There are federally designated medically underserved areas and populations in this community

Identifier	ReturnReference	Explanation
SchH_P06_S00_L05	Schedule H, Part VI, Line 5	Baptist Health System, Inc (BHS) directly donates over one million dollars a year to nonprofit organizations that are helping meet identified community health needs Our doctors and nurses regularly volunteer their time at organizations that provide access to care to vulnerable populations across our community Health Zone One is an area of extreme need that is located close to Baptist Medical Center and Wolfson Children's Hospital We focus a tremendous amount of effort in that community from funding school nurses, to helping build community gardens, to our award winning asthma program, and working with Edward Waters College to provide health education to their students in need Baptist Medical Center South works with Mandarin High School to provide medical education and works with assisted living centers for the elderly to provide services for those in need The Players Center for Child Health provides a multitude of programming for children and families in need from bicycle safety to drowning prevention programs and from vaccinations to education on nutrition and preventing childhood obesity BHS participates in over one hundred health fairs each year and works closely with our faith based partners to reach individuals in need Some of the improvements using surplus funds included installation of EMR (electronic medical records) for BHS hospitals to improve operating efficiency and patient care, $6 4 million, purchase of Davinci Surical Robot Si and Ortho Mako Robot to improve patient outcomes, opening of WCH Children's Specialty Center in Lake City, Florida, and redesignation as a Magnet Health System by the American Nurses Credentialing Center Magnet is considered the gold standard among healthcare organizations for quality patient care and innovations in professional nursing practice A majority of Southern Baptist Hospital of Florida's (SBHF's) Board of Directors reside in the primary service area and are not employees, independent contractors or family members thereof SBHF extends medical privileges to all qualified physicians in the community

Identifier	ReturnReference	Explanation
SchH_P06_S00_L06	Schedule H, Part VI, Line 6	Baptist Health System, Inc (BHS) is the parent affiliate of Southern Baptist Hospital of Florida, Inc (SBHF) The Social Responsibility and Community Health team at BHS coordinates the funding of nonprofit partners for SBHF and works with our employees in facilitating volunteer opportunities across our community Two members of the SBHF Board of Directors serve on the Social Responsibility and Community Health Committee SBHF works closely with a number of nonprofit partners to meet the health needs in our community

Identifier	ReturnReference	Explanation
SchH_P06_S00_L07	Schedule H, Part VI, Line 7	Baptist Health System, Inc (BHS), parent affiliate of Southern Baptist Hospital of Florida, Inc and its related affiliates, are located within the Northeast Florida quadrant An annual Community Benefit Report is published and available on the e-baptisthealth com website

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 35

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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

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

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

Identifier	Return Reference	Explanation
SchI_P01_S00_L02	Schedule I, Part I, Line 2	Our community health efforts are guided by the organization's Community Health Committee, comprised of selected Baptist Health System, Inc (BHS) board members (BHS is the parent affiliate of the organization) The committee provides strategic direction related to our community health activities and ensures we focus on key priorities that align with our mission

Additional Data

Return to Form

Software ID: 11000129
Software Version: v1.00
EIN: 59-0747311
Name: Southern Baptist Hospital of Florida Inc

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Community Hospice of NE FL4266 Sunbeam Rd Jacksonville, FL 32257	59-1940256	501(c)(3)	205,900	0	book		Pediatric hospice medical leadership
I M Sulzbacher Center for the Homeless Inc611 E Adams St Jacksonville, FL 32202	59-3229898	501(c)(3)	107,500	0	book		Provide support to organization providing food, clothing and shelter for two community clinics Downtown, $27,500 and Beaches clinic, $80,000

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Art With a Heart in Healthcare841 Prudential Dr Ste 204 Jacksonville, FL 32207	26-1313805	501(c)(3)	100,200	0	book		Pediatric patient assistance for children
United Way of Northeast Florida 1301 Riverplace Blvd Ste 400 Jacksonville, FL 32207	59-0637825	501(c)(3)	100,000	0	book		Support charitable functions of local branch of national fundraising organization

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Jacksonville Jaguars Foundation One Stadium Place Jacksonville, FL 32202	59-3249687	501(c)(3)	80,277	0	book		Provide support for charitable foundation with programs emphazing teen fitness in the local community
We Care Jax900 University Blvd N Jacksonville, FL 32211	59-3431724	501(c)(3)	75,000	0	book		Provide support to local charitable organization providing indigent healthcare

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Volunteers in Medicine41 E Duval St Jacksonville, FL 32202	75-3002172	501(c)(3)	75,000	0	book		Provides support for charitable downtown health clinic for indigent families
Health Planning Council of NE FL Inc 100 N Laura St Ste 801 Jacksonville, FL 32202	59-2247189	501(c)(3)	57,000	0	book		Coalition council of hospital members and other planning officials involved in preparation of community-wide health needs assessment

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Jacksonville University2800 University Blvd N Jacksonville, FL 32211	59-0624412	501(c)(3)	45,000	0	book		Support for development of sports medicine program for student-athletes
The Tom Coughlin Jay Fund Foundation IncPO Box 50798 Jacksonville Beach, FL 32240	59-3426937	501(c)(3)	44,700	0	book		Provide support to charitable foundation providing assistance to children with cancer

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
American Heart Association5851 St Augustine Rd Jacksonville, FL 32207	13-5613797	501(c)(3)	40,000	0	book		Provide support for local branch of national charitable organization for programs related to study and research of cardiology diseases
Ronald McDonald House824 Childrens Way Jacksonville, FL 32207	59-2625008	501(c)(3)	35,000	0	book		Provides support to organization with a mission to improve the health and well being of children

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
University of North FloridaOne UNF Dr Jacksonville, FL 32224	23-7167701	501(c)(3)	30,000	0	book		Support for cooperate development of medical sciences laboratory to educate students preparing to be laboratory medical technologists
American Lung Association of Florida6852 Belfort Oaks Pl Jacksonville, FL 32216	59-0662271	501(c)(3)	25,000	0	book		Provide support to organization for health research and education of cardiopulmonary diseases

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
DLC Nurse and Learn4101-1 College St Jacksonville, FL 32205	59-3618761	501(c)(3)	20,000	0	book		Provide support to organization dedicated to meeting the needs of special needs children through various educational programs
Edward Waters College1658 Kings Rd Jacksonville, FL 32209	90-0750130	501(c)(3)	20,000	0	book		Provide support for renovation of chemistry lab for local college

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNF - Brooks College of Health One UNF Drive Jacksonville, FL 32224	23-7167701	501(c)(3)	20,000	0	book		Support for training of nursing students by funding purchase of mother and birthing baby simulators
The Jacksonville Speech and Hearing Center Inc1128 N Laura St Jacksonville, FL 32206	59-0970718	501(c)(3)	19,800	0	book		Support programs providing assistance to persons with speech and hearing disabilities in the community

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Coalition to Protect America's Health Care4600 East-West Highway Ste 900 Bethesda, MD 20814	52-2253225	501(c)(4)	15,000	0	book		Support for national organization providing education and research for health care issues
Youth Crisis Center 3015 Parental Home Rd Jacksonville, FL 32216	59-2176287	501(c)	15,000	0	book		Support for nursing assistance for children in the local community

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Susan G Komen for the Cure2950 Halcyon Ln 501 Jacksonville, FL 32223	75-1835298	501(c)	15,000	0	book		Support for branch affiliate in NE Fla of national organization providing cancer research and education on women's breast health
Mission House Inc 800 Shetter Ave Jacksonville Beach, FL 32250	59-3376704	501(c)(3)	15,000	0	book		Support organization providing food, medical care, and clothing to indigent persons in our Beaches communities

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Barnabas Center Inc11 S 11th St Fernandina Beach, FL 32034	59-2920275	501(c)(3)	15,000	0	book		Support organization providing financial assistance to families in crisis, medical and dental care for the indigent, and food and housing assistance to persons in Nassau County
Pine Castle Inc 4911 Spring Park Rd Jacksonville, FL 32207	59-0704733	501(c)(3)	15,000	0	book		Provide support for organization providing care for developmentally disabled adults in the community

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
One Jax IncOne UNF Drive Bld 53 Ste 2100 Jacksonville, FL 32224	20-2719059	501(c)(3)	14,000	0	book		Provide support for community organization providing various charitable programs to the local communities
American Cancer Society Inc1430-B Prudential Dr Jacksonville, FL 32207	13-1788491	501(c)	11,500	0	book		Provide support to organization providing education and research on cancer

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Jacksonville Chamber of Commerce Foundation3 Independent Dr Jacksonville, FL 32202	59-1867407	501(c)(3)	10,000	0	book		Support for downtown Jacksonville econcomic development programs
Camp Boggy Creek 30500 Brantley Branch Rd Eustis, FL 32736	59-0000000	501(c)	10,000	0	book		Provide support for organization dedicated to assisting youths through various group outings to improve mental and physical well-being

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Boys & Girls Club of Nassau County FoundationPO Box 16003 Fernandina Beach, FL 32035	59-3672345	501(c)(3)	10,000	0	book		Support for children's programs in Nassau County
Clay County Chamber of Commerce Foundation Inc 1734 Kingsley Ave Orange Park, FL 32073	03-0601285	501(c)	8,000	0	book		Support for county economic development investment

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Cystic Fibrosis Foundation12620-3 Beach Blvd Ste 339 Jacksonville, FL 32246	13-1930701	501(c)(3)	7,200	0	book		Support for programs to benefit those persons in the local community who suffer from cystic fibrosis
The Arc of NE Florida1050 N Davis St Jacksonville, FL 32209	59-3385683	501(c)(3)	6,000	0	book		Support for organization that provides assistance to persons in the community with intellectual and/or development disabilities

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Micah's Place Inc PO Box 16287 Fernandina Beach, FL 32035	59-3675485	501(c)(3)	6,000	0	book		Support organization that provides services to survivors of domestic violence in Nassau County
Childrens Miracle Network580 W 8th St Tower 1 3rd Floor Jacksonville, FL 32209	87-0387205	501(c)(3)	5,100	0	book		Support organization providing medical/financial assistance to children and their families

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) A Hugh Greene	(i)	738,913	244,256	30,000	434,970	13,955	1,462,094	0
	(ii)	0	0	0	0	0	0	0
(2) John F Wilbanks	(i)	419,938	125,720	15,000	189,487	12,424	762,569	0
	(ii)	0	0	0	0	0	0	0
(3) Michael Lukaszewski	(i)	414,541	101,025	117,309	4,287	13,125	650,287	102,309
	(ii)	0	0	0	0	0	0	0
(4) Keith L Stein MD	(i)	428,116	102,373	12,000	81,541	11,153	635,183	0
	(ii)	0	0	0	0	0	0	0
(5) Harvey Granger	(i)	337,996	88,902	15,000	170,655	18,965	631,518	0
	(ii)	0	0	0	0	0	0	0
(6) Michael Aubin	(i)	335,424	144,000	10,000	22,816	16,136	528,376	0
	(ii)	0	0	0	0	0	0	0
(7) Ronald Robinson	(i)	220,060	42,000	0	55,765	17,803	335,628	0
	(ii)	0	0	0	0	0	0	0
(8) Michael A Mayo	(i)	185,231	40,000	5,000	27,645	8,137	266,013	0
	(ii)	0	0	0	0	0	0	0
(9) Marianne Hillegass	(i)	202,150	35,221	202,429	36,072	6,618	482,490	192,429
	(ii)	0	0	0	0	0	0	0
(10) Roland A Garcia	(i)	332,427	84,861	10,000	72,141	11,987	511,416	0
	(ii)	0	0	0	0	0	0	0
(11) Serge Vilvar	(i)	358,421	0	0	8,287	11,126	377,834	0
	(ii)	0	0	0	0	0	0	0
(12) Diane Raines	(i)	244,979	41,000	10,000	53,885	18,243	368,107	0
	(ii)	0	0	0	0	0	0	0
(13) Jerry A Bridgham	(i)	271,545	44,391	10,000	9,800	18,164	353,900	0
	(ii)	0	0	0	0	0	0	0
(14) Larry Freeman	(i)	24,493	0	1,193,556	0	9,480	1,227,529	1,192,787
	(ii)	0	0	0	0	0	0	0
(15) Marlene Spalten	(i)	188,356	34,395	50,506	10,593	11,419	295,269	38,506
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SchJ_P01_S00_L03	Schedule J, Part I, Line 3	See explanation in Schedule O for Form 990, Part VI, Section B, Line 15
SchJ_P01_S00_L04	Schedule J, Part I, Line 4	Baptist Health System, Inc (BHS), parent affiliate of Southern Baptist Hospital of Florida, Inc (SBHF), has two active Supplemental Nonqualified Retirement Plans (SERPS) One is for certain executives (Supplemental Executive Retirement Plan) and the other is for certain vice presidents (Vice-President Supplemental Executive Retirement Plan) These SERPS are plans described in IRS Section 457(f) The benefits under these plans accrue during each executive's term of employment These benefits are unvested and subject to forfeiture until the covered employee reaches retirement age The following individuals accrued unvested benefits under these plans during fiscal year 2012 A Hugh Greene, $401,716, John F Wilbanks, $158,534, Harvey Granger, $139,082, Keith Stein, $52,779, Roland Garcia, $41,183, Diane Raines, $31,843, Ronald Robinson, $27,826, Michael Mayo, $24,850, and Michael Aubin, $22,816 These amounts are included in Schedule J, Part II, Column (c) for each of the listed individuals

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes Series 2003A			12-01-2011	70,000,000	Hospital capital improvements		X		X		X
B	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes - Series 2004			12-01-2011	50,000,000	Hospital capital improvements		X		X		X
C	Jacksonville Health Facilities Authority Hospital Revenue Bonds Series 2007A		469404TW7	02-01-2007	65,000,000	Hospital capital improvements		X		X		X
D	Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Bonds Series 2007B			09-04-2012	25,750,000	Hospital capital improvements		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	0	0	0
2	Amount of bonds defeased	0	0	0	0
3	Total proceeds of issue	70,000,000	50,000,000	65,000,000	25,750,000
4	Gross proceeds in reserve funds	0	0	0	0
5	Capitalized interest from proceeds	0	0	0	0
6	Proceeds in refunding escrow	0	0	0	0
7	Issuance costs from proceeds	182,810	169,514	270,168	82,022
8	Credit enhancement from proceeds	0	0	1,310,772	0
9	Working capital expenditures from proceeds	0	0	0	0
10	Capital expenditures from proceeds	69,817,190	49,830,486	64,729,832	25,667,978
11	Other spent proceeds	0	0	0	0
12	Other unspent proceeds	0	0	0	0
13	Year of substantial completion	2003	2004	2007	2007

		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?								
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?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		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								10 9
d	Was the hedge superintegrated?							X	
e	Was a hedge terminated?								X
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

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Refunding Notes Series 2007CDE			12-01-2011	110,935,000	Refund Series 1997A bonds		X		X		X
B	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Notes Series 2009		469404UM7	09-01-2009	30,000,000	Hospital capital improvements		X		X		X
C	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes Series 2010A			06-01-2010	25,000,000	Hospital capital improvements		X		X		X
D	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes Series 2010B			11-01-2010	25,000,000	Hospital capital improvements		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	22,873,000	11,852,003	1,225,000	1,225,000
2	Amount of bonds defeased	0	0	0	0
3	Total proceeds of issue	110,935,000	30,000,000	25,000,000	25,000,000
4	Gross proceeds in reserve funds	0	0	0	0
5	Capitalized interest from proceeds	0	0	0	0
6	Proceeds in refunding escrow	0	0	0	0
7	Issuance costs from proceeds	237,615	123,500	25,000	0
8	Credit enhancement from proceeds	0	0	0	0
9	Working capital expenditures from proceeds	0	0	0	0
10	Capital expenditures from proceeds	110,697,385	29,876,500	24,975,000	25,000,000
11	Other spent proceeds	0	0	0	0
12	Other unspent proceeds	0	0	0	0
13	Year of substantial completion	2007	2009	2010	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?								
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?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		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	UBS and Wells Fargo Banks							
c	Term of hedge		16 1						
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						
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

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes Series 2010C			12-01-2010	25,000,000	Hospital capital improvements		X		X		X
B	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes Series 2003B			09-04-2012	35,000,000	Hospital capital improvements		X		X		X
C	Jacksonville Health Facilities Authority Fixed Rate Hospital Revenue Extendable Notes - Series 2003C			07-01-2012	20,000,000	Hospital capital improvements		X		X		X
D	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes Series 2012A			03-01-2012	25,000,000	Hospital capital expenditures		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	1,225,000	0	0	650,000
2	Amount of bonds defeased	0	0	0	0
3	Total proceeds of issue	25,000,000	35,000,000	20,000,000	25,000,000
4	Gross proceeds in reserve funds	0	0	0	0
5	Capitalized interest from proceeds	0	0	0	0
6	Proceeds in refunding escrow	0	0	0	0
7	Issuance costs from proceeds	25,000	82,022	52,231	0
8	Credit enhancement from proceeds	0	0	0	0
9	Working capital expenditures from proceeds	0	0	0	0
10	Capital expenditures from proceeds	24,975,000	34,917,978	19,947,769	25,000,000
11	Other spent proceeds	0	0	0	0
12	Other unspent proceeds	0	0	0	0
13	Year of substantial completion	2010	2003	2003	2012
		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?								
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?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶				0 %		0 %		0 %
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶				0 %		0 %		0 %
6	Total of lines 4 and 5		0 %		0 %		0 %		0 %
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		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								10 0
d	Was the hedge superintegrated?							X	
e	Was a hedge terminated?								X
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

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes Series 2012B			03-01-2012	20,000,000	Hospital capital expenditures		X		X		X
B	Jacksonville Health Facilities Authority Var Rate Hospital Revenue Extendable Notes Series 2012C			03-01-2012	15,000,000	Hospital capital expenditures		X		X		X
C	Jacksonville Health Facilities Authority Var Rate Hospitable Revenue Extendable Notes Series 2012D			05-01-2012	26,000,000	Hospitable capital expenditures		X		X	X	

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	550,000	1,024,282	0	
2	Amount of bonds defeased	0	0	0	
3	Total proceeds of issue	20,000,000	15,000,000	26,000,000	
4	Gross proceeds in reserve funds	0	0	0	
5	Capitalized interest from proceeds	0	0	0	
6	Proceeds in refunding escrow	0	0	0	
7	Issuance costs from proceeds	0	0	0	
8	Credit enhancement from proceeds	0	0	0	
9	Working capital expenditures from proceeds	0	0	0	
10	Capital expenditures from proceeds	20,000,000	15,000,000	26,000,000	
11	Other spent proceeds	0	0	0	
12	Other unspent proceeds	0	0	0	
13	Year of substantial completion	2012	2012	2012	

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?	X			X	X			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X			X		X		
b	Name of provider	SunTrust							
c	Term of hedge		7 0						
d	Was the hedge superintegrated?	X							
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X		X		X		

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Harden & Associates Inc	Director	834,000	Employee benefits insurance commissions		No
(2) Harden & Associates Inc	Director	174,300	Insurance consulting fees		No
(3) Blair Sherman	Employee	46,295	Family member of director		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

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493226031183

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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

Identifier	Return Reference	Explanation
F990_P06_S0A_L06	Form 990, Part VI, Section A, Line 6	The organization has a sole corporate member, Baptist Health System, Inc , whose Board of Directors elects the members of the organization's governing body

Identifier	Return Reference	Explanation
F990_P06_S0A_L07a	Form 990, Part VI, Section A, Line 7a	The Board of Directors of Baptist Health System, Inc , the sole corporate member of the organization, elects the members of the governing body of the organization

Identifier	Return Reference	Explanation
F990_P06_S0B_L11b	Form 990, Part VI, Section B, Line 11b	While the organization's governing body did not review the Form 990, the Board of Directors of Baptist Health System, Inc , the sole corporate member of the organization, was provided the organization's entire Form 990 prior to its filing via a link to a password-protected website

Identifier	Return Reference	Explanation
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	The Board of Directors of the organization's sole member, Baptist Health System, Inc , has appointed a Conflicts of Interest Committee which regularly reviews the required disclosures of potential conflicts of interest by the Directors and Officers of the organization and its affiliates and recommends any action to be taken with regard to such disclosures In accordance with the Conflicts of Interest Policy, during meetings of the organization's governing body, a Director who may have a conflict of interest is excused from discussion by the governing body about any transaction or matter that may have given rise to the Director's actual or potential conflict of interest

Identifier	Return Reference	Explanation
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	In accordance with the Executive Compensation policy of Baptist Health System, Inc (BHS), the organization's sole member, BHS's Compensation Committee (made up of independent Directors of BHS) engages annually a third party compensation consultant who provides a database composed of current data regarding compensation paid for each executive position by similarly situated tax exempt health systems in the country These health systems are generally the same size as BHS, considering revenue and other appropriate indicators The group of comparator companies that is derived based on the above stated parameters comprise the "Market" When the Committee meets with such consultant, the consultant provides to Committee members compensation target levels that are competitive with the Market Generally, the median of the Market is targeted The actual amount that health system executives receive as compensation may be higher or lower than the median, depending on the health system and the individual's performance The objective is to have a strong link between health system and individual performance and executive compensation such that if the health system and the individual perform at an optimal level, his or her compensation is in the higher range of the Market Conversely, if either the health system or individual performance is below expectation, compensation may be in the lower range of the Market The minutes of the annual Compensation Committee are recorded by the Committee's compensation consultant and are approved promptly by the Chair of such Committee

Identifier	Return Reference	Explanation
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	Upon receiving a request from anyone, the organization will supply a copy of its governing documents, Conflicts of Interest Policy, financial statements and its most recently filed Form 990 The organization also makes its Form 990 available at the website guidestar org

Identifier	Return Reference	Explanation
F990_P11_S00_L05	Form 990, Part XI, Line 5	Unrestricted net assets (1) changes related to pension and executive compensation other than period costs, $5,047,826, (2) transfers to affiliated organizations, ($392,996), (3) contributions for the purchase of property, plant, and equipment, $99,410, (4) net assets released from restrictions used for purchase of property, plant, and equipment, $6,377,099, (5) unrealized loss on interest rate swap agreements, ($1,737,268), Temporarily restricted net assets (1) restricted contributions, $5,877,065, (2) investment gains, $708,232, (3) transfers of investment gains from permanently restricted net assets, $1,775,308, (4) net assets released from restrictions, ($7,408,343), Permanently restricted net assets (1) contributions, $2,591,205, (2) investment gain, $1,775,308, (3) Transfers of investment gains to temporarily restricted net assets, ($1,775,308)

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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
Southern Baptist Hospital of Florida Inc

Employer identification number
59-0747311

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Baptist Medical Center of the Beaches Inc 1350 13th Ave S Jacksonville Beach, FL 32250 59-2980620	Hospital	FL	501(c)(3)	3	Baptist Health System Inc		No
(2) Baptist Medical Center of Nassau Inc 1250 S 18th St Fernandina Beach, FL 32034 59-3234721	Hospital	FL	501(c)(3)	3	Baptist Health System Inc		No
(3) Baptist Health System Inc 800 Prudential Dr Jacksonville, FL 32207 59-2487136	Management assistance to health system	FL	501(c)(3)	11a	N/A		No
(4) Baptist Health System Foundation Inc 841 Prudential Dr Aetna Bld 13th Flr Jacksonville, FL 32207 59-2487135	Fundraising for health system	FL	501(c)(3)	7	Baptist Health System Inc		No
(5) Baptist Health Properties Inc 3563 Philips Hwy Bld A Ste 106 Jacksonville, FL 32207 59-2487133	Manage property for health system	FL	501(c)(3)	11a	Baptist Health System Inc		No
(6) Baptist Health Ambulatory Services Inc 3563 Philips Hwy Bld A Ste 106 Jacksonville, FL 32207 59-3410739	Cancer education & research for health system	FL	501(c)(3)	11a	Baptist Health System Inc		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) Disproportionate allocations? No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) General or managing partner? No	(k) Percentage ownership
(1) Pavilion Associates Ltd 3563 Philips Hwy Bld A Ste 106 Jacksonville, FL 32207 59-2505491	Property management	FL	Southern Baptist Hospital of Florida Inc	Related	1,324,604	10,069,002		No	0		No	98 5 %

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) Pavilion Health Services Inc 3563 Philips Hwy Bld A Ste 106 Jacksonville, FL 32207 59-2059710	Physician practices/retail pharmacies	FL	N/A	C			

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e	Yes	
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	Yes	
j Lease of facilities, equipment, or other assets from related organization(s)	1j	Yes	
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	Yes	
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	Yes	
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)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

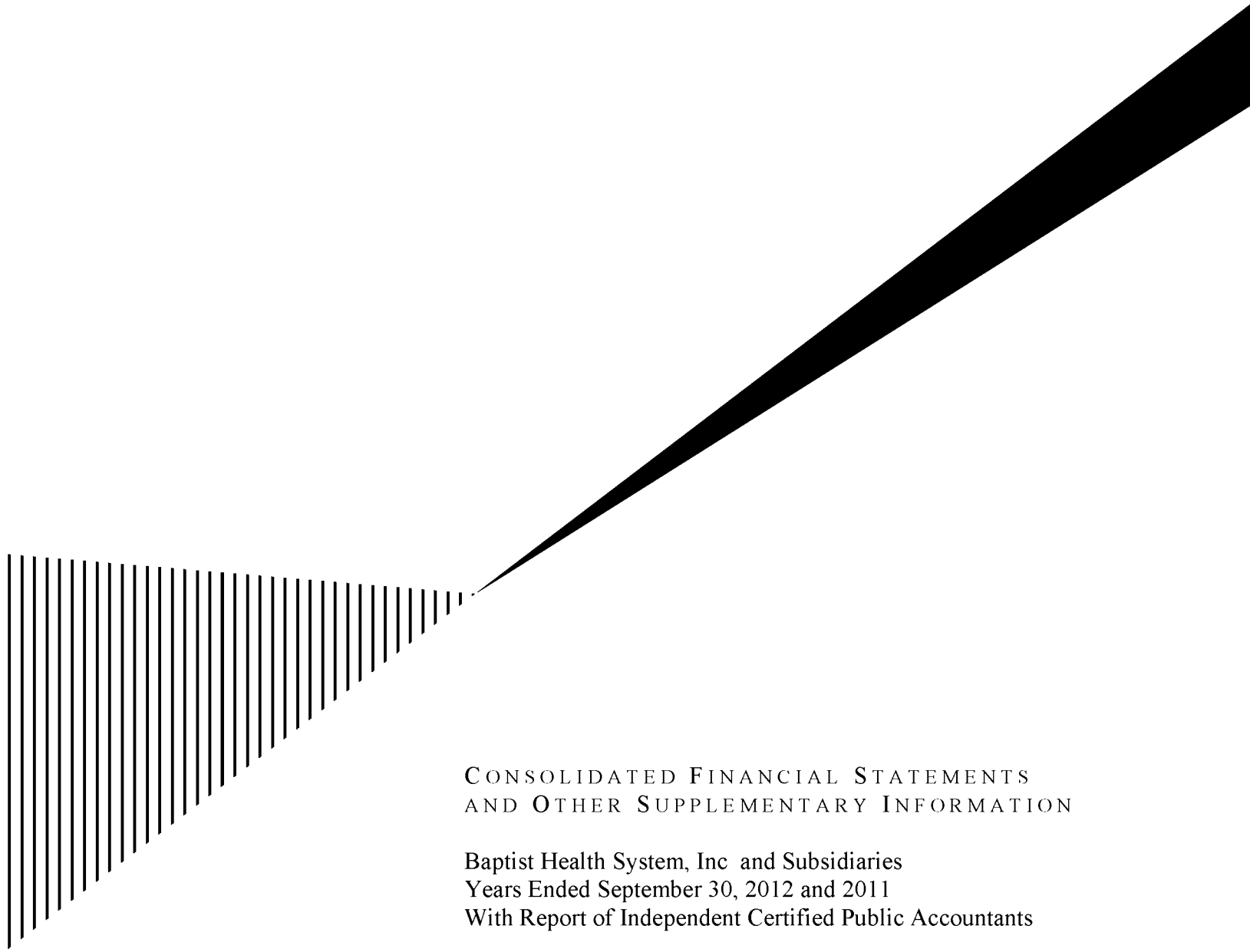
Additional Data

Return to Form

Software ID: 11000129
Software Version: v1.00
EIN: 59-0747311
Name: Southern Baptist Hospital of Florida Inc

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
Baptist Medical Center of the Beaches Inc 1350 13th Ave S Jacksonville Beach, FL 32250 59-2980620	Hospital	FL	501(c)(3)	3	Baptist Health System Inc		No
Baptist Medical Center of Nassau Inc 1250 S 18th St Fernandina Beach, FL 32034 59-3234721	Hospital	FL	501(c)(3)	3	Baptist Health System Inc		No
Baptist Health System Inc 800 Prudential Dr Jacksonville, FL 32207 59-2487136	Management assistance to health system	FL	501(c)(3)	11a	N/A		No
Baptist Health System Foundation Inc 841 Prudential Dr Aetna Bld 13th FlrJacksonville, FL 32207 59-2487135	Fundraising for health system	FL	501(c)(3)	7	Baptist Health System Inc		No
Baptist Health Properties Inc 3563 Philips Hwy Bld A Ste 106Jacksonville, FL 32207 59-2487133	Manage property for health system	FL	501(c)(3)	11a	Baptist Health System Inc		No
Baptist Health Ambulatory Services Inc 3563 Philips Hwy Bld A Ste 106Jacksonville, FL 32207 59-3410739	Cancer education & research for health system	FL	501(c)(3)	11a	Baptist Health System Inc		No



CONSOLIDATED FINANCIAL STATEMENTS AND OTHER SUPPLEMENTARY INFORMATION

Baptist Health System, Inc and Subsidiaries
Years Ended September 30, 2012 and 2011
With Report of Independent Certified Public Accountants

Ernst & Young LLP

ERNST & YOUNG

Baptist Health System, Inc. and Subsidiaries

Consolidated Financial Statements and
Other Supplementary Information

Years Ended September 30, 2012 and 2011

Contents

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Report of Independent Certified Public Accountants

The Board of Directors
Baptist Health System, Inc and Subsidiaries

We have audited the accompanying consolidated balance sheets of Baptist Health System, Inc and Subsidiaries (BHS) as of September 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended These financial statements are the responsibility of BHS's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BHS as of September 30, 2012 and 2011, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended, in conformity with U S generally accepted accounting principles

Ernst + Young LLP

January 24, 2013

Baptist Health System, Inc. and Subsidiaries

Consolidated Balance Sheets

(In Thousands)

	September 30 2012	2011
Assets		
Current assets		
Cash and cash equivalents	**$ 69,734**	$ 53,539
Accounts receivable, less estimated uncollectible accounts of $108,808 in 2012 and $102,238 in 2011	**167,673**	159,015
Inventories	**18,616**	19,314
Prepaid expenses and other current assets	**17,032**	16,383
Current portion of assets limited as to use	**8,873**	8,709
Total current assets	**281,928**	256,960
Assets limited as to use		
Internally designated for capital improvements, debt service and insurance reserves	**871,399**	695,867
Less amounts required to meet current obligations	**8,873**	8,709
	862,526	687,158
Property, plant, and equipment, net	**801,399**	721,489
Investments	**41,025**	35,725
Other assets	**81,938**	76,061
Total assets	**$ 2,068,816**	$ 1,777,393
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	**$ 23,039**	$ 16,099
Accounts payable and accrued liabilities	**118,654**	117,150
Estimated third-party settlements	**6,425**	12,073
Total current liabilities	**148,118**	145,322
Long-term debt, net of current portion	**543,950**	483,296
Other liabilities	**263,675**	251,655
Total liabilities	**955,743**	880,273
Net assets		
Unrestricted	**1,074,772**	864,192
Temporarily restricted	**24,979**	22,286
Permanently restricted	**13,322**	10,642
Total net assets	**1,113,073**	897,120
Total liabilities and net assets	**$ 2,068,816**	$ 1,777,393

See accompanying notes

Baptist Health System, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	Year Ended September 30	
	2012	**2011**
Unrestricted revenues and other support		
Net patient service revenues	**$ 1,241,674**	$ 1,161,142
Other revenues	**49,999**	48,295
Net assets released from restrictions used for operations	**3,701**	3,689
Total unrestricted revenues and other support	**1,295,374**	1,213,126
Operating expenses		
Salaries and benefits	**626,634**	573,726
Professional fees	**37,811**	33,683
Supplies	**217,057**	214,749
Provision for bad debts	**112,609**	106,311
Interest	**7,547**	6,921
Depreciation and amortization	**69,073**	67,885
Other expenses	**138,775**	130,590
Total operating expenses	**1,209,506**	1,133,865
Income from operations	**85,868**	79,261
Nonoperating gains (losses)		
Investment income	**112,543**	5,013
Other, net	**2,619**	93
Total nonoperating gains, net	**115,162**	5,106
Excess of revenues and gains over expenses and losses	**201,030**	84,367

Baptist Health System, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

(In Thousands)

	Year Ended September 30	
	2012	**2011**
Unrestricted net assets		
Excess of revenues and gains over expenses and losses	**$ 201,030**	$ 84,367
Other changes in unrestricted net assets		
Changes related to pension and executive compensation other than period costs	**5,047**	(8,963)
Contributions for the purchase of property, plant, and equipment	**258**	457
Net assets released from restrictions used for the purchase of property, plant, and equipment	**6,376**	10,435
Unrealized loss on interest rate swap agreements	**(1,845)**	–
Other	**(286)**	(225)
Increase in unrestricted net assets	**210,580**	86,071
Temporarily restricted net assets		
Restricted contributions	**9,128**	10,593
Investment gain (loss)	**1,324**	(22)
Transfer of investment gains from permanently restricted net assets	**2,320**	35
Net assets released from restrictions	**(10,077)**	(14,124)
Other	**(2)**	(137)
Increase (decrease) in temporarily restricted net assets	**2,693**	(3,655)
Permanently restricted net assets		
Contributions	**2,680**	285
Investment gain	**2,320**	35
Transfer of investment gains to temporarily restricted net assets	**(2,320)**	(35)
Increase in permanently restricted net assets	**2,680**	285
Increase in net assets	**215,953**	82,701
Net assets, beginning of year	**897,120**	814,419
Net assets, end of year	**$ 1,113,073**	$ 897,120

See accompanying notes

Baptist Health System, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended September 30	
	2012	**2011**
Operating activities		
Change in net assets	**$ 215,953**	$ 82,701
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	**69,073**	67,885
Interest, dividends, and net gains on investments	**(112,543)**	(5,013)
Change in market value of interest rate swaps	**2,795**	1,558
Changes related to pension and executive compensation other than period costs	**(5,047)**	8,963
Provision for bad debts	**112,609**	106,311
Gain on sale of equipment	**(2,316)**	(367)
Contributions for the purchase of property, plant, and equipment	**(258)**	(457)
Restricted contributions and investment income received	**(15,452)**	(10,891)
Increase in accounts receivable	**(121,267)**	(112,626)
Decrease in inventories and other current assets	**49**	703
Increase in accounts payable and accrued liabilities	**1,176**	9,131
(Decrease) increase in estimated third-party settlements	**(5,648)**	2,369
Increase in other liabilities	**14,272**	7,646
Net cash provided by operating activities	**153,396**	157,913
Investing activities		
Proceeds from sales and maturities of assets limited as to use classified as trading	**328,274**	585,034
Purchases of assets limited as to use classified as trading	**(394,276)**	(650,925)
Proceeds from sales and maturities of investments classified as trading	**10,798**	5,398
Purchases of investments classified as trading	**(9,851)**	(5,769)
Purchases of property, plant, and equipment	**(134,236)**	(112,049)
Increase in other assets	**(16,111)**	(6,146)
Business combinations	**(5,186)**	(10,902)
Net cash used in investing activities	**(220,588)**	(195,359)

Baptist Health System, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (continued)

(In Thousands)

	Year Ended September 30	
	2012	**2011**
Financing activities		
Issuance of long-term debt	**$ 420,370**	$ 21,000
Repayments of long-term debt	**(352,693)**	(15,566)
Contributions for the purchase of property, plant, and equipment	**258**	457
Contributions and investment income received	**15,452**	10,891
Net cash provided by financing activities	**83,387**	16,782
Net increase (decrease) in cash and cash equivalents	**16,195**	(20,664)
Cash and cash equivalents, beginning of year	**53,539**	74,203
Cash and cash equivalents, end of year	**$ 69,734**	$ 53,539
Supplemental disclosure of cash flow information		
Cash paid for interest	**$ 7,909**	$ 7,922

See accompanying notes

Baptist Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
(In Thousands)

September 30, 2012

1. Organization and Mission

Baptist Health System, Inc (the Parent) is a tax-exempt parent holding company located in Jacksonville, Florida, whose primary purpose is to direct the affairs of a multi-entity healthcare system (BHS), which includes the following subsidiaries

- Southern Baptist Hospital of Florida, Inc (SBHF) – a tax-exempt organization that operates two acute care hospitals, Baptist Medical Center – Jacksonville (BMCJ) and Baptist Medical Center – South (BMCS) The two hospitals have 619 and 225 licensed beds, respectively

- Baptist Medical Center of the Beaches, Inc (BMCB) – a tax-exempt, 146-bed acute care hospital

- Baptist Medical Center of Nassau, Inc (BMCN) – a tax-exempt, 54-bed acute care hospital

- Baptist Health Properties, Inc (BHP) – a tax-exempt real estate holding company

- Baptist Health Ambulatory Services, Inc (ASI) – a tax-exempt entity that provides ancillary healthcare services and health screenings

- Pavilion Health Services, Inc (PHS) – a taxable entity that provides various healthcare and related support services such as retail pharmaceutical services, home infusion services, and primary care services

- Baptist Health System Foundation, Inc (BHSF) – a public foundation with the primary purpose of raising funds to support the activities of the tax-exempt members of BHS

- Baptist Medical Center of Clay, Inc (CLAY) – a development-stage company

BMCJ, BMCS, BMCB, and BMCN are collectively referred to as the Medical Centers The Parent is the sole member or owner of each of the above affiliates and controls the multi-entity structure through board appointment and approval of all major transactions

1. Organization and Mission (continued)

BMCJ, BMCS, BMCB, BMCN, BHP, and ASI comprise the Obligated Group under the terms of a Master Trust Indenture between The Bank of New York Mellon Trust Company, N A and the Obligated Group, which was issued pursuant to the Consolidated and Amended Trust Indenture dated as of December 1, 2011

Operating and Nonoperating Activities

BHS's primary mission is to meet the healthcare needs in the region through an integrated network of affiliated organizations BHS's affiliated organizations are committed to providing a broad range of general and specialized healthcare services, including inpatient primary care, outpatient services, and other healthcare services Activities directly associated with the furtherance of this purpose are considered to be operating activities Other activities that result in gains or losses unrelated to BHS's primary mission are considered to be nonoperating

Charity Care

BHS accepts patients regardless of their ability to pay A patient is classified as a charity patient in accordance with certain established policies of BHS Because BHS does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as revenue BHS maintains records to identify and monitor the level of charity care it provides The records include the amount of charges foregone for services and supplies furnished under its charity care policy, and the estimated cost incurred to provide those services and supplies BHS estimates its cost of charity care using its cost accounting system to determine the cost to charge ratio for charity patients The estimated cost of care provided to charity patients was approximately $35,251 and $33,053 for the years ended September 30, 2012 and 2011, respectively

2. Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Parent, SBHF, BMCB, BMCN, BHP, ASI, CLAY, PHS, and BHSF Significant transactions between entities have been eliminated

2. Significant Accounting Policies (continued)

Use of Estimates

Management has made estimates that affect the reported amounts of certain assets, liabilities, revenues, and expenses Actual results could differ from those estimates

Cash and Cash Equivalents

Cash and cash equivalents include amounts deposited in operating accounts and cash invested in highly liquid instruments, with a maturity of three months or less when acquired, excluding amounts limited as to use by board designation or other arrangements under trust agreements

Concentrations of Credit Risk

Financial instruments that potentially subject BHS to concentrations of credit risk consist principally of cash and cash equivalents and derivatives BHS invests its cash in credit instruments of highly rated financial institutions Four institutions hold 100% of the total cash and cash equivalents as of September 30, 2012, and the derivative agreements have been entered into with four institutions as of September 30, 2012

Assets Limited as to Use

Assets limited as to use primarily include assets held by a trustee set aside by the Board for future capital improvements, debt service, and insurance reserves, over which the Board retains control and may, at its discretion, subsequently use for other purposes Amounts required to meet current malpractice and workers' compensation liabilities of BHS are reported as current assets

Investments and Investment Income

Investments are carried at fair value at the consolidated balance sheet dates Investment income (including realized gains and losses on investments) is included in nonoperating gains and losses unless the income or loss is restricted by donor or law Unrealized gains and losses on investments are included in the excess of revenues and gains over expenses and losses, as substantially all of BHS's investment portfolio is classified as trading

2. Significant Accounting Policies (continued)

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or, if donated, at fair market value at the date of the gift Depreciation is determined on the straight-line method over the estimated useful lives of the related assets As of September 30, 2012, BHS had open construction commitments totaling $55,980 for construction projects, which are included in construction-in-progress in Note 5

Deferred Compensation

PHS participates in the Pavilion Health Services, Inc Nonqualified Deferred Compensation Plan (the Plan) The purpose of the Plan is to retain quality personnel by allowing them to defer compensation to a later date or upon their death or disability The Plan assets are equal to the Plan liabilities and the value of the Plan at September 30, 2012 and 2011, was $28,742 and $20,773, respectively

Excess of Revenues and Gains over Expenses and Losses

The accompanying consolidated statements of operations and changes in net assets include excess of revenues and gains over expenses and losses Changes in unrestricted net assets, which are excluded from the excess of revenues and gains over expenses and losses, consistent with industry practice, include changes related to pension and other executive compensation 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

Electronic Health Record Payments

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

2. Significant Accounting Policies (continued)

implement, or upgrade certified EHR technology Providers must also demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive programs For the year ended September 30, 2012, BHS has recorded $2,203 in Medicaid incentive payments in other operating revenue BHS's attestation of compliance with the meaningful use criteria will be subject to audit by the federal government or designee Additionally, Medicare EHR incentive payments received are subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated

Adoption of New Accounting Pronouncements

In August 2010, the Financial Accounting Standards Board (FASB) issued ASU 2010-24, *Health Care Entities* (Topic 954) *Presentation of Insurance Claims and Recoveries*, which provides clarification to companies in the healthcare industry on the accounting for professional liability and similar insurance ASU 2010-24 states that insurance liabilities should not be presented net of insurance recoveries and that an insurance receivable should be recognized on the same basis as the liabilities, subject to the need for valuation allowance for uncollectible accounts ASU 2010-24 is effective for fiscal years beginning after December 15, 2010 and was adopted by BHS on October 1, 2011 The adoption of this standard increased other long term assets and reserves for professional claims liabilities by $2,683 in the accompanying consolidated balance sheets as of September 30, 2012

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-23, *Health Care Entities (Topic 954) Measuring Charity Care for Disclosure*, which prescribes a specific measurement basis of charity care for disclosure The new guidance is effective for fiscal years beginning after December 15, 2010, with retrospective application required, and early adoption is permitted The new disclosures and clarifications of existing disclosures are reflected above in Note 1, Organization and Mission – Charity Care

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04, *Fair Value Measurement* (Topic 820) *Amendments to Achieve Common Fair Market Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, in which the FASB and the International Accounting Standards Board (IFRS) worked together to ensure that fair value has the same meaning in U S GAAP and IFRS and that their respective fair value

2. Significant Accounting Policies (continued)

measurement and disclosure requirements are the same The amendments in this update explain how to measure fair value They do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting The amendments change the wording used to describe many of the requirements in U S GAAP for measuring fair value and for disclosing information about fair value measurements For many of the requirements, the FASB does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820 The amendments expand the disclosures about fair value measurement, including the categorization by level of the fair value hierarchy for items that are not measured at fair value in the statement of financial position but for which the fair value is required to be disclosed (for example a financial instrument that is measured at amortized cost in the statement of financial position) ASU 2011-04 is effective for annual periods beginning after December 15, 2011 and was early adopted by BHS on October 1, 2011 The new disclosures and clarification of existing disclosures as required by ASU 2011-04 are reflected in Note 9

Prospective Accounting Pronouncements

In July 2011, the FASB issued ASU No 2011-07, *Health Care Entities* (Topic 954) *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU 2011-07) ASU 2011-07 is effective for fiscal years and interim periods beginning after December 31, 2011, with early adoption permitted Changes to the presentation of the provision for bad debts related to patient service revenue in the statement of operations and changes in net assets should be applied retrospectively to all prior periods presented ASU 2011-07 states that a healthcare entity that recognizes significant amounts of patient service revenue at the time the services are rendered, even though it does not assess the patient's ability to pay, must present the provision for bad debts as a reduction of net patient revenue and not include it as a separate line item in operating expenses BHS has adopted this guidance effective October 1, 2012 The impact of adopting this guidance will be reflected as a reduction in net patient revenues and a reduction in operating expenses, with no impact on net excess of revenues and gains over expenses and losses

2. Significant Accounting Policies (continued)

Net Patient Service Revenues, Accounts Receivable, and Provision for Bad Debts

Net patient service revenues are reported at the estimated realizable amounts from patients, third-party payors, and others for medical services rendered Revenues under third-party payor agreements are subject to audit and retroactive adjustments Provisions for estimated third-party payor settlements and adjustments are estimated in the period the related services are rendered and adjusted in future periods as final settlements are determined During the years ended September 30, 2012 and 2011, respectively, approximately 23% and 22% of net patient service revenues were received under the Medicare program, 8% and 9% under state Medicaid programs, and 63% and 64% from contracts with other third parties During the years ended September 30, 2012 and 2011, net patient service revenues increased by $22,747 and $7,105, respectively, due to changes in estimated prior year settlements In addition, $355,203 and $357,713 of net patient service revenues were derived from two third-party payors during the years ended September 30, 2012 and 2011, respectively Significant concentrations of patient accounts receivable, prior to allowances, due from payors at September 30, 2012 and 2011, respectively, include 21% and 19% from the Medicare program, 10% and 9% from state Medicaid programs, and 32% and 32% in each year from contracts with other third parties The Medical Centers grant credit without collateral to their patients, most of who are local residents and are insured under third-party payor agreements

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on BHS

The provision for bad debts is based upon management's assessments of historical and expected net collections considering business and economic conditions, trends in healthcare coverage, and other collection indicators Accounts receivable are written off after collection efforts have been followed in accordance with the Medical Centers' policies Accounts written off as uncollectible are deducted from the allowance for uncollectible patient accounts, and subsequent recoveries are added Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category The results of this review are then used to make any modifications to the provision for bad debts to

2. Significant Accounting Policies (continued)

establish an appropriate allowance for uncollectible receivables After satisfaction of amounts due from insurance, the Medical Centers follow established guidelines for placing certain past due patient balances with collection agencies

Functional Expenses

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

Inventories

Inventories are stated at lower of cost (principally determined by the weighted-average method) or market

Income Taxes

The Parent, SBHF, BMCB, BMCN, BHP, ASI, and BHSF are not-for-profit corporations and are exempt from federal income taxes under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and are exempt from state income taxes pursuant to Florida Statute Chapter 220 13 PHS is a taxable corporation and files federal, Florida, and Georgia income tax returns Tax related interest and penalties are included in other expense on the accompanying consolidated statements of operations and changes in net assets Income taxes related to PHS are not material to BHS

CLAY has not applied for a determination letter from the Internal Revenue Service to determine if it meets the requirements as a corporation organized and operated exclusively for charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code (the Code) However, CLAY believes that it does comply with and is operating in accordance with the requirements of the Code and, therefore, believes it will be exempt from taxation

2. Significant Accounting Policies (continued)

With respect to its for-profit entity as well as any unrelated business income generated at the tax-exempt entities, BHS records income taxes using the liability method, under which deferred tax assets and liabilities are determined based on the differences between the financial accounting and tax bases of assets and liabilities Deferred tax assets or liabilities at the end of each period are determined using the currently enacted tax rate expected to apply to taxable income in the period that the deferred tax asset or liability is expected to be realized or to be settled

Loan Issue Costs

The costs incurred in connection with the issuance of the various Hospital Revenue Bonds (see Note 8) are being amortized over the term of the related indebtedness on the effective interest method

Goodwill and Other Intangible Assets

Goodwill and other intangible assets, included in other assets, consist principally of cost in excess of the net book value of purchased businesses, and purchased provider contracts and treatment protocols Goodwill is not amortized but is reviewed annually for impairment, or more frequently if impairment indicators arise

If such indicators are present, BHS uses projections of future discounted cash flows and other procedures to determine whether the entity's estimated fair value is less than its carrying amount, and, if so, BHS recognizes an impairment loss based on the excess of the carrying amount of the goodwill over its fair value

Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life Intangible assets with an indefinite life are tested annually for impairment

(In Thousands)

2. Significant Accounting Policies (continued)

Donor-Restricted Gifts

Donor-restricted gifts and endowments are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets or are subject to time restrictions 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 accompanying consolidated statements of operations and changes in net assets 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 consolidated financial statements

Temporarily Restricted Net Assets

Temporarily restricted net assets are primarily available for operations and to purchase equipment, renovations, and buildings Temporarily restricted net assets are available for the following purposes or periods

	September 30	
	2012	**2011**
Hospital programs	**$ 10,213**	$ 6,970
Property and equipment	**5,590**	7,186
Education and research	**2,513**	3,753
Other program services	**4,564**	2,004
Community outreach	**2,045**	2,319
Future time periods	**54**	54
	$ 24,979	$ 22,286

(In Thousands)

2. Significant Accounting Policies (continued)

Permanently Restricted Net Assets

Permanently restricted net assets are those preserved by donor intent to provide a permanent source of investment income for the operations of the Medical Centers' adult and children's hospital divisions Permanently restricted net assets are restricted to

	September 30 2012	2011
Hospital programs	**$ 10,782**	$ 8,219
Community outreach	**1,595**	1,595
Education and research	**692**	587
Other program services	**253**	241
	$ 13,322	$ 10,642

Split-Interest Agreements

Assets held under split-interest agreements and beneficial interests in third-party trusts are recognized as revenue when notification of an irrevocable split-interest agreement exists and when fair value can reasonably be determined

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to be consistent with the 2012 presentation These reclassifications had no effect on net assets previously reported

During fiscal year 2012, BHS evaluated its investment portfolio which is classified as trading BHS determined that the strategy of the investment portfolio is to earn returns on investments consistent with a reasonable and prudent level of risk The investment portfolio is not specifically held for resale but rather is expected to be held to provide for future operations and capital needs As a result, BHS reclassified $65,358 previously reflected as a use of operating cash flows for the year ended September 30, 2011 to a use of investing cash flows This reclassification increased operating cash flows by $65,358 and decreased investing cash flows by the same amount for the year ended September 30, 2011 but had no impact on the decrease in cash and cash equivalents as previously reported

3. Business Combinations

On May 1, 2012, PHS acquired 100% of the ownership interests in Southern Heart Group (SHG) and Jacksonville Heart Center (JHC) and formed Baptist Cardiology, Inc (BCI), a group of 27 specialty-trained physicians providing comprehensive cardiology care The physicians have the right to repurchase all of the assets at any time prior to May 1, 2017 at a purchase price at or above fair market value (including additions and replacement of the assets) BHS believes this physician acquisition will enhance its competitive position and improve clinical efficiencies

PHS's purchase price was allocated to tangible and intangible assets as well as current liabilities The tangible assets comprise mostly equipment The finite lived intangible assets include medical records that are amortized over a weighted-average period of 60 months BCI contributed approximately $9,516 in net patient service revenues from May 1, 2012 through September 30, 2012 For the same period, BCI had net excess of expenses and losses over revenues and gains of $4,878

On February 1, 2011, PHS acquired 100% of the capital stock of Jacksonville Orthopedic Institute (JOI), a group of 31 specialty-trained physicians providing comprehensive orthopedic care, including a medical imaging business unit PHS subsequently sold the medical imaging business unit to SBHF BHS believes this physician acquisition will enhance its competitive position and improve clinical efficiencies PHS's purchase price was allocated to tangible and intangible assets as well as current liabilities assumed, resulting in goodwill of $2,900, which was subsequently transferred to SBHF The finite lived intangible assets include medical records and other intangible assets and are amortized over a weighted-average period of 60 months

JOI contributed approximately $34,243 in net patient service revenues from February 1, 2011 through September 30, 2011 For the same period, JOI had net excess of expenses and losses over revenues and gains of $1,968 During 2012, JOI contributed approximately $50,787 in net patient service revenues and had net excess of expenses and losses over revenues and gains of $3,156

PHS accounted for the acquisitions using the acquisition method as required in Accounting Standards Codification (ASC) 805, *Business Combinations* As such, fair values have been assigned to the assets and liabilities acquired, and the excess of the total purchase price over the fair value of the net assets acquired is recorded as goodwill PHS has estimated fair value of certain intangible assets The goodwill is not expected to be deductible for tax purposes

(In Thousands)

4. Investments and Assets Limited as to Use

Assets Limited as to Use

The composition of assets limited as to use is presented below

	September 30 2012	2011
Internally designated for capital improvements, debt service, and insurance reserves		
Equity mutual funds		
Domestic	**$ 293,148**	$ 232,506
International	**112,806**	89,567
Fixed-income mutual funds		
Domestic	**438,979**	319,726
International	**25,706**	19,404
Cash and cash equivalents	**–**	33,921
Interest receivable	**760**	743
	$ 871,399	$ 695,867

Investment return is summarized as follows

	September 30 2012	2011
Interest, dividends, and realized gains	**$ 34,018**	$ 33,051
Net unrealized gains (losses) on investments reported at fair value	**82,169**	(28,025)
Total investment return	**$ 116,187**	$ 5,026
Included in nonoperating gains	**$ 112,543**	$ 5,013
Reported separately as increase in restricted net assets	**3,644**	13
Total investment return	**$ 116,187**	$ 5,026

The amount of net unrealized gains for investments and assets limited as to use still held as of September 30, 2012, is $80,914

(In Thousands)

4. Investments and Assets Limited as to Use (continued)

Investments

Investments include the following

	September 30 2012	2011
Equity securities	**$ 94**	$ 97
Equity mutual funds		
Domestic	**16,052**	13,206
International	**6,553**	5,113
Fixed-income mutual funds		
Domestic	**12,505**	10,984
International	**1,493**	1,165
Cash and cash equivalents	**4,282**	5,061
Interest receivable	**46**	99
	$ 41,025	$ 35,725

(In Thousands)

5. Property, Plant, and Equipment

BHS had property, plant, and equipment less accumulated depreciation as follows

	September 30 2012	2011
Land and improvements	**$ 50,135**	$ 42,268
Building and equipment	**1,312,214**	1,244,333
	1,362,349	1,286,601
Less accumulated depreciation	**(727,939)**	(664,614)
	634,410	621,987
Construction-in-progress	**166,989**	99,502
	$ 801,399	$ 721,489

6. Other Assets

Other assets consist of the following

	September 30 2012	2011
Investment in land	**$ –**	$ 8,587
Long-term pledge receivables	**6,771**	4,242
Goodwill and intangible assets	**18,097**	17,716
Equity investment in Solantic	**19,176**	18,671
Deferred compensation	**28,742**	20,773
Beneficial interest in trust held by others	**329**	–
Other	**8,823**	6,072
	$ 81,938	$ 76,061

(In Thousands)

7. Goodwill and Intangible Assets

BHS's intangible assets are summarized as follows

	September 30, 2012		
	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization			
Internally developed software	**$ 10,064**	**$ (1,245)**	**$ 8,819**
Medical records	**2,356**	**(552)**	**1,804**
Noncompete agreements	**1,667**	**(1,661)**	**6**
Other	**3,406**	**(1,090)**	**2,316**
Intangible assets not subject to amortization (indefinite life)			
Goodwill	**3,674**	**–**	**3,674**
Other	**1,400**	**–**	**1,400**
Trade name	**78**	**–**	**78**
	$ 22,645	**$ (4,548)**	**$ 18,097**

	September 30, 2011		
	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization			
Internally developed software	$ 8,644	$ (269)	$ 8,375
Medical records	1,463	(205)	1,258
Noncompete agreements	1,667	(1,583)	84
Other	3,406	(409)	2,997
Intangible assets not subject to amortization (indefinite life)			
Goodwill	3,524	–	3,524
Other	1,400	–	1,400
Trade name	78	–	78
	$ 20,182	$ (2,466)	$ 17,716

(In Thousands)

7. Goodwill and Intangible Assets (continued)

The weighted-average amortization period for the amortizable intangible assets as of September 30, 2012 is approximately 74 months Amortization expense related to computer software costs, net of any amounts written down to net realizable value, was $976 and $269 for the years ended September 30, 2012 and 2011, respectively Total amortization expense related to intangible assets was $2,088 and $1,908 for the years ended September 30, 2012 and 2011, respectively Expected amortization expense for the next five years is as follows

2013	$ 2,599
2014	2,571
2015	2,571
2016	1,986
2017	1,552

The changes in the carrying amount of goodwill are as follows

	Year Ended September 30	
	2012	**2011**
Goodwill balance, beginning of period	**$ 3,524**	$ 220
Goodwill acquired during the year	**1,650**	3,304
Goodwill adjusted during the year	**150**	–
Goodwill impaired during the year	**(1,650)**	–
Goodwill balance, end of period	**$ 3,674**	$ 3,524

8. Long-Term Debt

The Medical Centers, BHP, and ASI comprise an Obligated Group and have certain joint and several liabilities under a Master Trust Indenture to make all payments required with respect to obligations under the Master Trust Indenture, which totaled approximately $566,989 at September 30, 2012 The Master Trust Indenture requires certain covenants and reporting requirements to be met by the Obligated Group

On December 1, 2011, the Obligated Group called the outstanding bonds of Jacksonville Health Facilities Authority Hospital Revenue Bonds, Series 2003A, Series 2004, and Series 2007C, with outstanding principal amounts of $70,000, $50,000, and $41,900, respectively, and simultaneously reissued the bonds as Bank Held Variable Rate Extendable Notes in the same amount and principal amortization schedules In connection with the call and reissuance of the Series 2003A, Series 2004, and Series 2007C bonds, the associated letters of credit were canceled The Series 2003A, Series 2004, and Series 2007C notes bear interest at a variable index interest rate of 67% of 30 day LIBOR, plus 68 basis points The initial interest rate period expires December 1, 2016, at which time the Series 2003A, Series 2004, and Series 2007C notes may operate in another bank purchase mode or be subject to mandatory tender for purchase Upon mandatory tender for purchase, the Obligated Group may convert to another available interest rate mode Interest is payable quarterly

During March 2012, May 2012, and August 2012, the Obligated Group issued $60,000, $16,000, and $10,000, respectively, of Jacksonville Health Facilities Authority Hospital Revenue Extendable Notes, Series 2012A, 2012B, 2012C, and 2012D (Series 2012 Notes) The proceeds of the Series 2012 Notes were used to finance capital expenditures for the planning, development, construction, and equipping of SBHF and BMCB Principal payments of the Series 2012 Notes are due in varying amounts from August 15, 2013 to August 15, 2037

On July 1, 2012, the Obligated Group called the outstanding bonds of Jacksonville Health Facilities Authority Hospital Revenue Bonds, Series 2001 and Series 2007D, with outstanding principal amounts of $29,445 and $41,900, respectively, and simultaneously reissued the bonds as Bank Held Variable Rate Extendable Notes in the same amount and principal amortization schedule In connection with the call and reissuance of the Series 2001 and Series 2007D bonds, the associated letters of credit were canceled The Series 2001 and Series 2007D notes bear interest at a variable index interest rate of 70% of 30 day LIBOR, plus 75 basis points The margin for calculating the interest rate can change depending on the Obligated Group's credit rating The initial interest rate period expires July 1, 2017, at which time Series 2001 and

8. Long-Term Debt (continued)

Series 2007D notes may operate in another bank purchase mode or be subject to mandatory tender for purchase Upon mandatory tender for purchase, the Obligated Group may convert to another available interest rate mode Interest is payable monthly

On July 1, 2012, the Obligated Group called the outstanding bonds of Jacksonville Health Facilities Authority Hospital Revenue Bonds, Series 2003C, with outstanding principal amount of $20,000, and simultaneously reissued the bonds as a Bank Held Fixed Rate Extendable Note in the same amount and principal amortization schedule In connection with the call and reissuance of the Series 2003C bonds, the associated letter of credit was canceled The Series 2003C note bears interest at a fixed bank rate of 1 99% The initial interest rate period expires August 15, 2019, at which time the Series 2003C note may operate in another bank purchase mode or be subject to mandatory tender for purchase Upon mandatory tender for purchase, the Obligated Group may convert to another available interest rate mode Interest is payable monthly

On September 4, 2012, the Obligated Group called the outstanding bonds of Jacksonville Health Facilities Authority Hospital Revenue Bonds, Series 2003B, with outstanding principal amounts of $35,000, and simultaneously reissued the bonds as a Bank Held Variable Rate Extendable Note in the same amount and principal amortization schedule In connection with the call and reissue of the Series 2003B bonds, the associated letter of credit was canceled The Series 2003B note bears interest at a variable index interest rate of 74% of 30 day LIBOR, plus 75 25 basis points The initial interest rate period expires September 4, 2017, at which time the Series 2003B note may operate in another bank purchase mode or be subject to mandatory tender for purchase Upon mandatory tender for purchase, the Obligated Group may convert to another available interest rate mode Interest is payable monthly

On September 4, 2012, the Obligated Group called the outstanding bonds of Jacksonville Health Facilities Authority Hospital Revenue Bonds, Series 2007B and Series 2007E, with outstanding principal amounts of $25,750 and $20,375, respectively, and simultaneously reissued the bonds as Bank Held Variable Rate Extendable Notes in the same amount and principal amortization schedule In connection with the call and reissuance of the Series 2007B and Series 2007E bonds, the associated letters of credit were canceled The Series 2007B and Series 2007E notes bear interest at a variable index interest rate of 75% of 30 day LIBOR, plus 82 basis points The initial interest rate period expires September 4, 2019, at which time Series 2007B and

8. Long-Term Debt (continued)

Series 2007E notes may operate in bank purchase mode or be subject to mandatory tender for purchase Upon mandatory tender for purchase, the Obligated Group may convert to another available interest rate mode Interest is payable monthly

During June 2010, November 2010, and December 2010, the Obligated Group issued $54,000, $7,000, and $14,000, respectively, of Jacksonville Health Facilities Authority Hospital Revenue Extendable Notes, Series 2010A, 2010B, and 2010C (Series 2010 Notes) The proceeds of the Series 2010 Notes were used to finance capital expenditures for the planning, development, construction, and equipping of SBHF and BMCB The margin for calculating the interest rate for Series 2010C can change based on the Obligated Group's credit rating Principal payments of the Series 2010 Notes are due in varying amounts from August 15, 2013 to August 15, 2035

During the year ended September 30, 2012, the Obligated Group entered into interest rate swap agreements (Series 2012A and 2012B swaps), which expire on August 15, 2022 and August 15, 2019, to convert its Series 2012A and Series 2012B Extendible Notes from variable rate debt into fixed interest rate debt The Obligated Group agreed to exchange, effective March 26, 2012 and March 29, 2012, the receipt of a variable interest rate payment for the payment of a fixed interest rate payment The variable rate payment is based on a percentage of LIBOR, which is reset monthly The variable and fixed payments are calculated on a combined notional amount of $24,350 and $19,450 respectively, for Series 2012A and Series 2012B Swaps as of September 30, 2012 The differential to be paid or received is accrued as the variable interest rate changes and is recognized in interest expense The related amount payable to or receivable from the counterparty is included in other liabilities or other assets, respectively The Obligated Group recognizes the change in the fair value of the agreements within unrestricted net assets, as the agreements have been designated as effective hedges under ASC 815, Derivatives and Hedging Included in unrestricted net assets are the unrealized losses on interest rate swaps of ($1,158) and ($687) related to Series 2012A and Series 2012B swaps, respectively, for the year ended September 30, 2012

The fair value of the Series 2012A and Series 2012B swaps at September 30, 2012 is ($1,158) and ($687), respectively, which represents the amount the Obligated Group would have to pay to the counterparty should the agreements be terminated, and is included in other liabilities in the accompanying consolidated balance sheets

8. Long-Term Debt (continued)

During the year ended September 30, 2009, the Obligated Group entered into an interest rate swap agreement (Series 2001 swap), which expires on August 15, 2021, to convert its Series 2001 Bonds from variable rate refunding debt into fixed interest rate debt The Obligated Group agreed to exchange, effective June 11, 2009, the receipt of a variable interest rate payment for the payment of a fixed interest rate payment The variable rate payment is based on a percentage of LIBOR, which is reset weekly The variable and fixed payments are calculated on a combined notional amount of $26,955 The differential to be paid or received is accrued as the variable interest rate changes and is recognized in other expenses The related amount payable to or receivable from the counterparty is included in other liabilities or other assets, respectively The Obligated Group recognizes the change in the fair value of this agreement within the excess of revenues and gains over expenses and losses, as this agreement has not been designated as an effective hedge under ASC 815, Derivatives and Hedging Included in nonoperating gains (losses) is ($133) and ($150) of unrealized losses related to the Series 2001 swap for the years ended September 30, 2012 and 2011, respectively

The fair value of the Series 2001 swap at September 30, 2012 and 2011, is ($2,736) and ($2,603), respectively, which represents the amount the Obligated Group would have to pay to the counterparty should the agreement be terminated, and is included in other liabilities in the accompanying consolidated balance sheets

In addition, during the year ended September 30 2009, the Obligated Group entered into an interest rate swap agreement (Series 2007B swap), which expires on August 15, 2023, to convert its Series 2007B Bonds from variable rate refunding debt to fixed interest rate debt The Obligated Group agreed to exchange, effective June 11, 2009, the receipt of a variable interest rate payment for the payment of a fixed interest rate payment The variable rate payment is based on a percentage of LIBOR, which is reset weekly The variable and fixed payments are calculated on a combined notional amount of $25,750 The differential to be paid or received is accrued as the variable interest rate changes and is recognized in other expenses The related amount payable to or receivable from the counterparty is included in other liabilities or other assets, respectively The Obligated Group recognizes the change in the fair value of this agreement within the excess of revenues and gains over expenses and losses, as this agreement has not been designated as an effective hedge under ASC 815 Included in nonoperating gains (losses) is ($202) and ($246) of unrealized loss related to the Series 2007B swap for the years ended September 30, 2012 and 2011, respectively

8. Long-Term Debt (continued)

The fair value of the Series 2007B swap at September 30, 2012 and 2011, is ($2,889) and ($2,687), respectively, which represents the amount the Obligated Group would have to pay to the counterparty should the agreements be terminated, and is included in other liabilities in the accompanying consolidated balance sheets

During the year ended September 30, 2006, the Obligated Group entered into forward interest rate swap agreements (Series 2007CDE swaps), which expire on August 15, 2027, to convert its Series 2007CDE Bonds from variable rate refunding debt into a fixed interest rate debt The Obligated Group agreed to exchange, effective August 15, 2007, the receipt of a variable interest rate payment for the payment of a fixed interest rate payment The variable rate payment is based on a percentage of LIBOR, which is reset weekly The variable and fixed payments are calculated on a combined notional amount of $99,725 The differential to be paid or received is accrued as the variable interest rate changes and is recognized in other expenses The related amount payable to or receivable from the counterparty is included in other liabilities or other assets, respectively The Obligated Group recognizes the change in the fair value of these agreements within the excess of revenues and gains over expenses and losses, as these agreements have not been designated as effective hedges under ASC 815 Included in other nonoperating gains (losses) is ($615) and ($1,161) of unrealized loss related to the Series 2007CDE swaps for the years ended September 30, 2012 and 2011, respectively

The fair value of the Series 2007CDE swaps at September 30, 2012 and 2011, is ($19,630) and ($19,016), respectively, which represents the amount the Obligated Group would have to pay to the counterparty should the agreements be terminated, and is included in other liabilities in the accompanying consolidated balance sheets

(In Thousands)

8. Long-Term Debt (continued)

BHS was obligated under long-term debt as follows

	September 30 2012	2011
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2001, due in varying amounts from 2013 through 2021 with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (0 91% as of September 30, 2012 and 0 15%, excluding letter of credit and remarketing fees, as of September 30, 2011)	**$ 26,955**	$ 29,445
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2003A, due in varying amounts from 2022 through 2033 with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (0 83% as of September 30, 2012 and 0 17%, excluding letter of credit and remarketing fees, as of September 30, 2011)	**70,000**	70,000
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2003B, due in varying amounts from 2022 through 2033 with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (0 92% as of September 30, 2012 and 0 13%, excluding letter of credit and remarketing fees, as of September 30, 2011)	**35,000**	35,000
Jacksonville Health Facilities Authority Fixed Rate Hospital Revenue Extendable Notes, Series 2003C, due in varying amounts from 2022 through 2033 (1 99% as of September 30, 2012 and 0 15%, excluding letter of credit and remarketing fees, as of September 30, 2011)	**20,000**	20,000
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2004, due in varying amounts from 2020 through 2034 with a variable interest rate not to exceed 12 00% per annum (0 83% as of September 30, 2012 and 0 21%, excluding letter of credit and remarketing fees, as of September 30, 2011)	**50,000**	50,000
Jacksonville Health Facilities Authority Hospital Revenue Bonds, Series 2007A, due in varying amounts from 2023 through 2037, with a fixed interest rate of 5 00%, including unamortized premium of $1,311 and $1,393 at September 30, 2012 and 2011, respectively	**66,311**	66,393

(In Thousands)

8. Long-Term Debt (continued)

	September 30 2012	2011
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2007B, due in varying amounts from 2013 through 2023 with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (0 99% as of September 30, 2012 and 0 14%, excluding letter of credit and remarketing fees, as of September 30, 2011)	**$ 25,750**	$ 27,750
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Refunding Extendable Notes, Series 2007C, Series 2007D and Series 2007E, due in varying amounts from 2013 through 2027 with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (0 90% as of September 30, 2012 and 0 17%, excluding letter of credit and remarketing fees, as of September 30, 2011)	**99,725**	105,300
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Notes, Series 2009, due in varying amounts from 2013 through 2017, with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (2 50% and 2 50% as of September 30, 2012 and 2011, respectively)	**18,148**	22,307
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2010A, due in varying amounts from 2013 through 2035, with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (1 13% and 1 10% as of September 30, 2012 and 2011, respectively)	**23,775**	24,400
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2010B, due in varying amounts from 2013 through 2035, with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (0 87% and 0 86% as of September 30, 2012 and 2011, respectively)	**23,775**	24,400
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2010C, due in varying amounts from 2013 through 2035, with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (0 94% and 1 08% as of September 30, 2012 and 2011, respectively)	**23,775**	24,400

(In Thousands)

8. Long-Term Debt (continued)

	September 30 2012	2011
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2012A, due in varying amounts from 2013 through 2036, with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (1.06% as of September 30, 2012)	**$ 24,350**	$ –
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2012B, due in varying amounts from 2013 through 2036, with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (1.04% as of September 30, 2012)	**19,450**	–
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2012C, due in varying amounts from 2013 through 2019, with a fixed interest rate not to exceed the maximum permitted by United States federal law or Florida law (1.62% as of September 30, 2012)	**13,975**	–
Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2012D, due in varying amounts from 2013 through 2037, with a variable interest rate not to exceed the maximum permitted by United States federal law or Florida law (0.95% as of September 30, 2012)	**26,000**	–
	566,989	499,395
Less current portion	**23,039**	16,099
	$ 543,950	$ 483,296

(In Thousands)

8. Long-Term Debt (continued)

The following table outlines the terms and fair values of the interest rate swap agreements that are included in other liabilities on the accompanying consolidated balance sheets Fair values presented are computed using estimated future cash flows

	Series 2001	Series 2007B	Series 2007CDE	Series 2012A	Series 2012B
Notional amount at September 30, 2012	$ 26,955	$ 25,750	$ 99,725	$ 24,350	$ 19,450
Effective date	6/11/2009	6/11/2009	8/15/2007	3/26/2012	3/29/2012
Termination date	8/15/2021	8/15/2023	8/15/2027	8/15/2022	8/15/2019
Fixed rate	2 745%	2 798%	3 650%	2 500%	2 245%
Fair value at September 30, 2012	$ (2,736)	$ (2,889)	$ (19,630)	$ (1,158)	$ (687)

The following tables outline the location and effect of the interest rate swap agreements on the accompanying consolidated balance sheet and statement of operations and changes in net assets Gains and losses on effective hedges are reported in accumulated other comprehensive income If a hedge instrument becomes ineffective, gains and losses will be reported in earnings

Liability Derivatives	Balance Sheet Locations	Net Asset Classifications	Fair Value September 30 2012	2011
Interest rate contracts				
Series 2001	Other liabilities	Unrestricted	**$ (2,736)**	$ (2,603)
Series 2007B	Other liabilities	Unrestricted	**(2,889)**	(2,687)
Series 2007CDE	Other liabilities	Unrestricted	**(19,630)**	(19,016)
Total derivatives not designated as hedging instruments			**$ (25,255)**	$ (24,306)
Series 2012A	Other liabilities	Unrestricted	**(1,158)**	–
Series 2012B	Other liabilities	Unrestricted	**(687)**	–
Total derivatives designated as hedging instruments			**$ (1,845)**	$ –
Total derivatives			**$ (27,100)**	$ (24,306)

(In Thousands)

8. Long-Term Debt (continued)

Liability Derivatives	Location of Loss Recognized Within Performance Indicator	Amount of Loss Recognized Within Performance Indicator for the Year Ended September 30 2012	2011
Interest rate contracts			
Series 2001	Nonoperating gains (losses)	**$ (133)**	$ (150)
Series 2007B	Nonoperating gains (losses)	**(202)**	(246)
Series 2007CDE	Nonoperating gains (losses)	**(615)**	(1,161)
Total derivatives not designated as hedging instruments		**$ (950)**	$ (1,557)
Series 2012A	Unrestricted net assets	**(1,158)**	–
Series 2012B	Unrestricted net assets	**(687)**	–
Total derivatives designated as hedging instruments		**$ (1,845)**	$ –
Total derivatives		**$ (2,795)**	$ (1,557)

A summary of the changes in the accumulated derivative loss for effective hedging transactions is as follows

	Year Ended September 30 2012	2011
Accumulated derivative loss, beginning of period	**$ –**	$ –
Net change associated with hedging transactions		
Series 2012 A	**(1,158)**	–
Series 2012 B	**(687)**	–
Accumulated derivative loss, end of period	**$ (1,845)**	$ –

(In Thousands)

8. Long-Term Debt (continued)

Maturities of long-term debt as of September 30, 2012, are as follows

	Amount
Year ending September 30	
2013	$ 23,039
2014	23,752
2015	23,492
2016	23,281
2017	19,723
Thereafter	452,391
Unamortized bond premium	1,311
	$ 566,989

9. Fair Value of Financial Instruments

In accordance with ASC 820, *Fair Value Measurements and Disclosures*, assets and liabilities recorded at fair value in the consolidated financial statements are categorized, for disclosure purposes, based upon whether the inputs used to determine their fair values are observable or unobservable More specifically, ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure assets and liabilities at fair value

Level inputs, as defined by ASC 820, are as follows

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that BHS has the ability to access on the reporting date

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly If the asset or liability has a specific (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability Level 2 assets and liabilities are valued using a market approach

Level 3 – Inputs that are unobservable for the asset or liability

(In Thousands)

9. Fair Value of Financial Instruments (continued)

The following tables summarize fair value measurements, by level, at September 30, 2012 and 2011, which are measured on a recurring basis in the accompanying consolidated balance sheets

September 30, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Assets limited as to use				
Equity mutual funds				
Domestic	**$ 293,148**	**$ –**	**$ –**	**$ 293,148**
International	**112,806**	**–**	**–**	**112,806**
Fixed-income mutual funds				
Domestic	**438,979**	**–**	**–**	**438,979**
International	**25,706**	**–**	**–**	**25,706**
Long-term investments				
Equity securities	**94**	**–**	**–**	**94**
Equity mutual funds				
Domestic	**16,052**	**–**	**–**	**16,052**
International	**6,553**	**–**	**–**	**6,553**
Fixed income mutual funds				
Domestic	**12,505**	**–**	**–**	**12,505**
International	**1,493**	**–**	**–**	**1,493**
Beneficial interest in trust held by others	**–**	**–**	**329**	**329**
Liabilities				
Interest rate swaps		**(27,100)**		**(27,100)**

(In Thousands)

9. Fair Value of Financial Instruments (continued)

September 30, 2011	Level 1	Level 2	Level 3	Total
Assets				
Assets limited as to use				
Equity mutual funds				
Domestic	$ 232,506	$ –	$ –	$ 232,506
International	89,567	–	–	89,567
Fixed-income mutual funds				
Domestic	319,726	–	–	319,726
International	19,404	–	–	19,404
Long-term investments				
Equity securities	97	–	–	97
Equity mutual funds				
Domestic	13,206	–	–	13,206
International	5,113	–	–	5,113
Fixed income mutual funds				
Domestic	10,984	–	–	10,984
International	1,165	–	–	1,165
Beneficial interest in trust held by others	–	–	–	–
Liabilities				
Interest rate swaps	–	(24,306)	–	(24,306)

Interest Rate Swaps

The fair value of the interest rate swaps is estimated using market inputs obtained independently from third-party sources Expected cash flows are discounted at unadjusted interbank (LIBOR) rates The valuations represent reasonable estimates of fair market values and may not represent the actual amount at which new transaction could be entered into or the actual amounts at which existing transactions could be liquidated or unwound

(In Thousands)

9. Fair Value of Financial Instruments (continued)

Long-Term Debt

The fair value of long-term debt is estimated based on dealer quotes for hospital tax-exempt debt with similar terms and maturities and using discounted cash flow analyses based on current interest rates for similar types of borrowing arrangements The estimated fair value of debt (Level 2) at September 30, 2012 and 2011, is $569,969 and $498,071, respectively

Beneficial Interests in Trusts Held by Others

A remainder interest in an irrevocable trust is included in the accompanying consolidated balance sheets as a beneficial interest in trust held by others and is included in other assets Measurement and disclosures are in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2011-04, *Fair Value Measurement* (Topic 820) *Amendments to Achieve Common Fair Market Measurement and Disclosure Requirements in U.S. GAAP and IFRS.* The income approach is used for measuring the fair value of the beneficial interests in trust (Level 3) The present value of the future interests in the charitable remainder trust is $329 as of September 30, 2012 and has been included in temporarily restricted net assets The present value of the trust is calculated using a discount rate of 5 5% at September 30, 2012, and a term of 22 years The projected rate of return on the trust assets is 5 5%

The following table summarizes the changes in the BHS Foundation's level 3 beneficial interests in trust held by third-party trustees for the year ended September 30, 2012

Balance at September 30, 2011	$	–
Additions		329
Balance at September 30, 2012	**$**	**329**

10. Income Taxes

Deferred income taxes, which as of September 30, 2012 and 2011, have no net carrying value, reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income tax purposes As of September 30, 2012 and 2011, BHS had deferred tax assets of $21,411 and $15,901, respectively, relating principally to net operating loss carryovers ASC 740-10-50-3, *Income Taxes: Disclosure*, requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized After consideration of all the evidence, both positive and negative, management determined that a $21,411 and $15,901 allowance at September 30, 2012 and 2011, respectively, was necessary to reduce the deferred tax assets to the amount that would more likely than not be realized The change in the valuation allowance for the current year is $5,510 At September 30, 2012, BHS has available net operating loss carryforwards of $56,900, of which $466 expires at the start of fiscal year 2013

11. Retirement Plan

The Medical Centers, PHS, and ASI participate in a noncontributory defined benefit retirement plan (the Plan) sponsored by BHS The Plan covers a substantial number of the employees Benefits are based on each participant's years of service and compensation BHS's policy is to contribute annually at least the minimum amount necessary to comply with the requirements of the Employee Retirement Income Security Act of 1974 SBHF funds contributions to the Plan

Included in unrestricted net assets at September 30, 2012, are the following amounts that have not yet been recognized in net periodic pension cost unrecognized prior service cost of $0 and unrecognized actuarial losses of $191,428 The prior service cost and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2013, are $0 and $15,753, respectively

(In Thousands)

11. Retirement Plan (continued)

The following table provides a reconciliation of the changes in the benefit obligation and fair value of assets for the years ended September 30, 2012 and 2011, and a statement of the funded status as of September 30, 2012 and 2011, the measurement dates, and a reconciliation of the amounts recognized in the accompanying consolidated balance sheets

	September 30	
	2012	**2011**
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 398,075**	$ 374,071
Service cost	**12,291**	13,114
Interest cost	**18,324**	18,557
Actuarial (gain) loss	**31,662**	(416)
Benefits paid	**(8,100)**	(7,251)
Benefit obligation at end of year	**$ 452,252**	$ 398,075
Change in plan assets		
Fair value of plan assets at beginning of year	**$ 240,710**	$ 224,365
Actual return on plan assets	**47,352**	(329)
Employer contributions	**19,820**	23,925
Benefit payments	**(8,100)**	(7,251)
Fair value of plan assets at end of year	**$ 299,782**	$ 240,710
Accumulated benefit obligation at end of year	**$ 390,617**	$ 341,424
Amounts recognized in the consolidated balance sheets		
Current assets	**$ –**	$ –
Noncurrent assets	**–**	–
Current liabilities	**–**	–
Noncurrent liabilities	**(152,470)**	(157,365)
Net liability at end of year	**$ (152,470)**	$ (157,365)

(In Thousands)

11. Retirement Plan (continued)

	September 30 2012	2011
Components of net periodic benefit cost		
Service cost	**$ 12,291**	$ 13,114
Interest cost	**18,324**	18,557
Expected return on assets	**(22,241)**	(21,504)
Amortization of		
Prior service cost	**–**	–
Net loss	**12,586**	12,409
Amount recognized in net periodic benefit cost	**$ 20,960**	$ 22,576
Other changes in plan assets and benefit obligations recognized in unrestricted net assets		
Net actuarial loss	**$ 6,551**	$ 21,416
Amortization of		
Prior service credit	**–**	–
Actuarial gain	**(12,586)**	(12,409)
Total recognized in unrestricted net assets	**$ (6,035)**	$ 9,007
Total recognized in net periodic benefit cost and unrestricted net assets	**$ 14,925**	$ 31,583

The assumptions used to determine the benefit obligation and net consolidated balance sheet liability at September 30 are set forth below

	September 30 2012	2011
Weighted-average discount rate	**4.17%**	4 65%
Weighted-average rate of compensation increase	**3.50%**	3 50%
Weighted-average expected long-term rate of return on plan assets	**7.75%**	8 00%

(In Thousands)

11. Retirement Plan (continued)

Asset Allocation

The weighted-average asset allocation for the Plan at the end of fiscal years 2012 and 2011, and the target allocation for fiscal 2013, by asset category, are as follows

Asset Category	Target Allocation 2013	Percentage of Plan Assets at September 30 2012	2011
Equity securities	60%	60%	60%
Debt securities	40	40	40
Total	100%	100%	100%

Composition of Plan Assets

The composition of Plan assets at September 30, 2012 and 2011, is as follows

Fair Value of Plan Assets (Level 1)	September 30 2012	2011
Equity mutual funds – domestic	**$ 123,575**	$ 100,761
Equity mutual funds – international	**55,550**	43,609
Fixed-income mutual funds – domestic	**108,208**	86,538
Fixed-income mutual funds – international	**12,157**	9,492
Interest receivable	**292**	310
Total	**$ 299,782**	$ 240,710

These assets (all Level 1) are exchange-traded funds whose fair value is determined from quoted prices on nationally recognized securities exchanges There are no Level 2 or Level 3 investments for these Plan assets

11. Retirement Plan (continued)

Investment Strategy

The Plan's asset allocation and investment strategy are designed to earn returns on plan assets consistent with a reasonable and prudent level of risk Investments are diversified across classes, sectors, and manager style to minimize the risk of large losses BHS uses investment managers specializing in each asset category and, where appropriate, provides the investment managers with specific guidelines which include allowable and/or prohibited investment types BHS regularly monitors manager performance and compliance with investment guidelines

Expected Rate of Return

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Plan's investment portfolio Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets

(In Thousands)

11. Retirement Plan (continued)

Expected Cash Flows

Information about the expected cash flows for the Plan follows

Expected employer contributions in fiscal year 2013 As of September 30, 2012, no employer contributions are required in fiscal year 2013	$ 50,000

Expected benefit payments

	Amount
Year ending September 30	
2013	$ 10,302
2014	11,773
2015	13,292
2016	14,955
2017	16,596
2018–2022	111,185

The benefit payment amounts above reflect the total benefits expected to be paid from the Plan

12. Supplemental Executive Retirement Plans

BHS participates in a supplemental executive retirement plan (SERP) and vice president supplemental executive retirement plan (VP SERP) (the Plans) The Plans are unfunded and cover the executive management team and vice presidents of BHS Benefits are based on each participant's years of service and compensation SERP expense under the Plans for the years ended September 30, 2012 and 2011, was $2,424 and $1,928, respectively

Executive Management Team Supplemental Executive Retirement Plan

Included in unrestricted net assets at September 30, 2012, are the following amounts that have not yet been recognized in net periodic pension cost unrecognized prior service cost of $33 and unrecognized actuarial losses of $5,235 The prior service cost and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2013, are $33 and $793, respectively

(In Thousands)

12. Supplemental Executive Retirement Plan (continued)

The following table provides a reconciliation of the changes in the benefit obligation and fair value of assets for the years ended September 30, 2012 and 2011, the measurement dates, and a reconciliation of the amounts recognized in the accompanying consolidated balance sheets

	September 30	
	2012	**2011**
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 18,095**	$ 16,717
Service cost	**738**	686
Interest cost	**835**	815
Actuarial loss	**1,217**	573
Benefits paid	**(271)**	(696)
Benefit obligation at end of year	**$ 20,614**	$ 18,095
Change in plan assets		
Fair value of plan assets at beginning of year	**$ –**	$ –
Actual return on plan assets	**–**	–
Employer contributions	**271**	696
Benefit payments	**(271)**	(696)
Fair value of plan assets at end of year	**$ –**	$ –
Accumulated benefit obligation at end of year	**$ 18,916**	$ 16,195

(In Thousands)

12. Supplemental Executive Retirement Plan (continued)

	September 30	
	2012	**2011**
Amounts recognized in the consolidated balance sheets		
Current assets	**$ –**	$ –
Noncurrent assets	**–**	–
Current liabilities	**(265)**	(264)
Noncurrent liabilities	**(20,349)**	(17,831)
Net liability at end of year	**$ (20,614)**	$ (18,095)
Components of net periodic benefit cost		
Service cost	**$ 738**	$ 686
Interest cost	**835**	815
Expected return on assets	**–**	–
Amortization of		
Prior service cost	**33**	33
Net loss	**552**	646
Amount recognized in net periodic benefit cost	**$ 2,158**	$ 2,180
Other changes in plan assets and benefit obligations recognized in unrestricted net assets		
Net actuarial loss	**$ 1,217**	$ 573
Amortization of		
Prior service credit	**(33)**	(33)
Actuarial gain	**(552)**	(646)
Total recognized in unrestricted net assets	**$ 632**	$ (106)
Total recognized in net periodic benefit cost and unrestricted net assets	**$ 2,790**	$ 2,074

(In Thousands)

12. Supplemental Executive Retirement Plan (continued)

The assumptions used to determine the benefit obligation and net consolidated balance sheet liability at September 30 are set forth below

	September 30	
	2012	**2011**
Weighted-average discount rate	**4.17%**	4 65%
Weighted-average rate of compensation increase	**3.50%**	3 50%
Weighted-average expected long-term rate of return on plan assets	**N/A**	N/A

Expected Cash Flows

Information about the expected cash flows for the SERP Plan follows

Expected employer contributions in fiscal year 2013	$ 271

Expected benefit payments

	Amount
Year ending September 30	
2013	$ 271
2014	271
2015	4,897
2016	792
2017	2,719
2018–2022	8,551

The benefit payment amounts above reflect the total benefits expected to be paid from the SERP Plan

(In Thousands)

12. Supplemental Executive Retirement Plan (continued)

Vice President Supplemental Executive Retirement Plan

Included in unrestricted net assets at September 30, 2012, are the following amounts that have not yet been recognized in net periodic pension cost unrecognized prior service cost of $59 and unrecognized actuarial losses of $900 The prior service cost and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2012, are $9 and $73, respectively

The following table provides a reconciliation of the changes in the benefit obligation and fair value of assets for the years ended September 30, 2012 and 2011, the measurement dates, and a reconciliation of the amounts recognized in the accompanying consolidated balance sheets

	September 30	
	2012	**2011**
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 2,719**	$ 2,325
Service cost	**600**	397
Interest cost	**117**	104
Plan amendments	**38**	–
Actuarial loss	**362**	136
Benefits paid	**(289)**	(243)
Benefit obligation at end of year	**$ 3,547**	$ 2,719
Change in plan assets		
Fair value of plan assets at beginning of year	**$ –**	$ –
Actual return on plan assets	**–**	–
Employer contributions	**289**	243
Benefit payments	**(289)**	(243)
Fair value of plan assets at end of year	**$ –**	$ –
Accumulated benefit obligation at end of year	**$ 2,688**	$ 2,140

(In Thousands)

12. Supplemental Executive Retirement Plan (continued)

	September 30	
	2012	**2011**
Amounts recognized in the consolidated balance sheets		
Current assets	**$ –**	$ –
Noncurrent assets	**–**	–
Current liabilities	**–**	(283)
Noncurrent liabilities	**(3,547)**	(2,436)
Net liability at end of year	**$ (3,547)**	$ (2,719)
Components of net periodic benefit cost		
Service cost	**$ 600**	$ 397
Interest cost	**117**	104
Expected return on assets	**–**	–
Amortization of		
Prior service cost	**4**	4
Net loss	**40**	31
Amount recognized in net periodic benefit cost	**$ 761**	$ 536
Other changes in plan assets and benefit obligations recognized in unrestricted net assets		
Net actuarial loss	**$ 362**	$ 136
Prior service cost/credit	**38**	–
Amortization of		
Prior service cost	**(4)**	(4)
Actuarial gain	**(40)**	(31)
Total recognized in unrestricted net assets	**$ 356**	$ 101
Total recognized in net periodic benefit cost and unrestricted net assets	**$ 1,117**	$ 637

(In Thousands)

12. Supplemental Executive Retirement Plan (continued)

The assumptions used to determine the benefit obligation and net combined balance sheet liability at September 30 are set forth below

	September 30	
	2012	**2011**
Weighted-average discount rate	**4.17%**	4 65%
Weighted-average rate of compensation increase	**3.50%**	3 50%
Weighted-average expected long-term rate of return on plan assets	**N/A**	N/A

Expected Cash Flows

Information about the expected cash flows for the VP SERP Plan follows

Expected employer contributions in fiscal year 2013	$ –

Expected benefit payments

	Amount
Year ending September 30	
2013	$ –
2014	74
2015	171
2016	27
2017	829
2018–2022	3,243

The benefit payment amounts above reflect the total benefits expected to be paid from the VP SERP Plan

(In Thousands)

13. Malpractice Insurance

The Medical Centers and certain other BHS entities participate in a pooled risk program, whereby BHS entities are the only participants, to insure professional and general liability risks to the extent of certain self-insurance limits A revocable trust fund has been established for the malpractice self-insured program The participants' self-insurance retention is $4,000 per claim with limits of $50,000 per claim and $50,000 annual aggregate through a claims-made policy with a third-party insurance carrier Accrued malpractice losses of approximately $28,604 and $27,031 at September 30, 2012 and 2011, respectively, have been discounted at a rate of 2 5% and 2 5%, respectively Losses are accrued when probable and determinable

In the event that sufficient funds are not available from the trust fund, each participating entity in the program will be assessed its share of the deficiency If contributions exceed the losses eventually paid, the excess will be applied to reduce the contributions for future periods Management believes the trust fund is adequately funded to provide for all professional and general liability claims that have occurred through September 30, 2012

14. Leases

Rental expense under various operating leases was approximately $12,009 and $10,618 for the years ended September 30, 2012 and 2011, respectively Future minimum lease payments for non-cancelable leases having an initial or remaining lease term in excess of one year are as follows

	Amount
Year ending September 30	
2013	$ 7,372
2014	6,714
2015	6,235
2016	5,441
2017	5,042
Thereafter	18,062
	$ 48,866

(In Thousands)

15. Promises to Give

Pledges receivable, included in prepaid expenses and other current assets and other assets in the accompanying consolidated balance sheets, are composed of the following

	September 30 2012	2011
Unconditional promises to give before pledge discount and allowance for uncollectible pledges	**$ 11,654**	$ 8,780
Pledge discounts	**(425)**	(420)
Allowance for uncollectible pledges	**(1,910)**	(1,992)
Net pledges receivable	**$ 9,319**	$ 6,368
Amounts due in		
Less than one year	**$ 2,548**	$ 2,126
One to five years	**6,267**	3,629
Over five years	**504**	613
Total	**$ 9,319**	$ 6,368

16. Endowments

BHSF operates under the Florida Uniform Management of Institutional Funds Act (FUMIFA) that was effective in May 2004 and was replaced, effective July 1, 2012, by the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA)

FUPMIFA enhanced provisions of FUMIFA, applies to all charitable institutions, not just those associated exclusively with education purposes, allows pooling of institutional funds for the purpose of managing and investing, delineates factors to be considered prior to expenditure of funds, provides new procedures for releasing restrictions on small institutional funds, provides for modification of restrictions on the use of endowment funds, and provides for reversion of real property to the board of trustees of the State of Florida Internal Improvement Trust Fund if an entity holding a deed subject to a reverter clause violates the deed restrictions

16. Endowments (continued)

In accordance with FUPMIFA, BHSF considers the following in expenditure decisions for its endowment funds

- The purposes of BHSF
- The intent of the donors of the endowment fund
- The terms of the applicable instrument
- The long-term and short-term needs of BHSF in carrying out its purposes
- General economic conditions
- The possible effect of inflation or deflation
- The other resources of BHSF
- Perpetuation of the endowment

BHSF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by BHSF in a manner consistent with the standard of prudence prescribed by FUPMIFA

The investment income and earnings from BHSF's endowment funds are designated for specific purposes It is the policy of BHSF to expend these funds prudently as expenditures arise that satisfy the purpose restrictions

(In Thousands)

16. Endowments (continued)

BHSF's endowment investment policies are directed by the BHS Investment Committee (Investment Committee) of the BHS Board of Directors BHSF's return objectives include annualized returns over a three-to-five year period exceeding comparable indices and ranking in the upper tier of a universe of similar funds or managers BHSF maintains moderate risk posture with respect to both time and risk preference These risk postures are developed to provide consistent return patterns over a moderate time horizon and are consistent with conserving the purchasing power of BHSF's endowment funds

Strategies employed for achieving BHSF's investment objectives include passively and actively managed funds invested in domestic and international equities, fixed income, and other investments

Changes in endowment net assets for the year ended September 30, 2012, consisted of the following

	Donor-Restricted Endowment Funds		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net asset composition, September 30, 2011	$ 8,380	$ 10,642	$ 19,022
Investment income	1,321	2,320	3,641
Contributions to perpetual endowment	102	2,731	2,833
Amounts appropriated for expenditure	(778)	–	(778)
Reserve adjustment, net	–	(51)	(51)
Transfers	2,346	(2,320)	26
Endowment net asset composition, September 30, 2012	$ 11,371	$ 13,322	$ 24,693

(In Thousands)

16. Endowments (continued)

Changes in endowment net assets for the year ended September 30, 2011, consisted of the following

	Donor-Restricted Endowment Funds		
	Temporarily Restricted	**Permanently Restricted**	**Total**
Endowment net asset composition, September 30, 2010	$ 8,541	$ 10,357	$ 18,898
Investment income	(27)	35	8
Contributions to perpetual endowment	268	280	548
Amounts appropriated for expenditure	(648)	–	(648)
Reserve adjustment, net	–	5	5
Transfers	246	(35)	211
Endowment net asset composition, September 30, 2011	$ 8,380	$ 10,642	$ 19,022

17. Subsequent Events

BHS has adopted the provisions of ASC 855, *Subsequent Events*, and has evaluated the impact of subsequent events through January 24, 2013, representing the date on which the financial statements were available to be issued

On December 20, 2012, The Obligated Group executed a draw of the remaining $14,000 on the Jacksonville Health Facilities Authority Variable Rate Hospital Revenue Extendable Notes, Series 2012D

No subsequent events were identified for recognition in the accompanying consolidated financial statements

Other Supplementary Information

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Report of Independent Certified Public Accountants on Other Supplementary Information

The Board of Directors
Baptist Health System, Inc and Subsidiaries

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole The consolidating detail is presented for the purposes of additional analysis and is not a required part of the financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements The information has been subject to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole

Ernst + Young LLP

January 24, 2013

Baptist Health System, Inc. and Subsidiaries

Consolidating Balance Sheet

(In Thousands)

September 30, 2012

	Southern Baptist Hospital of Florida, Inc.	Baptist Medical Center of the Beaches, Inc.	Baptist Medical Center of Nassau, Inc.	Baptist Health Properties, Inc.	Baptist Health Ambulatory Services, Inc.	Total Obligated Group
Assets						
Current assets						
Cash and cash equivalents	$ 24	$ 1	$ 1	$ –	$ –	$ 26
Accounts receivable, net	122,716	14,924	7,189	–	–	144,829
Inventories	12,374	1,345	663	–	–	14,382
Prepaid expenses and other current assets	10,230	588	615	108	44	11,585
Due (to) from affiliated organizations	25,307	(6,669)	(2,822)	345	68	16,229
Current portion of assets limited as to use	8,873	–	–	–	–	8,873
Total current assets	179,524	10,189	5,646	453	112	195,924
Assets limited as to use, less amount required to meet current obligations	813,709	40,780	8,037	–	–	862,526
Property, plant, and equipment, net	624,186	58,520	38,962	47,033	6	768,707
Advances (from) to affiliated organizations	38,296	36,991	37,630	(30,781)	134	82,270
Investments	4,387	–	–	–	–	4,387
Interest in net assets of Baptist Health System Foundation, Inc	27,365	2,506	527	–	–	30,398
Other assets	19,903	213	299	–	–	20,415
Total assets	$ 1,707,370	$ 149,199	$ 91,101	$ 16,705	$ 252	$ 1,964,627

Baptist Health System, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

September 30, 2012

	Baptist Health System, Inc. (Parent Only)	Pavilion Health Services, Inc.	Baptist Health System Foundation, Inc.	Baptist Medical Center of Clay, Inc. (Development Stage Company)	Consolidating/ Eliminating Entries	Consolidated Total
Assets						
Current assets						
Cash and cash equivalents	$ 61,664	$ 8,044	$ –	$ –	$ –	$ 69,734
Accounts receivable, net	–	22,844	–	–	–	167,673
Inventories	–	4,234	–	–	–	18,616
Prepaid expenses and other current assets	–	2,899	2,548	–	–	17,032
Due (to) from affiliated organizations	(1,458)	(12,949)	(1,822)	–	–	–
Current portion of assets limited as to use	–	–	–	–	–	8,873
Total current assets	60,206	25,072	726	–	–	281,928
Assets limited as to use, less amount required to meet current obligations	–	–	–	–	–	862,526
Property, plant, and equipment, net	–	32,624	68	–	–	801,399
Advances from (to) affiliated organizations	(78,249)	(5,297)	276	1,000	–	–
Investments	47,161	–	36,638	–	(47,161)	41,025
Interest in net assets of Baptist Health System Foundation, Inc	–	–	(3,713)	–	(26,685)	–
Other assets	1,767	52,656	7,100	–	–	81,938
Total assets	$ 30,885	$ 105,055	$ 41,095	$ 1,000	$ (73,846)	$ 2,068,816

Baptist Health System, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

September 30, 2012

	Southern Baptist Hospital of Florida, Inc.	Baptist Medical Center of the Beaches, Inc.	Baptist Medical Center of Nassau, Inc.	Baptist Health Properties, Inc.	Baptist Health Ambulatory Services, Inc.	Total Obligated Group
Liabilities and net assets						
Current liabilities						
Current portion of long-term debt	$ 21,490	$ 1,142	$ 407	$ –	$ –	$ 23,039
Accounts payable and accrued liabilities	84,584	5,241	1,862	610	48	92,345
Estimated third-party settlements	5,040	583	802	–	–	6,425
Total current liabilities	111,114	6,966	3,071	610	48	121,809
Long-term debt, net of current portion	524,903	14,333	4,714	–	–	543,950
Other liabilities	228,964	2,545	768	–	–	232,277
Total liabilities	864,981	23,844	8,553	610	48	898,036
Net assets						
Unrestricted	817,864	123,111	82,214	16,095	165	1,039,449
Temporarily restricted	13,747	2,217	242	–	39	16,245
Permanently restricted	10,778	27	92	–	–	10,897
Total net assets	842,389	125,355	82,548	16,095	204	1,066,591
Total liabilities and net assets	$ 1,707,370	$ 149,199	$ 91,101	$ 16,705	$ 252	$ 1,964,627

Baptist Health System, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

September 30, 2012

	Baptist Health System, Inc. (Parent Only)	Pavilion Health Services, Inc.	Baptist Health System Foundation, Inc.	Baptist Medical Center of Clay, Inc. (Development Stage Company)	Consolidating/ Eliminating Entries	Consolidated Total
Liabilities and net assets						
Current liabilities						
Current portion of long-term debt	$ –	$ –	$ –	$ –	$ –	$ 23,039
Accounts payable and accrued liabilities	–	26,180	129	–	–	118,654
Estimated third-party settlements	–	–	–	–	–	6,425
Total current liabilities	–	26,180	129	–	–	148,118
Long-term debt, net of current portion	–	–	–	–	–	543,950
Other liabilities	495	30,648	255	–	–	263,675
Total liabilities	495	56,828	384	–	–	955,743
Net assets						
Unrestricted	30,390	48,227	2,867	1,000	(47,161)	1,074,772
Temporarily restricted	–	–	24,522	–	(15,788)	24,979
Permanently restricted	–	–	13,322	–	(10,897)	13,322
Total net assets	30,390	48,227	40,711	1,000	(73,846)	1,113,073
Total liabilities and net assets	$ 30,885	$ 105,055	$ 41,095	$ 1,000	$ (73,846)	$ 2,068,816

Baptist Health System, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets
(In Thousands)

Year Ended September 30, 2012

	Southern Baptist Hospital of Florida, Inc.	Baptist Medical Center of the Beaches, Inc.	Baptist Medical Center of Nassau, Inc.	Baptist Health Properties, Inc.	Baptist Health Ambulatory Services, Inc.	Obligated Group Eliminations	Total Obligated Group
Unrestricted revenues and other support							
Net patient service revenues	$ 860,904	$ 125,658	$ 68,027	$ –	$ –	$ (31)	$ 1,054,558
Other revenues	13,057	1,177	897	3,787	494	(1,965)	17,447
Net assets released from restrictions used for operations	1,695	6	2	–	451	–	2,154
Total unrestricted revenues and other support	875,656	126,841	68,926	3,787	945	(1,996)	1,074,159
Operating expenses							
Salaries and benefits	363,829	48,998	24,513	–	807	7,959	446,106
Professional fees	40,068	3,771	2,530	40	62	1,064	47,535
Supplies	155,388	17,716	7,000	3	7	247	180,361
Provision for bad debts	75,895	17,013	10,601	–	–	–	103,509
Interest	7,157	197	54	–	–	–	7,408
Depreciation and amortization	49,481	7,175	3,707	1,063	13	957	62,396
Other expenses	97,249	20,928	9,742	2,495	23	(12,223)	118,214
Total operating expenses	789,067	115,798	58,147	3,601	912	(1,996)	965,529
Income (loss) from operations	86,589	11,043	10,779	186	33	–	108,630
Nonoperating gains (losses)							
Investment income	102,309	6,202	1,222	–	–	–	109,733
Equity in losses of subsidiaries	–	–	–	–	–	–	–
Other, net	655	102	28	1,649	–	–	2,434
Total nonoperating gains (losses), net	102,964	6,304	1,250	1,649	–	–	112,167
Excess (deficiency) of revenues and gains over expenses and losses	189,553	17,347	12,029	1,835	33	–	220,797

Baptist Health System, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended September 30, 2012

	Baptist Health System, Inc. (Parent Only)	Pavilion Health Services, Inc.	Baptist Health System Foundation, Inc.	Baptist Medical Center of Clay, Inc. (Development Stage Company)	Consolidating/ Eliminating Entries	Consolidated Total
Unrestricted revenues and other support						
Net patient service revenues	$ –	$ 187,150	$ –	$ –	$ (34)	$ 1,241,674
Other revenues	–	51,987	104	–	(19,539)	49,999
Net assets released from restrictions used for operations	–	–	9,498	–	(7,951)	3,701
Total unrestricted revenues and other support	–	239,137	9,602	–	(27,524)	1,295,374
Operating expenses						
Salaries and benefits	–	177,948	1,170	–	1,410	626,634
Professional fees	–	1,637	94	–	(11,455)	37,811
Supplies	–	37,577	17	–	(898)	217,057
Provision for bad debts	–	9,100	–	–	–	112,609
Interest	–	139	–	–	–	7,547
Depreciation and amortization	–	6,476	11	–	190	69,073
Other expenses	508	25,882	10,942	–	(16,771)	138,775
Total operating expenses	508	258,759	12,234	–	(27,524)	1,209,506
Income (loss) from operations	(508)	(19,622)	(2,632)	–	–	85,868
Nonoperating gains (losses)						
Investment income	335	14	2,461	–	–	112,543
Equity in losses of subsidiaries	(19,388)	(291)	–	–	19,388	(291)
Other, net	(35)	511	–	–	–	2,910
Total nonoperating gains (losses), net	(19,088)	234	2,461	–	19,388	115,162
Excess (deficiency) of revenues and gains over expenses and losses	(19,596)	(19,388)	(171)	–	19,388	201,030

Baptist Health System, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended September 30, 2012

	Southern Baptist Hospital of Florida, Inc.	Baptist Medical Center of the Beaches, Inc.	Baptist Medical Center of Nassau, Inc.	Baptist Health Properties, Inc.	Baptist Health Ambulatory Services, Inc.	Obligated Group Eliminations	Total Obligated Group
Unrestricted net assets							
Excess (deficiency) of revenues and gains over expenses and losses	$ 189,553	$ 17,347	$ 12,029	$ 1,835	$ 33	$ –	$ 220,797
Other changes in unrestricted net assets							
Changes related to pension and executive compensation other than period costs	5,047	–	–	–	–	–	5,047
Transfers from (to) affiliated organizations	(393)	–	–	(721)	–	–	(1,114)
Contributions for the purchase of property, plant, and equipment	100	19	139	–	–	–	258
Net assets released from restrictions used for purchase of property, plant, and equipment	6,376	–	–	–	–	–	6,376
Unrealized loss on interest rate swap agreements	(1,737)	(108)	–	–	–	–	(1,845)
Other	2	3	(1)	–	–	–	4
Increase (decrease) in unrestricted net assets	198,948	17,261	12,167	1,114	33	–	229,523
Temporarily restricted net assets							
Restricted contributions	5,877	491	105	–	481	–	6,954
Investment gains (losses)	708	23	13	–	–	–	744
Transfer of investment gains from permanently restricted net assets	1,775	5	19	–	–	–	1,799
Net assets released from restrictions	(7,408)	(6)	(2)	–	(451)	–	(7,867)
Other	–	–	–	–	–	–	–
Increase (decrease) in temporarily restricted net assets	952	513	135	–	30	–	1,630
Permanently restricted net assets							
Contributions	2,591	27	56	–	–	–	2,674
Investment gain	1,775	5	19	–	–	–	1,799
Transfer of investment gains to temporarily restricted net assets	–	–	–	–	–	–	–
Other	(1,775)	(5)	(19)	–	–	–	(1,799)
Increase (decrease) in permanently restricted net assets	2,591	27	56	–	–	–	2,674
Increase (decrease) in net assets	202,491	17,801	12,358	1,114	63	–	233,827
Net assets, beginning of year	639,898	107,554	70,190	14,981	141	–	832,764
Net assets, end of year	$ 842,389	$ 125,355	$ 82,548	$ 16,095	$ 204	$ –	$ 1,066,591

Baptist Health System, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended September 30, 2012

	Baptist Health System, Inc. (Parent Only)	Pavilion Health Services, Inc.	Baptist Health System Foundation, Inc.	Baptist Medical Center of Clay, Inc. (Development Stage Company)	Consolidating/ Eliminating Entries	Consolidated Total
Unrestricted net assets						
Excess (deficiency) of revenues and gains over expenses and losses	$ (19,596)	$ (19,388)	$ (171)	$ –	$ 19,388	$ 201,030
Other changes in unrestricted net assets						
Changes related to pension and executive compensation other than period costs	–	–	–	–	–	5,047
Transfers from (to) affiliated organizations	(2,736)	14,798	2,736	–	(13,684)	–
Contributions for the purchase of property, plant, and equipment	–	–	–	–	–	258
Net assets released from restrictions used for purchase of property, plant, and equipment	–	–	–	–	–	6,376
Unrealized loss on interest rate swap agreements	–	–	–	–	–	(1,845)
Other	1,132	(309)	–	–	(1,113)	(286)
Increase (decrease) in unrestricted net assets	(21,200)	(4,899)	2,565	–	4,591	210,580
Temporarily restricted net assets						
Restricted contributions	–	–	8,182	–	(6,008)	9,128
Investment gains (losses)	–	–	1,324	–	(744)	1,324
Transfer of investment gains from permanently restricted net assets	–	–	2,320	–	(1,799)	2,320
Net assets released from restrictions	–	–	(9,498)	–	7,288	(10,077)
Other	–	–	–	–	(2)	(2)
Increase (decrease) in temporarily restricted net assets	–	–	2,328	–	(1,265)	2,693
Permanently restricted net assets						
Contributions	–	–	2,680	–	(2,674)	2,680
Investment gain	–	–	2,320	–	(1,799)	2,320
Transfer of investment gains to temporarily restricted net assets	–	–	(2,320)	–	–	(2,320)
Other	–	–	–	–	1,799	–
Increase (decrease) in permanently restricted net assets	–	–	2,680	–	(2,674)	2,680
Increase (decrease) in net assets	(21,200)	(4,899)	7,573	–	652	215,953
Net assets, beginning of year	51,590	53,126	33,138	1,000	(74,498)	897,120
Net assets, end of year	$ 30,390	$ 48,227	$ 40,711	$ 1,000	$ (73,846)	$ 1,113,073

Baptist Health System, Inc. and Subsidiaries

Consolidating Balance Sheet

(In Thousands)

September 30, 2011

	Southern Baptist Hospital of Florida, Inc.	Baptist Medical Center of the Beaches, Inc.	Baptist Medical Center of Nassau, Inc.	Baptist Health Properties, Inc.	Baptist Health Ambulatory Services, Inc.	Total Obligated Group
Assets						
Current assets						
Cash and cash equivalents	$ 24	$ 1	$ 1	$ –	$ –	$ 26
Accounts receivable, net	115,209	15,258	7,216	–	–	137,683
Inventories	12,828	1,591	745	–	–	15,164
Prepaid expenses and other current assets	10,912	800	701	109	25	12,547
Due (to) from affiliated organizations	18,891	(2,332)	(1,886)	186	(10)	14,849
Current portion of assets limited as to use	8,709	–	–	–	–	8,709
Total current assets	166,573	15,318	6,777	295	15	188,978
Assets limited as to use, less amount required to meet current obligations	645,766	34,578	6,814	–	–	687,158
Property, plant, and equipment, net	545,341	56,489	40,439	47,144	9	689,422
Advances (from) to affiliated organizations	25,268	24,705	24,138	(31,806)	217	42,522
Investments	5,218	–	–	–	–	5,218
Interest in net assets of Baptist Health System Foundation, Inc	21,864	1,922	544	–	–	24,330
Other assets	24,450	353	702	–	–	25,505
Total assets	$ 1,434,480	$ 133,365	$ 79,414	$ 15,633	$ 241	$ 1,663,133

Baptist Health System, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

September 30, 2011

	Baptist Health System, Inc. (Parent Only)	Pavilion Health Services, Inc.	Baptist Health System Foundation, Inc.	Baptist Medical Center of Clay, Inc. (Development Stage Company)	Consolidating/ Eliminating Entries	Consolidated Total
Assets						
Current assets						
Cash and cash equivalents	$ 45,856	$ 7,657	$ –	$ –	$ –	$ 53,539
Accounts receivable, net	–	21,332	–	–	–	159,015
Inventories	–	4,150	–	–	–	19,314
Prepaid expenses and other current assets	–	1,710	2,126	–	–	16,383
Due (to) from affiliated organizations	(3,673)	(6,879)	(4,297)	–	–	–
Current portion of assets limited as to use	–	–	–	–	–	8,709
Total current assets	42,183	27,970	(2,171)	–	–	256,960
Assets limited as to use, less amount required to meet current obligations	–	–	–	–	–	687,158
Property, plant, and equipment, net	–	31,988	79	–	–	721,489
Advances from (to) affiliated organizations	(43,772)	(2,174)	2,424	1,000	–	–
Investments	51,752	–	30,507	–	(51,752)	35,725
Interest in net assets of Baptist Health System Foundation, Inc	–	–	(1,584)	–	(22,746)	–
Other assets	1,801	44,495	4,260	–	–	76,061
Total assets	$ 51,964	$ 102,279	$ 33,515	$ 1,000	$ (74,498)	$ 1,777,393

Baptist Health System, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

September 30, 2011

	Southern Baptist Hospital of Florida, Inc.	Baptist Medical Center of the Beaches, Inc.	Baptist Medical Center of Nassau, Inc.	Baptist Health Properties, Inc.	Baptist Health Ambulatory Services, Inc.	Total Obligated Group
Liabilities and net assets						
Current liabilities						
Current portion of long-term debt	$ 14,621	$ 1,099	$ 379	$ –	$ –	$ 16,099
Accounts payable and accrued liabilities	82,583	5,783	2,373	652	100	91,491
Estimated third-party settlements	10,357	1,104	612	–	–	12,073
Total current liabilities	107,561	7,986	3,364	652	100	119,663
Long-term debt, net of current portion	462,700	15,475	5,121	–	–	483,296
Other liabilities	224,321	2,350	739	–	–	227,410
Total liabilities	794,582	25,811	9,224	652	100	830,369
Net assets						
Unrestricted	618,916	105,850	70,047	14,981	132	809,926
Temporarily restricted	12,795	1,704	107	–	9	14,615
Permanently restricted	8,187	–	36	–	–	8,223
Total net assets	639,898	107,554	70,190	14,981	141	832,764
Total liabilities and net assets	$ 1,434,480	$ 133,365	$ 79,414	$ 15,633	$ 241	$ 1,663,133

Baptist Health System, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

September 30, 2011

	Baptist Health System, Inc. (Parent Only)	Pavilion Health Services, Inc.	Baptist Health System Foundation, Inc.	Baptist Medical Center of Clay, Inc. (Development Stage Company)	Consolidating/ Eliminating Entries	Consolidated Total
Liabilities and net assets						
Current liabilities						
Current portion of long-term debt	$ –	$ –	$ –	$ –	$ –	$ 16,099
Accounts payable and accrued liabilities	–	25,511	148	–	–	117,150
Estimated third-party settlements	–	–	–	–	–	12,073
Total current liabilities	–	25,511	148	–	–	145,322
Long-term debt, net of current portion	–	–	–	–	–	483,296
Other liabilities	374	23,642	229	–	–	251,655
Total liabilities	374	49,153	377	–	–	880,273
Net assets						
Unrestricted	51,590	53,126	302	1,000	(51,752)	864,192
Temporarily restricted	–	–	22,194	–	(14,523)	22,286
Permanently restricted	–	–	10,642	–	(8,223)	10,642
Total net assets	51,590	53,126	33,138	1,000	(74,498)	897,120
Total liabilities and net assets	$ 51,964	$ 102,279	$ 33,515	$ 1,000	$ (74,498)	$ 1,777,393

Baptist Health System, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

(In Thousands)

Year Ended September 30, 2011

	Southern Baptist Hospital of Florida, Inc.	Baptist Medical Center of the Beaches, Inc.	Baptist Medical Center of Nassau, Inc.	Baptist Health Properties, Inc.	Baptist Health Ambulatory Services, Inc.	Obligated Group Eliminations	Total Obligated Group
Unrestricted revenues and other support							
Net patient service revenues	$ 835,083	$ 117,012	$ 61,302	$ –	$ –	$ (27)	$ 1,013,370
Other revenues	11,606	493	580	3,261	566	(1,627)	14,879
Net assets released from restrictions used for operations	1,077	7	1	–	515	–	1,600
Total unrestricted revenues and other support	847,766	117,512	61,883	3,261	1,081	(1,654)	1,029,849
Operating expenses							
Salaries and benefits	355,223	48,447	24,116	–	878	7,357	436,021
Professional fees	35,868	3,274	1,574	29	72	707	41,524
Supplies	153,754	18,333	6,705	–	11	258	179,061
Provision for bad debts	73,895	16,001	9,138	–	–	–	99,034
Interest	6,604	161	53	–	–	–	6,818
Depreciation and amortization	48,958	6,824	3,687	1,192	12	1,051	61,724
Other expenses	95,226	16,987	9,535	1,989	16	(11,027)	112,726
Total operating expenses	769,528	110,027	54,808	3,210	989	(1,654)	936,908
Income (loss) from operations	78,238	7,485	7,075	51	92	–	92,941
Nonoperating gains (losses)							
Investment income	4,338	254	50	–	–	–	4,642
Equity in losses of subsidiaries	–	–	–	–	–	–	–
Other, net	(579)	96	218	3	–	–	(262)
Total nonoperating gains (losses), net	3,759	350	268	3	–	–	4,380
Excess (deficiency) of revenues and gains over expenses and losses	81,997	7,835	7,343	54	92	–	97,321

Baptist Health System, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended September 30, 2011

	Baptist Health System, Inc. (Parent Only)	Pavilion Health Services, Inc.	Baptist Health System Foundation, Inc.	Baptist Medical Center of Clay, Inc. (Development Stage Company)	Consolidating/ Eliminating Entries	Consolidated Total
Unrestricted revenues and other support						
Net patient service revenues	$ –	$ 147,798	$ –	$ –	$ (26)	$ 1,161,142
Other revenues	–	49,140	304	–	(16,028)	48,295
Net assets released from restrictions used for operations	–	–	13,300	–	(11,211)	3,689
Total unrestricted revenues and other support	–	196,938	13,604	–	(27,265)	1,213,126
Operating expenses						
Salaries and benefits	(6)	135,174	1,147	–	1,390	573,726
Professional fees	–	1,053	81	–	(8,975)	33,683
Supplies	–	37,043	42	–	(1,397)	214,749
Provision for bad debts	–	7,277	–	–	–	106,311
Interest	–	103	–	–	–	6,921
Depreciation and amortization	–	5,940	10	–	211	67,885
Other expenses	465	20,861	15,032	–	(18,494)	130,590
Total operating expenses	459	207,451	16,312	–	(27,265)	1,133,865
Income (loss) from operations	(459)	(10,513)	(2,708)	–	–	79,261
Nonoperating gains (losses)						
Investment income	351	17	3	–	–	5,013
Equity in losses of subsidiaries	(10,182)	(204)	–	–	10,182	(204)
Other, net	41	518	–	–	–	297
Total nonoperating gains (losses), net	(9,790)	331	3	–	10,182	5,106
Excess (deficiency) of revenues and gains over expenses and losses	(10,249)	(10,182)	(2,705)	–	10,182	84,367

Baptist Health System, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended September 30, 2011

	Southern Baptist Hospital of Florida, Inc.	Baptist Medical Center of the Beaches, Inc.	Baptist Medical Center of Nassau, Inc.	Baptist Health Properties, Inc.	Baptist Health Ambulatory Services, Inc.	Obligated Group Eliminations	Total Obligated Group
Unrestricted net assets							
Excess (deficiency) of revenues and gains over expenses and losses	$ 81,997	$ 7,835	$ 7,343	$ 54	$ 92	$ –	$ 97,321
Other changes in unrestricted net assets							
Changes related to pension and executive compensation other than period costs	(8,963)	–	–	–	–	–	(8,963)
Transfers from (to) affiliated organizations	(16,491)	(1,465)	(866)	(2,853)	–	–	(21,675)
Contributions for the purchase of property, plant, and equipment	211	41	205	–	–	–	457
Net assets released from restrictions used for purchase of property, plant, and equipment	10,400	35	–	–	–	–	10,435
Other	(1)	–	–	–	1	–	–
Increase (decrease) in unrestricted net assets	67,153	6,446	6,682	(2,799)	93	–	77,575
Temporarily restricted net assets							
Restricted contributions	7,755	376	36	–	525	–	8,692
Investment gains (losses)	2	–	–	–	–	–	2
Transfer of investment gains from permanently restricted net assets	31	–	–	–	–	–	31
Net assets released from restrictions	(11,477)	(42)	(1)	–	(515)	–	(12,035)
Other	1	–	–	–	(1)	–	–
Increase (decrease) in temporarily restricted net assets	(3,688)	334	35	–	9	–	(3,310)
Permanently restricted net assets							
Contributions	(91)	–	36	–	–	–	(55)
Investment gain	31	–	–	–	–	–	31
Transfer of investment gains to temporarily restricted net assets	–	–	–	–	–	–	–
Other	(31)	–	–	–	–	–	(31)
Increase (decrease) in permanently restricted net assets	(91)	–	36	–	–	–	(55)
Increase (decrease) in net assets	63,374	6,780	6,753	(2,799)	102	–	74,210
Net assets, beginning of year	576,524	100,774	63,437	17,780	39	–	758,554
Net assets, end of year	$ 639,898	$ 107,554	$ 70,190	$ 14,981	$ 141	$ –	$ 832,764

Baptist Health System, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended September 30, 2011

	Baptist Health System, Inc. (Parent Only)	Pavilion Health Services, Inc.	Baptist Health System Foundation, Inc.	Baptist Medical Center of Clay, Inc. (Development Stage Company)	Consolidating/ Eliminating Entries	Consolidated Total
Unrestricted net assets						
Excess (deficiency) of revenues and gains over expenses and losses	$ (10,249)	$ (10,182)	$ (2,705)	$ –	$ 10,182	$ 84,367
Other changes in unrestricted net assets						
Changes related to pension and executive compensation other than period costs	–	–	–	–	–	(8,963)
Transfers from (to) affiliated organizations	18,713	17,507	3,002	–	(17,547)	–
Contributions for the purchase of property, plant, and equipment	–	–	–	–	–	457
Net assets released from restrictions used for purchase of property, plant, and equipment	–	–	–	–	–	10,435
Other	10	(229)	–	–	(6)	(225)
Increase (decrease) in unrestricted net assets	8,474	7,096	297	–	(7,371)	86,071
Temporarily restricted net assets						
Restricted contributions	–	–	10,060	–	(8,159)	10,593
Investment gains (losses)	–	–	(22)	–	(2)	(22)
Transfer of investment gains from permanently restricted net assets	–	–	35	–	(31)	35
Net assets released from restrictions	–	–	(13,300)	–	11,211	(14,124)
Other	–	–	(137)	–	–	(137)
Increase (decrease) in temporarily restricted net assets	–	–	(3,364)	–	3,019	(3,655)
Permanently restricted net assets						
Contributions	–	–	285	–	55	285
Investment gain	–	–	35	–	(31)	35
Transfer of investment gains to temporarily restricted net assets	–	–	(35)	–	–	(35)
Other	–	–	–	–	31	–
Increase (decrease) in permanently restricted net assets	–	–	285	–	55	285
Increase (decrease) in net assets	8,474	7,096	(2,782)	–	(4,297)	82,701
Net assets, beginning of year	43,116	46,030	35,920	1,000	(70,201)	814,419
Net assets, end of year	$ 51,590	$ 53,126	$ 33,138	$ 1,000	$ (74,498)	$ 897,120

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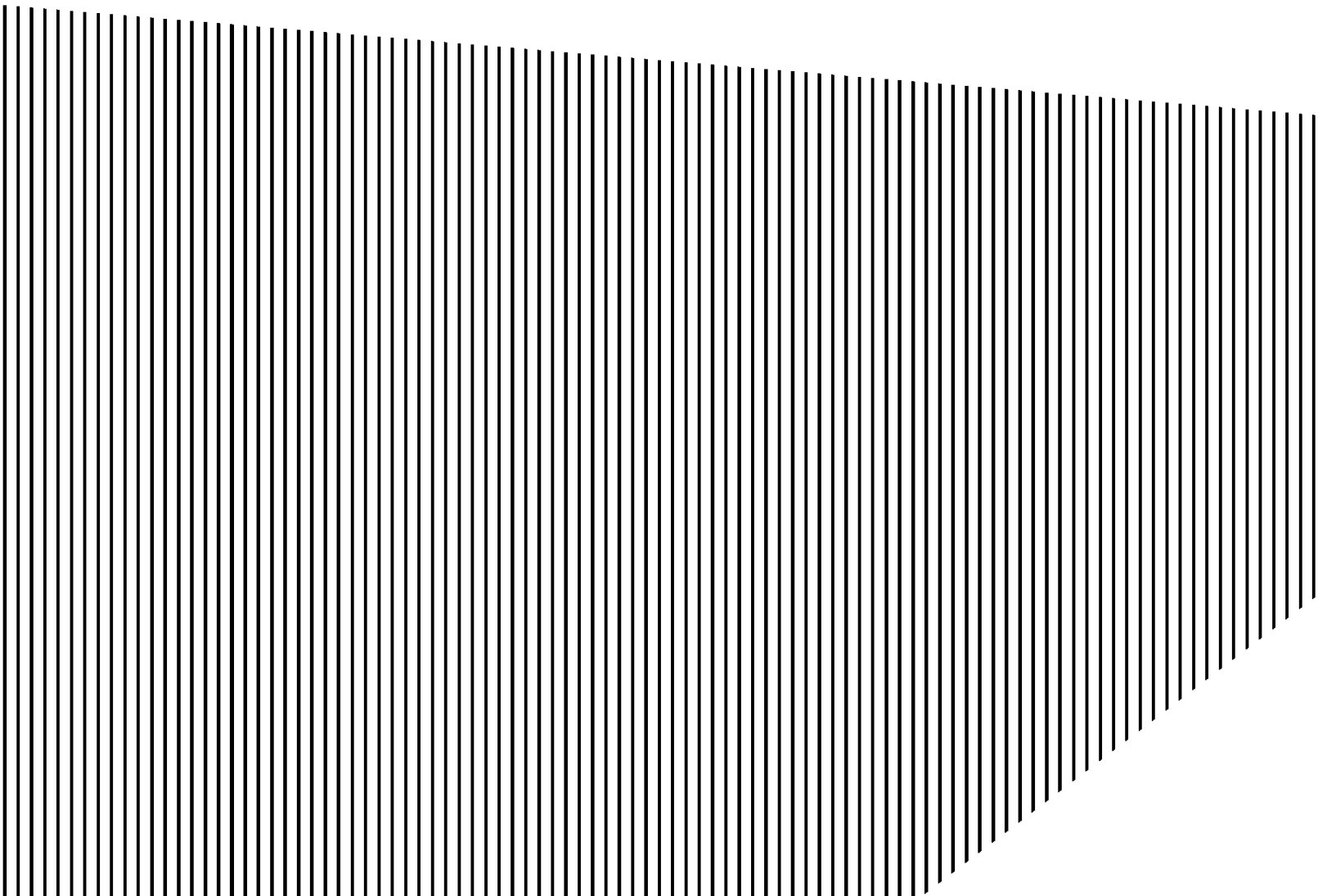

Additional Data

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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			
M C Harden III Chairman & Director	2	X		X				0	0	0
Charles E Hughes Jr Vice Chairman & Director	2	X		X				0	0	0
A Hugh Greene President/CEO & Director	40	X		X				1,013,169	0	448,925
Richard L Sisisky Secretary/Treasurer & Director	2	X		X				0	0	0
Charles C Baggs Director	2	X						0	0	0
Pam Chally Director	2	X						0	0	0
Richard D Glock MD Director	2	X						0	0	0
Jack R Groover MD Director	2	X						0	0	0
Robert E Hill Jr Director	2	X						0	0	0
Barbara G Jaffe Director	2	X						0	0	0
Eric Mann Director	2	X						0	0	0
William C Mason Director	2	X						15,848	0	0
Christine R Milton Director	2	X						0	0	0
Ava Parker Director	2	X						0	0	0
David Robertson Director	2	X						0	0	0
Carol C Thompson Director	2	X						789	0	6,197
John F Wilbanks Executive VP/COO	40			X				560,658	0	201,911
Harvey Granger SVP/General Counsel/Asst Secretary/Asst Treasurer	40			X				441,898	0	189,620
Michael Lukaszewski SVP/CFO	40			X				632,875	0	17,412
Keith L Stein MD SVP/Chief Medical Officer	40			X				542,489	0	92,694
Michael A Mayo SVP/Administrator of BMCJ	40			X				230,231	0	35,782
Michael Aubin SVP/Administrator of WCH	40			X				489,424	0	38,952
Ronald Robinson VP/Administrator of BMCS	40			X				262,060	0	73,568
Marianne Hillegass VP, Operations	40					X		439,800	0	42,690
Roland A Garcia SVP/CIO	40					X		427,288	0	84,128

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			
Serge Vilvar Physician - Psychiatrist	40					X		358,421	0	19,413
Jerry A Bridgham Chief Medical Officer - WCH	40					X		325,936	0	27,964
Diane Raines Chief Nursing Officer	40					X		295,979	0	72,128
Larry Freeman SVP/Administrator of WCH	40						X	1,218,049	0	9,480
Marlene Spalten VP, Baptist Health System	40						X	273,257	0	22,012