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



## Part III Statement of Program Service Accomplishments

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

[illegible]

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 <b>Section 501(c)(3) organizations.</b> 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 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? 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, line 10? 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 and XII 	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 and XII 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, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) 	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19 Yes	
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	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? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	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? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	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? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	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? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> 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 or note to any line in this Part V

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	154	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		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.	2,431	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		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, securities account, or other financial account)?			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?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
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 as charitable contributions?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a 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?		Yes	
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?		Yes	
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			No
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			No
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
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?			No
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?			No
9b Did the organization make a distribution to a donor, donor advisor, or related person?			No
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.			
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.			
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
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.			
13a Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?			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 or note to any line 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 . . . . .	14	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	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	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body? . . . . .	8a	Yes
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates? . . . . .	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	11a	No
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	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	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
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 during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶TERRY STEELE 602 MICHIGAN AVE HOLLAND,MI 49423 (616) 392-5141

Part VII

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DALE M SOWDERS PRESIDENT & CEO	40.00 1.00	X		X				649,211	0	148,829
(2) LESLIE BROWN CHAIR	1.00 1.00	X		X				0	0	0
(3) GREG MAYBURY TREASURER	1.00 1.00	X		X				0	0	0
(4) JANE CLARK SECRETARY	1.00 1.00	X		X				0	0	0
(5) KRIS DEPREE MD TRUSTEE	1.00 1.00	X						0	0	0
(6) BECCA DERNBERGER TRUSTEE	1.00 1.00	X						0	0	0
(7) TONY YASICK MD TRUSTEE, MEDICAL DIRECTOR	1.00 1.00	X						0	0	0
(8) ROGER GAMACHE TRUSTEE	1.00 1.00	X						0	0	0
(9) CLINT GRIFFIN MD TRUSTEE, CHIEF OF STAFF	1.00 1.00	X						27,682	0	0
(10) DAWN GARCIA WARD TRUSTEE	1.00 1.00	X						0	0	0
(11) JAMES STROOP TRUSTEE	1.00 1.00	X						0	0	0
(12) MARK STID MD TRUSTEE, PHYSICIAN	5.00 36.00	X						0	169,635	14,248
(13) PHIL KONING TRUSTEE	1.00 1.00	X						0	0	0
(14) ELIZABETH ROLINSKI TRUSTEE	1.00 1.00	X						0	0	0
(15) PATTI VANDORT VP, NURSING & CNO	40.00 0.00			X				275,286	0	44,472
(16) MARK L PAWLAK VP, ANCILLARY SERVICES & QUALITY	40.00 0.00			X				266,068	0	36,531
(17) TERRY L STEELE VP, FINANCE & CFO	40.00 1.00			X				326,832	0	32,141



**Part VII**

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) CHARLES D KOHLRUSS VP, HR & OPERATIONS SUPPORT	40 00 0 00			X				277,159	0	18,342
(19) MICHAEL W MATTHEWS VP, PHYSICIAN ADMINISTRATION	40 00 0 00			X				216,880	0	13,396
(20) CARL H WIERKS MD PHYSICIAN	40 00 0 00					X		598,300	0	14,265
(21) DERICK M JOHNSON DO PHYSICIAN	40 00 0 00					X		598,300	0	14,040
(22) STEPHEN MAUGER DO PHYSICIAN	40 00 0 00					X		515,129	0	15,556
(23) MATTHEW FLETCHER MD PHYSICIAN	40 00 0 00					X		514,916	0	5,874
(24) BARTHOLOMEW D SAK MD PHYSICIAN	40 00 0 00					X		453,736	0	12,433
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								4,719,499	169,635	370,127

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▶79

	Yes	No
3 Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>		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
LAKEWOOD ELZINGA A JOINT VENTURE 86 E 6TH ST HOLLAND MI49423	CONSTRUCTION	11,345,723
ARAMARK CORPORATION 12483 COLLECTIONS CENTER DR CHICAGO IL60693	HOUSEKEEPING	4,578,910
JOHNSON CONTROLS INC PO BOX 93107 CHICAGO IL606733107	CONSTRUCTION	1,185,555
QUADRAMED PO BOX 347188 PITTSBURGH PA152514188	SOFTWARE - PURCHASED MAINTENANCE	1,132,437
HOLLAND MOB LLC 181 WEST MADISON SUITE 4700 CHICAGO IL60602	RENT/SERVICES	947,215

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 ▶57

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . . . . 1a				
	b	Membership dues . . . . . 1b				
	c	Fundraising events . . . . . 1c	123,639			
	d	Related organizations . . . . . 1d	33,784			
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	1,107,206			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f . . . . .	1,264,629			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	Business Code 622110	206,030,656	206,030,656	
	b	OTHER RELATED REVENUE	900099	2,194,079	2,194,079	
	c	PHARMACY SALES UNDER SEC 340B	446110	1,941,568	1,941,568	
	d	EHR MEANINGFUL USE REVENUE	622110	1,717,198	1,717,198	
	e	LAB ACTIVITY	621500	1,178,395	1,178,395	
	f	All other program service revenue				
	g	Total. Add lines 2a-2f . . . . .	213,061,896			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .	2,151,485			2,151,485
	4	Income from investment of tax-exempt bond proceeds . . . . .				
	5	Royalties . . . . .				
	6a	Gross rents	(i) Real 328,604	(ii) Personal		
	b	Less rental expenses	226,268			
	c	Rental income or (loss)	102,336			
	d	Net rental income or (loss) . . . . .	102,336	25,686		76,650
	7a	Gross amount from sales of assets other than inventory	(i) Securities 35,221,064	(ii) Other 47,498		
	b	Less cost or other basis and sales expenses	31,885,272	686,348		
	c	Gain or (loss)	3,335,792	-638,850		
	d	Net gain or (loss) . . . . .	2,696,942			2,696,942
	8a	Gross income from fundraising events (not including \$ 123,639 of contributions reported on line 1c) See Part IV, line 18 . . . . .	a 9,576			
	b	Less direct expenses . . . . . b	9,576			
	c	Net income or (loss) from fundraising events . . . . .	0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a 22,020			
	b	Less direct expenses . . . . . b	24,221			
	c	Net income or (loss) from gaming activities . . . . .	-2,201			-2,201
	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	CAFETERIA AND HOME MEALS	722210	956,243		956,243
	b					
	c					
	d	All other revenue . . . . .				
	e	Total. Add lines 11a-11d . . . . .	956,243			
	12	Total revenue. See Instructions . . . . .	220,231,330	211,909,187	1,178,395	5,879,119

Part IX

Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	668,510	668,510		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	2,102,412		2,102,412	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	87,669,207	73,885,896	13,216,540	566,771
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	1,641,438	1,530,915	110,523	
9	Other employee benefits.	15,775,343	13,148,641	2,462,122	164,580
10	Payroll taxes.	6,226,652	5,141,507	1,085,145	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	464,649		464,649	
c	Accounting.	93,453	16,253	77,200	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	449,257		449,257	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	14,650,463	10,307,571	4,328,469	14,423
12	Advertising and promotion.	1,250,012	70,731	1,179,281	
13	Office expenses.	1,035,944	632,701	403,243	
14	Information technology.	3,145,619	4,075	3,141,544	
15	Royalties.				
16	Occupancy.	5,017,273	4,519,652	494,661	2,960
17	Travel.	341,493	305,458	30,817	5,218
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	363,559	217,517	144,702	1,340
20	Interest.	1,688,291	1,688,291		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	12,629,837	10,978,936	1,646,528	4,373
23	Insurance.	308,036	92,372	215,664	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	MEDICAL SUPPLIES & DRUG	33,927,592	33,741,842	183,067	2,683
b	PROVISION FOR BAD DEBTS	12,408,480	12,408,480		
c	FOOD	1,364,398	1,221,017	142,229	1,152
d	DUES, LICENSE & SUBS	674,538	399,905	272,518	2,115
e	All other expenses	3,416,799	1,548,153	1,824,404	44,242
25	Total functional expenses. Add lines 1 through 24e.	207,313,255	172,528,423	33,974,975	809,857
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		14,322,804	1	18,080,957
	2	Savings and temporary cash investments		604,225	2	423,130
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		38,064,742	4	42,652,916
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,794,569	8	4,160,838
	9	Prepaid expenses and deferred charges		2,705,225	9	2,854,933
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a246,085,365			
	b	Less accumulated depreciation	10b95,848,138	125,180,637	10c	150,237,227
	11	Investments—publicly traded securities		193,637,244	11	192,033,075
	12	Investments—other securities See Part IV, line 11		19,703,439	12	20,033,843
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		6,627,435	15	5,397,907
	16	Total assets. Add lines 1 through 15 (must equal line 34)		404,640,320	16	435,874,826
Liabilities	17	Accounts payable and accrued expenses		15,805,587	17	18,317,771
	18	Grants payable			18	
	19	Deferred revenue		205,000	19	220,890
	20	Tax-exempt bond liabilities		79,834,864	20	82,217,911
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		14,640,366	25	17,104,082
	26	Total liabilities. Add lines 17 through 25		110,485,817	26	117,860,654
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		293,412,406	27	317,145,367
	28	Temporarily restricted net assets		342,097	28	283,805
	29	Permanently restricted net assets		400,000	29	585,000
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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		294,154,503	33	318,014,172
	34	Total liabilities and net assets/fund balances		404,640,320	34	435,874,826

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	220,231,330
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	207,313,255
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	12,918,075
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	294,154,503
5	Net unrealized gains (losses) on investments . . . . .	5	12,976,790
6	Donated services and use of facilities . . . . .	6	
7	Investment expenses . . . . .	7	
8	Prior period adjustments . . . . .	8	
9	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	9	-2,035,196
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	318,014,172

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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?		No
3b	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		

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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization HOLLAND COMMUNITY HOSPITAL	Employer identification number 38-2800065
--	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state \_\_\_\_\_
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33<sup>1</sup>/<sub>3</sub>% 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<sup>1</sup>/<sub>3</sub>% 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 - Non-functionally integrated

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?  

(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 supported organization?

(ii)

A family member of a person described in (i) above?

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here . . . . . ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. 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—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2013. 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—2012. 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 IIISupport Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15		
16 Public support percentage from 2012 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17		
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2013. 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—2012. 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.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Return Reference	Explanation	
------------------	-------------	--

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. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

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, Part V, line 35c (Proxy Tax), then

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

Name of the organization HOLLAND COMMUNITY HOSPITAL	Employer identification number  38-2800065
--	--

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 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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 function 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 <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> 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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
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-															
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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	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?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		20,433
j	Total. Add lines 1c through 1i.			20,433
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
PART II-B, LINE 1	THE HOSPITAL PAYS DUES TO THE MICHIGAN HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION, A PORTION OF WHICH GOES TOWARDS LOBBYING ACTIVITIES

[illegible]

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b**  
▶ **Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

<b>Name of the organization</b> HOLLAND COMMUNITY HOSPITAL	<b>Employer identification number</b>  38-2800065
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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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can 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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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 education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a through 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

Using the organization's acquisition, accession, and other records, check any of the following that 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 XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" 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 XIII and complete the following table
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
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 XIII Check here if the explanation has been provided in Part XIII

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance . . . . .	742,098	692,632	695,991	696,468	681,023
b Contributions . . . . .	185,000	503,956	438,922	640,725	519,647
c Net investment earnings, gains, and losses					
d Grants or scholarships . . . . .	342,098	454,490	442,281	641,202	504,202
e Other expenditures for facilities and programs . . . . .					
f Administrative expenses . . . . .					
g End of year balance . . . . .	585,000	742,098	692,632	695,991	696,468

- 2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a

Board designated or quasi-endowment

0 %

b

Permanent endowment

100 000 %

c

Temporarily restricted endowment

0 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations . . . . .

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

Yes

No

b

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

3b

4

Describe in Part XIII the intended uses of the organization's endowment funds
- Part VI Land, Buildings, and Equipment.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.
- | Description of property  | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land . . . . .  |                                      | 7,930,062                      |                              | 7,930,062      |
| b Buildings . . . . .  |                                      | 103,832,319                    | 33,470,362                   | 70,361,957     |
| c Leasehold improvements . . . . .   |                                      | 3,429,696                      | 854,156                      | 2,575,540      |
| d Equipment . . . . .  |                                      | 96,698,033                     | 61,523,620                   | 35,174,413     |
| e Other . . . . .  |                                      | 34,195,255                     |                              | 34,195,255     |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) |                                      |                                |                              | 150,237,227    |
- Schedule D (Form 990) 2013





Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XII

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

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XIII

Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	EARNINGS FROM THE PERMENANT ENDOWMENTS ARE INTENDED FOR GENERAL PURPOSES OF THE HOSPITAL
PART X, LINE 2	THE HOSPITAL HAS ADOPTED ACCOUNTING STANDARDS RELATED TO UNCERTAIN TAX POSITIONS AND, ACCORDINGLY, REVIEWED ALL TAX POSITIONS. THE EVALUATED POTENTIAL EXPOSURE RELATED TO UNCERTAIN TAX POSITIONS WAS FOUND TO BE IMMATERIAL

[illegible]

SCHEDULE G  
(Form 990 or 990-EZ)

Supplemental Information Regarding  
Fundraising or Gaming Activities

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

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization HOLLAND COMMUNITY HOSPITAL	Employer identification number  38-2800065
--	--

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

1

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

a

☐ Mail solicitations

e

☐ Solicitation of non-government grants

b

☐ Internet and email solicitations

f

☐ Solicitation of government grants

c

☐ Phone solicitations

g

☐ Special fundraising events

d

☐ In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes

☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total . . . . . ▶						

3

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

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		CULINARY CABARET (event type)	(event type)	(total number)	(add col (a) through col (c))
Revenue	1	Gross receipts . . . .	133,215		133,215
	2	Less Contributions . . .	123,639		123,639
	3	Gross income (line 1 minus line 2) . . . .	9,576		9,576
Direct Expenses	4	Cash prizes . . . .			
	5	Noncash prizes . . .			
	6	Rent/facility costs . . .			
	7	Food and beverages .			
	8	Entertainment . . . .			
	9	Other direct expenses .	9,576		9,576
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶			
	11	Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶			
					0

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1	Gross revenue . . . . .		22,020	22,020
	2	Cash prizes . . . . .			
Direct Expenses	3	Non-cash prizes . . . .		17,471	17,471
	4	Rent/facility costs . . . .		6,750	6,750
	5	Other direct expenses . . .			
	6	Volunteer labor . . . .	Yes % No	Yes % No	Yes 95.000 % No
	7	Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶			
	8	Net gaming income summary Subtract line 7 from line 1, column (d) . . . . . ▶			
					24,221
					-2,201

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

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

b If "No," explain

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

b If "Yes," explain

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

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

13	Indicate the percentage of gaming activity operated in		
a	The organization's facility	13a	%
b	An outside facility	13b	100 000 %

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

Name ▶ COLLEEN PERDOK

Address ▶ 602 MICHIGAN AVE  
HOLLAND, MI 49423

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

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

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶ COLLEEN PERDOK

Gaming manager compensation ▶ \$ 0

Description of services provided ▶ FUND DEVELOPMENT COORDINATOR

☐ Director/officer ☒ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation
SCHEDULE G, PART III, LINE 16	INCLUDED IN COLLEEN PERDOK'S RESPONSIBILITIES IS THE ROLE OF GAMING MANAGER, HOWEVER THE AMOUNT OF COMPENSATION ALLOCATED TO THIS ROLE IS MINIMAL

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.  
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . .	1a Yes	
b	If "Yes," was it a written policy? . . . . .	1b Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care  <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %  b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . .  <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %  c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care  4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	3a Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	3b Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	4 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 eligible for free or discounted care? . . . . .	5a Yes	
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	5b Yes	
b	If "Yes," did the organization make it available to the public? . . . . .	5c	No
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a Yes	
		6b Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . .			2,348,275		2,348,275	1 200 %
b Medicaid (from Worksheet 3, column a) . . . . .			24,446,028	17,061,908	7,384,120	3 790 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . .			26,794,303	17,061,908	9,732,395	4 990 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . .			1,580,273	584,310	995,963	0 510 %
f Health professions education (from Worksheet 5) . . . .			348,696		348,696	0 180 %
g Subsidized health services (from Worksheet 6) . . . .						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			720,351		720,351	0 370 %
j <b>Total.</b> Other Benefits . . . .			2,649,320	584,310	2,065,010	1 060 %
k <b>Total.</b> Add lines 7d and 7j . .			29,443,623	17,646,218	11,797,405	6 050 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development	2		5,134		5,134	0 %
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy	2		1,165		1,165	0 %
8Workforce development	1		172,179		172,179	0 090 %
9Other						
10Total	5		178,478		178,478	0 090 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

12,408,480

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4,148,709

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME).

5

30,508,885

6Enter Medicare allowable costs of care relating to payments on line 5.

6

36,694,750

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-6,185,865

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

bIf "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 IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 HOLLAND PHO	COORD. RESOURCES FOR ITS MEMBERS FOR THE DELIVERY OF QUALITY HEALTH CARE	50 000 %	0 %	50 000 %
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—see instructions)  
How many hospital facilities did the organization operate during the tax year?  
1

Name, address, primary website address, and state license number

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										



Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A )1

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
<b>1</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	<b>1</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input checked="" type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
<b>3</b> In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	<b>3</b> Yes	
<b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	<b>4</b> Yes	
<b>5</b> Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	<b>5</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>HTTP //WWW.HOLLANDHOSPITAL.ORG/UPLOADS/PU</u>		
<b>b</b> <input type="checkbox"/> Other website (list url)		
<b>c</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>d</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
<b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b> <input checked="" type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b> <input type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b> <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b> <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	<b>7</b> Yes	
<b>8a</b> Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	<b>8a</b>	No
<b>b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	<b>8b</b>	
<b>c</b> If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
<b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		<b>9</b>	Yes		
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes		
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b>	Yes		
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes		
<b>a</b> <input checked="" type="checkbox"/> Income level					
<b>b</b> <input checked="" type="checkbox"/> Asset level					
<b>c</b> <input checked="" type="checkbox"/> Medical indigency					
<b>d</b> <input type="checkbox"/> Insurance status					
<b>e</b> <input checked="" type="checkbox"/> Uninsured discount					
<b>f</b> <input type="checkbox"/> Medicaid/Medicare					
<b>g</b> <input type="checkbox"/> State regulation					
<b>h</b> <input type="checkbox"/> Residency					
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)					
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes		
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		<b>14</b>	Yes		
<b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices					
<b>c</b> <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
<b>d</b> <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
<b>e</b> <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request					
<b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
<b>15</b> 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? . . . . .		<b>15</b>	Yes		
<b>16</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
<b>a</b> <input type="checkbox"/> Reporting to credit agency					
<b>b</b> <input type="checkbox"/> Lawsuits					
<b>c</b> <input type="checkbox"/> Liens on residences					
<b>d</b> <input type="checkbox"/> Body attachments					
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)					
<b>17</b> 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 individual's eligibility under the facility's FAP? . . . . .				<b>17</b>	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
<b>a</b> <input type="checkbox"/> Reporting to credit agency					
<b>b</b> <input type="checkbox"/> Lawsuits					
<b>c</b> <input type="checkbox"/> Liens on residences					
<b>d</b> <input type="checkbox"/> Body attachments					
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)					

**Part V**

**Facility Information** *(continued)*

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a** ☒ Notified individuals of the financial assistance policy on admission

**b** ☐ Notified individuals of the financial assistance policy prior to discharge

**c** ☐ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills

**d** ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

**e** ☐ Other (describe in Section C)

**Policy Relating to Emergency Medical Care**

	Yes	No
<b>19</b> 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? . . . . . If "No," indicate why	Yes	
<b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
<b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing		
<b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
<b>d</b> <input type="checkbox"/> Other (describe in Part VI)		

**Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)**

<b>20</b> 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		
<b>a</b> <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
<b>b</b> <input checked="" type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
<b>c</b> <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
<b>d</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>21</b> During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . . If "Yes," explain in Part VI		No
<b>22</b> During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . . If "Yes," explain in Part VI		No

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

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

[illegible]

**Part V**

**Facility Information** *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? 6

Name and address		Type of Facility (describe)
<b>1</b>	LAKESHORE HEALTH PARTNERS 602 MICHIGAN AVE HOLLAND, MI 49423	PHYSICIAN OFFICE
<b>2</b>	HH SERVICES - BATES ET AL LLC 602 MICHIGAN AVE HOLLAND, MI 49423	PHYSICIAN OFFICE
<b>3</b>	HH SERVICES - ORT LLC 602 MICHIGAN AVE HOLLAND, MI 49423	PHYSICIAN OFFICE
<b>4</b>	LAKESHORE HEALTH PARTNERS FM LLC 602 MICHIGAN AVE HOLLAND, MI 49423	PHYSICIAN OFFICE
<b>5</b>	HOLLAND COMMUNITY HEALTH CENTER 602 MICHIGAN AVE HOLLAND, MI 49423	PHYSICIAN OFFICE
<b>6</b>	LAKESHORE AREA RADIATION & ONCOLOGY CENT 602 MICHIGAN AVE HOLLAND, MI 49423	PHYSICIAN OFFICE
<b>7</b>		
<b>8</b>		
<b>9</b>		
<b>10</b>		

Part VI

Supplemental Information

Provide the following information

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

Form and Line Reference	Explanation
PART I, LINE 3C	FAMILY INCOME 200 TO 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES QUALIFY FOR DISCOUNTED CARE ON A RATED SCALE

Form and Line Reference	Explanation
PART I, LINE 7	A COST-TO-CHARGE RATIO WAS USED TO COMPLETE THE CHARITY CARE (LINE 7A) AND MEANS-TESTED GOVERNMENT PROGRAMS (LINE 7B) THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2 THAT ACCOMPANIES THE INSTRUCTIONS TO THE SCHEDULE THE HOSPITAL'S COST ACCOUNTING RECORDS WERE USED TO COMPLETE THE COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS (LINE 7E), HEALTH PROFESSIONS EDUCATION (LINE 7F), AND CASH AND IN-KIND CONTRIBUTIONS (LINE 7I) A DIRECT COST AND STEP-DOWN APPROACH WAS USED TO COMPLETE THE SUBSIDIZED HEALTH SERVICES PROGRAMS (LINE 7G)

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 24B - BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE SCHEDULE H, PART I, COLUMN F PERCENTAGE EQUALS \$12,408,480



Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	HOLLAND HOSPITAL SERVES COMMUNITIES THAT ARE DIVERSE IN SIZE, DEMOGRAPHIC MAKEUP AND SOCIO-ECONOMIC LEVELS FOR AT-RISK INDIVIDUALS AND FAMILIES, THE HOSPITAL OFFERS PRIMARY HEALTH CARE SERVICES THROUGH THE HOLLAND COMMUNITY HEALTH CENTER, HOLLAND RESCUE MISSION AND WITHIN FIVE AREA SCHOOL DISTRICTS WITH LARGE STUDENT POPULATIONS WHO QUALIFY FOR FREE OR REDUCED LUNCHES MONTHLY EDUCATIONAL PROGRAMS PROVIDE HEALTH INFORMATION AND ADVICE TO TARGETED AUDIENCES INCLUDING WOMEN AND SENIORS THROUGH ITS WEBSITE AND SOCIAL MEDIA TOOLS, THE HOSPITAL COMMUNICATES KEY HEALTH INFORMATION THROUGHOUT ITS ENTIRE SERVICE AREA AND BEYOND ONGOING COMMUNITY WELLNESS CLASSES AND FREE SCREENINGS PROVIDE EASY ACCESS TO HEALTHY LIFESTYLE ADVICE AND SUPPORT THE HOSPITAL'S PARTNERSHIPS WITH OTHER SERVICES PROVIDERS, LOCAL BUSINESSES, MUNICIPALITIES, CHURCHES AND SOCIAL AGENCIES BUILDS UPON THE HOSPITAL'S DAY-TO-DAY EFFORTS TO IMPROVE THE HEALTH THE COMMUNITIES IT SERVES

Form and Line Reference	Explanation
PART III, LINE 2	THIS IS THE BAD DEBT EXPENSE REPORTED ON FORM 990, PART IX

Form and Line Reference	Explanation
PART III, LINE 3	THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CARE IT PROVIDES. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE POLICY. THERE IS A POTENTIAL THAT SOME ACCOUNTS WRITTEN OFF AS BAD DEBTS COULD HAVE BEEN ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY, HOWEVER, DUE TO INADEQUATE APPLICATIONS FILED OR NEVER RETURNED THEY GET WRITTEN OFF TO BAD DEBTS INSTEAD. THE ESTIMATED AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY WAS APPROXIMATELY \$4,148,709. THIS WAS DERIVED BY REVIEWING NOTES ON FILES FOR POTENTIAL CHARITY CARE CASES FOR THE LAST QUARTER OF THE YEAR AND APPLYING THAT AVERAGE TO THE TOTAL POPULATION.

Form and Line Reference	Explanation
PART III, LINE 4	<p>ACCOUNTS RECEIVABLE FINANCIAL STATEMENT FOOTNOTE ACCOUNTS RECEIVABLE FOR PATIENTS, INSURANCE COMPANIES, AND GOVERNMENTAL AGENCIES ARE BASED ON GROSS CHARGES AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS AND INTERIM PAYMENT ADVANCES IS BASED ON EXPECTED PAYMENT RATES FROM PAYORS BASED ON CURRENT REIMBURSEMENT METHODOLOGIES ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA RELATED TO THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALULATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE</p>

Form and Line Reference	Explanation
PART III, LINE 8	COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS 990 INSTRUCTIONS THE SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT DUE TO ITS REPRESENTATION OF COST OF A PORTION OF SERVICES PROVIDED TO THE COMMUNITY WITHOUT PAYMENT

Form and Line Reference	Explanation
PART III, LINE 9B	ANY BALANCE DEEMED PATIENT RESPONSIBILITY (AFTER INSURANCE PAYMENT/DETERMINATION AND AFTER ANY APPLICABLE DISCOUNT OR CHARITY) IF NOT PAID WILL RECEIVE A MINIMUM OF 2 STATEMENTS AT DAY 60 AN EARLY OUT AGENCY WORKS THE ACCOUNT FOR HOLLAND HOSPITAL FOR A MINIMUM OF 90 DAYS THE ACCOUNT WILL BE HELD ON HOLLAND HOSPITAL'S "BOOKS" UNTIL IT HAS AGED TO A MINIMUM OF 180 DAYS FROM DISCHARGE AT THIS TIME THE ACCOUNT IS ELIGIBLE AND WILL BE REVIEWED TO BE SENT TO A COLLECTION AGENCY

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINES 5 AND 6	AS PER THE INSTRUCTIONS, SCHEDULE H, PART III, LINES 5 AND 6 ARE DERIVED DIRECTLY FROM THE MEDICARE COST REPORT THOSE MEDICARE COSTS NOT INCLUDED IN THE MEDICARE COST REPORT (MEDICARE ADVANTAGE AND FEE FOR SERVICE PHYSICIANS) ARE SUMMARIZED AS FOLLOWS TOTAL COST \$2,236,734TOTAL REIMBURSEMENT \$1,525,669COST IN EXCESS OF REIMBURSEMENT \$ 711,065

Form and Line Reference	Explanation
PART VI, LINE 2	IN COLLABORATION WITH THE OTTAWA COUNTY HEALTH DEPARTMENT AND THE UNITED WAY, A COMMUNITY ASSESSMENT IS PERFORMED THE UNITED WAY PUBLISHES THEIR ASSESSMENT EVERY 5 YEARS (LAST ONE IN 2012) AND THE OTTAWA COUNTY HEALTH DEPARTMENT PUBLISHES THEIR YOUTH ASSESSMENT EVERY 2 YEARS (LAST ONE IN 2012) AND EVERY 3 YEARS FOR ADULTS (LAST ONE IN 2012) THE CHNA COLLABORATIVE CONSISTED OF NORTH OTTAWA, SPECTRUM ZEELAND HOSPITALS AND THE OTTAWA COUNTY HEALTH DEPARTMENT



Form and Line Reference	Explanation
PART VI, LINE 3	OUR FINANCIAL ASSISTANCE POLICY IS LOCATED ON OUR WEBSITE AT THE POINT OF REGISTRATION, A PATIENT IS OFFERED A BUSINESS CARD WITH INFORMATION ABOUT OUR FINANCIAL ASSISTANCE PROGRAM ALSO, OUR COLLECTORS, CUSTOMER SERVICE EMPLOYEES, OR ANY OTHER HOLLAND HOSPITAL EMPLOYEE WITH WHOM THE PATIENT MIGHT HAVE CONTACT, OUR MEDICAID ELIGIBILITY VENDOR, AND THE EARLY OUT AGENCIES INFORM PATIENTS OF THE FINANCIAL ASSISTANCE POLICY ALL OF THE ABOVE MENTIONED SOURCES MAIL FINANCIAL ASSISTANCE APPLICATIONS TO THE PATIENTS FOR CONVENIENCE UPON REQUEST INFORMATION ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE IS POSTED IN THE FACILITY'S WAITING ROOMS

Form and Line Reference	Explanation
PART VI, LINE 4	<p>HOLLAND HOSPITAL'S PRIMARY SERVICE AREA (PSA) CONSISTS OF EIGHT ZIP CODES THAT FALL WITHIN ALLEGAN AND OTTAWA COUNTIES OF WEST MICHIGAN (POPULATION 150,675) OUR EXTENDED SERVICE AREA (ESA) OR SECONDARY SERVICE AREA CONSISTS OF FOUR MORE ZIPS TO THE NORTH, EAST AND SOUTH OF THE HOSPITAL (POPULATION 94,449) IN OTTAWA COUNTY, THE RACIAL DEMOGRAPHIC BREAK DOWN IS 85 2 % (WHITE), 9 0% (HISPANIC), 2 8 % (ASIAN), 1 7% (AFRICAN AMERICAN ), 0 6% (NATIVE AMERICAN), AND &lt; 0 1% (PACIFIC ISLANDER) IN THE CITY OF HOLLAND WHERE HOLLAND HOSPITAL IS LOCATED, THERE IS A SIGNIFICANTLY HIGHER PERCENTAGE OF HISPANIC INDIVIDUALS WITH THE RACIAL DEMOGRAPHIC BREAK DOWN INCLUDING 68 9 % (WHITE), 22 7% (HISPANIC), 3 0 % (ASIAN), 3 6% (AFRICAN AMERICAN ), 0 6% (NATIVE AMERICAN), AND &lt; 0 1% (PACIFIC ISLANDER) ACCORDING TO 2010 CENSUS DATA, THE POPULATION OF OTTAWA COUNTY WAS SPREAD OUT WITH 28 70% UNDER THE AGE OF 18, 11 90% FROM 18 TO 24, 29 30% FROM 25 TO 44, 20 00% FROM 45 TO 64, AND 10 10% WHO WERE 65 YEARS OF AGE OR OLDER THE MEDIAN AGE WAS 32 YEARS THE MEDIAN INCOME FOR A HOUSEHOLD IN THE COUNTY WAS \$52,347, AND THE MEDIAN INCOME FOR A FAMILY WAS \$59,896 MALES HAD A MEDIAN INCOME OF \$42,180 VERSUS \$27,706 FOR FEMALES THE PER CAPITA INCOME FOR THE COUNTY WAS \$21,676 ABOUT 3 10% OF FAMILIES AND 5 50% OF THE POPULATION WERE BELOW THE POVERTY LINE, INCLUDING 4 70% OF THOSE UNDER AGE 18 AND 4 90% OF THOSE AT AGE 65 OR OVER</p>

Form and Line Reference	Explanation
PART VI, LINE 5	HOLLAND HOSPITAL'S BOARD OF DIRECTORS IS COMPRISED OF REPRESENTATIVES FROM DIFFERENT GEOGRAPHIC SECTORS OF THE HOSPITAL'S PRIMARY SERVICE AREA (PSA), AS WELL AS REPRESENTATIVES FROM BUSINESS AND INDUSTRY, MEDICAL STAFF, AND AT-LARGE MEMBERS. THE HOSPITAL BOARD AND MEDICAL STAFF LEADERSHIP, USING AN ONBOARDING PROCESS, CONSIDERS ALL REQUESTS FROM NEW AND ACTIVE PHYSICIANS SEEKING PRIVILEGES TO PRACTICE AT HOLLAND HOSPITAL. THE HOSPITAL'S INVESTMENT TO IMPROVE PATIENT CARE TAKES SEVERAL FORMS. IN 2014, HOLLAND HOSPITAL INVESTED MILLIONS OF DOLLARS IN UPGRADES TO ITS ELECTRONIC HEALTH RECORDS SYSTEM TO IMPROVE PATIENT SAFETY AND ENHANCE THE EFFICIENCY OF RECORDING/ACCESSING OF PATIENT MEDICAL INFORMATION. ADDITIONAL, THE HOSPITAL CONSTRUCTED A MEDICAL OFFICE BUILDING TO HELP ASSURE THE ACCESSIBILITY TO CARDIOLOGISTS AND CARDIOVASCULAR CARE FOR RESIDENTS IN THE GREATER HOLLAND AREA. THE HOSPITAL CONTINUES TO CONTRIBUTE IN EXCESS OF \$1 MILLION PER YEAR IN COMMUNITY OUTREACH INITIATIVES THAT BRING PRIMARY CARE SERVICES TO THE MOST AT-RISK POPULATIONS. FREE COMMUNITY EDUCATIONAL OPPORTUNITIES ARE PROVIDED ON A CONTINUAL BASIS THROUGH PHYSICIAN PRESENTATIONS, RADIO/TELEVISION/PRINT/WEB APPEARANCES, AND IN PARTNERSHIP WITH OTHER HEALTH CARE PROVIDERS.

Form and Line Reference	Explanation
PART VI, LINE 6	NOT AFFILIATED

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	MI

Additional Data

Software ID:  
Software Version:  
EIN: 38-2800065  
Name: HOLLAND COMMUNITY HOSPITAL

990 Schedule H, Supplemental Information

**Section C. Supplemental Information for Part V, Section B.**Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
HOLLAND COMMUNITY HOSPITAL	
HOLLAND COMMUNITY HOSPITAL	PART V, SECTION B, LINE 3 EXISTING DATA WAS REVIEWED, INCLUDING THE NUMBER OF VISITS TO HEALTH CARE PROGRAMS AND FACILITIES, THE TYPES OF VISITS, POTENTIAL CAUSES, AND OTHER RELATED INFORMATION IN ADDITION, MORE THAN 1,200 COMMUNITY MEMBERS WERE SURVEYED TO GATHER INFORMATION ABOUT THEIR PERSONAL HEALTH AND WELL-BEING, HEALTH-RELATED BEHAVIORS AND RISKS FOR DISEASES COMMUNITY FOCUS GROUPS WERE ALSO HELD TO DISCUSS THE PERCEPTION OF NEEDS THEY ALSO INTERVIEWED AND/OR SURVEYED 45 HEALTH CARE PROVIDERS OR KEY INFORMANTS TO PROVIDE INPUT IN REGARDS TO COMMUNITY HEALTH NEEDS
HOLLAND COMMUNITY HOSPITAL	PART V, SECTION B, LINE 4 NORTH OTTAWA COMMUNITY HEALTH SYSTEM & SPECTRUM HEALTH ZEELAND COMMUNITY HOSPITAL
HOLLAND COMMUNITY HOSPITAL	PART V, SECTION B, LINE 5D <a href="http://www.hollandhospital.org/uploads/public/documents/patient_visitors_guide/ottawacountycnhasummary2012.pdf">HTTP //WWW.HOLLANDHOSPITAL.ORG/UPLOADS/PUBLIC/DOCUMENTS/PATIENT_VISITORS_GUIDE/OTTAWACOUNTYCNHASUMMARY2012.PDF</a>
HOLLAND COMMUNITY HOSPITAL	PART V, SECTION B, LINE 14G THE FINANCIAL ASSISTANCE POLICY IS POSTED ON THE HOSPITAL'S WEBSITE ALONG WITH A FINANCIAL ASSISTANCE APPLICATION (ENGLISH AND SPANISH) INFORMATION ON THE AVAILABILITY OF FINANCIAL ASSISTANCE IS POSTED IN THE FACILITY'S WAITING ROOMS, AS WELL AS OUTLINED ON A BUSINESS CARD GIVEN TO ALL PATIENTS AT REGISTRATION

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

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

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. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) COMMUNITY HEALTH CENTER 602 MICHIGAN AVENUE HOLLAND, MI 49423	20-0602574	501(C)(3)	663,660	0	N/A	N/A	OPERATIONAL CASH FLOW TO BREAK-EVEN

2

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

1

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.  
Part III can be duplicated 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.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	THE HOSPITAL RECEIVES THEIR MONTHLY INTERNAL FINANCIALS AND A COPY OF THE AUDITED STATEMENTS ANNUALLY HOLLAND HOSPITAL IS FUNDING, IN PART, THE OPERATIONS OF THE ABOVE MENTIONED CLINIC, WHICH IS A SIGNIFICANT COMMUNITY BENEFIT



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, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate 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</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</div></div>	1b	
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>	2	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	4a	No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	Yes
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>	5a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div><div>6</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>	6a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div><div>7</div><div>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</div></div>	7	No
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III</div></div>	8	No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>	9	

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 4B	DALE SOWDERS PARTICIPATED IN A 457(F) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE SERP IS DESIGNED TO PROVIDE THE PARTICIPANT WITH A TARGET BENEFIT FOR LIFE BEGINNING AT THE PARTICIPANTS ATTAINMENT OF AGE 65 EQUAL TO 60 PERCENT OF THE PARTICIPANTS FINAL AVERAGE COMPENSATION, OFFSET BY THE PARTICIPANTS SOCIAL SECURITY BENEFIT AND 401(K) SAVINGS PLAN EMPLOYER CONTRIBUTION EQUIVALENT. CONTRIBUTIONS MADE TO THE SERP ARE INCLUDED IN PART II, COLUMN (C). NO PAYMENTS WERE MADE IN 2013.

# Additional Data

Software ID:

Software Version:

EIN: 38-2800065

Name: HOLLAND COMMUNITY HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DALE M SOWDERS PRESIDENT & CEO	(i)	503,023	125,877	20,311	124,461	24,368	798,040	14,380
	(ii)	0	0	0	0	0	0	0
MARK STID MD TRUSTEE, PHYSICIAN	(i)	0	0	0	0	0	0	0
	(ii)	150,872	0	18,763	0	14,248	183,883	0
PATTI VANDORT VP, NURSING & CNO	(i)	216,085	41,282	17,919	30,327	14,145	319,758	10,483
	(ii)	0	0	0	0	0	0	0
MARK L PAWLAK VP, ANCILLARY SERVICES & QUALITY	(i)	209,040	39,936	17,092	27,215	9,316	302,599	0
	(ii)	0	0	0	0	0	0	0
TERRY L STEELE VP, FINANCE & CFO	(i)	257,286	49,153	20,393	21,962	10,179	358,973	0
	(ii)	0	0	0	0	0	0	0
CHARLES D KOHLRUSS VP, HR & OPERATIONS SUPPORT	(i)	203,019	38,786	35,354	0	18,342	295,501	35,248
	(ii)	0	0	0	0	0	0	0
MICHAEL W MATTHEWS VP, PHYSICIAN ADMINISTRATION	(i)	175,115	41,765	0	0	13,396	230,276	0
	(ii)	0	0	0	0	0	0	0
CARL H WIERKS MD PHYSICIAN	(i)	577,597	0	20,703	0	14,265	612,565	0
	(ii)	0	0	0	0	0	0	0
DERICK M JOHNSON DO PHYSICIAN	(i)	577,597	0	20,703	0	14,040	612,340	0
	(ii)	0	0	0	0	0	0	0
STEPHEN MAUGER DO PHYSICIAN	(i)	242,928	0	272,201	0	15,556	530,685	0
	(ii)	0	0	0	0	0	0	0
MATTHEW FLETCHER MD PHYSICIAN	(i)	243,256	0	271,660	0	5,874	520,790	0
	(ii)	0	0	0	0	0	0	0
BARTHOLOMEW D SAK MD PHYSICIAN	(i)	243,417	0	210,319	0	12,433	466,169	0
	(ii)	0	0	0	0	0	0	0

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 Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

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	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	38-2889417	59465E7A5	08-01-2004	22,000,000	CONSTRUCTION OF NEW BUILDING		X		X		X
B	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	80-0596186	NONEAVAIL	08-11-2010	23,500,000	CONSTRUCTION OF NEW BUILDING		X		X		X
C	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	38-2889417	59447PTG6	02-20-2013	37,010,000	CONSTRUCTION OF NEW BUILDING AND DEFEASANCE OF 2004A BONDS		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	22,000,000		23,500,000		39,641,117			
4	Gross proceeds in reserve funds	3,056,775				3,056,775			
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows	14,123,419		14,123,419		18,656,552			
7	Issuance costs from proceeds	225,000		139,505		243,926			
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	22,000,000		9,376,581		20,471,662			
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2008		2011		2015			
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			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	
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes	No	Yes	No
			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 of bond-financed property?		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	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X		X		

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X			X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X		X			
b	Exception to rebate?		X		X		X		
c	No rebate due?		X		X		X		
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X	X			
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (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?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
	Has 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?		X		X		X		

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
------------------	-------------

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, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.  
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047  
**2013**  
Open to Public Inspection

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

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) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose 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) LAKEWOOD ELZINGA A JOINT VENTURE	BOARD MEMBER JAMES STROOP IS AN INDIRECT OWNER OF LAKEWOOD ELZINGA JV	11,345,723	LAKEWOOD ELZINGA A JOINT VENTURE WAS SELECTED AS GENERAL CONTRACTOR FOR SEVERAL HOSPITAL PROJECTS THE PAYMENTS TO LAKEWOOD ELZINGA A JOINT VENTURE RELATE TO CONSTRUCTION SERVICES, INCLUDING PAYMENTS TO SUBCONTRACTORS AS WELL AS THE GENERAL CONTRACTOR FEE		No
(2) MACATAWA ANESTHESIA PC	BOARD MEMBER ANTHONY YASICK IS A SHAREHOLDER OF MACATAWA ANESTHESIA PC	52,078	THE PAYMENTS TO MACATAWA ANESTHESICA PC RELATE TO MEDICAL DIRECTOR PAYMENTS		No

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.  
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization HOLLAND COMMUNITY HOSPITAL	Employer identification number 38-2800065
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990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	HOLLAND COMMUNITY HOSPITAL'S CEO AND CFO REVIEW THE FORM 990 PRIOR TO FILING THE CEO THEN SIGNS AND FILES THE FORM 990
FORM 990, PART VI, SECTION B, LINE 12C	THE BOARD OF DIRECTORS, ADMINISTRATION, DIRECTORS AND MANAGERS FILL OUT A CONFLICT OF INTE REST DISCLOSURE FORM ANNUALLY THESE FORMS ARE COLLECTED BY THE COMPLIANCE OFFICE, INVESTI GATED AND THEN MAINTAINED BY HUMAN RESOURCES THE BYLAWS SPECIFICALLY STATE THAT A BOARD M EMBER WHO HAS A CONFLICT OF INTEREST AS TO A MATTER BEFORE THE BOARD SHOULD NOT VOTE OR US E PERSONAL INFLUENCE WITH OTHER BOARD MEMBERS THE MINUTES OF THE BOARD MEETING SHALL DISC LOSE THE MEMBER'S ABSTINENCE FROM VOTING ON THE MATTER
FORM 990, PART VI, SECTION B, LINE 15	THE ORGANIZATION USES CONSULTANTS TO REVIEW THE EXECUTIVE COMPENSATION PROGRAM ANNUALLY AN D RECOMMEND UPDATES/INCREASES AS DICTATED BY THE MARKET COMPENSATION IS SET FOR THE PRESI DENT AND CEO, AND EACH VICE PRESIDENT POSITION WITH ESTABLISHED TARGETS USING NATIONAL AND REGIONAL DATA FOR SIMILAR HOSPITALS THIS POLICY IS BOARD APPROVED AND HAS AN ONGOING REV IEW PROCESS WHICH IS COMPARATIVE AND DATA-DRIVEN THE MOST RECENT YEAR THIS PROCESS HAS BE EN UNDERTAKEN IS AUGUST 2014
FORM 990, PART VI, SECTION C, LINE 19	DOCUMENTS ARE AVAILABLE UPON REQUEST
FORM 990, PART XI, LINE 9	UNREALIZED LOSS IN AFFILIATES -2,035,196
FORM 990, PART XII, LINE 2C	THERE HAS BEEN NO CHANGE IN PROCESS FROM PRIOR YEAR

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
  
38-2800065

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) HH SERVICES ORT LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 26-4606759	ORTHOPEDIC PHYSICIAN OFFICE	MI	-1,181,430	225,563	HOLLAND COMMUNITY HOSPITAL
(2) HOLLAND HOSPITAL PHYSICIAN CLINIC 602 MICHIGAN AVENUE HOLLAND, MI 49423 26-3479537	NOT ACTIVE	MI	0	0	HOLLAND COMMUNITY HOSPITAL
(3) HOLLAND SC LLC DBA SURGERY CENTER OF WEST MICHIGAN 602 MICHIGAN AVENUE HOLLAND, MI 49423 20-3200415	NOT ACTIVE	MI	0	0	HOLLAND COMMUNITY HOSPITAL
(4) HH SERVICES - BATES ET AL LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 26-0396104	UROLOGY PHYSICIAN OFFICE	MI	-763,331	443,511	HOLLAND COMMUNITY HOSPITAL
(5) LAKESHORE HEALTH PARTNERS - FM LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 27-2647439	FAMILY MEDICINE PHYSICIAN OFFICE	MI	-292,315	180,920	HOLLAND COMMUNITY HOSPITAL

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 chanty status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) HOLLAND COMMUNITY HOSPITAL AUTHORITY SELF-INSURANCE TRUST FUND  602 MICHIGAN AVENUE  HOLLAND, MI 49423 38-6389385	SUPPORTING ORGANIZATION	MI	501(C)(3)	LINE 11A, I	HOLLAND COMMUNITY HOSPITAL	Yes	
(2) HOLLAND COMMUNITY HOSPITAL AUXILIARY  602 MICHIGAN AVENUE  HOLLAND, MI 49423 38-2139025	SUPPORTING ORGANIZATION	MI	501(C)(3)	LINE 11C, III-FI	N/A		No
(3) LAKESHORE HEALTH PARTNERS  602 MICHIGAN AVENUE  HOLLAND, MI 49423 26-3518481	ENDOSCOPY SERVICES	MI	501(C)(3)	LINE 11A, I	HOLLAND COMMUNITY HOSPITAL	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

Transactions With Related Organizations

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

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

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

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

Yes

No

1a Yes

1b No

1c Yes

1d No

1e No

1f No

1g No

1h No

1i No

1j No

1k No

1l No

1m Yes

1n Yes

1o No

1p No

1q No

1r No

1s 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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) LAKESHORE HEALTH PARTNERS	M	622,030	CONTRACTS AND TIME TRACKING

Schedule R (Form 990) 2013

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.

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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# **Holland Hospital and Affiliates**

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**Consolidated Financial Report  
with Additional Information  
March 31, 2014**



# Holland Hospital and Affiliates

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## Independent Auditor's Report

To the Board of Directors  
Holland Hospital and Affiliates

We have audited the accompanying consolidated financial statements of Holland Hospital and Affiliates (the "Hospital"), which comprise the consolidated balance sheet as of March 31, 2014 and 2013 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Holland Hospital and Affiliates as of March 31, 2014 and 2013 and the results of their operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Plante & Moran, PLLC*

June 9, 2014

# Holland Hospital and Affiliates

## Consolidated Balance Sheet

	March 31, 2014	March 31, 2013
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 18,750,337	\$ 14,860,137
Short-term investments (Note 6)	144,061	144,056
Accounts receivable (Note 2)	29,659,512	27,828,853
Estimated third-party payor settlements (Note 3)	3,322,445	4,534,335
Other current assets	7,297,054	6,638,732
Total current assets	59,173,409	54,006,113
<b>Property and Equipment - Net (Note 7)</b>	150,521,049	125,505,704
<b>Other Assets (Note 5)</b>	214,421,449	215,893,952
Total assets	<b>\$ 424,115,907</b>	<b>\$ 395,405,769</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt (Note 8)	\$ 2,312,905	\$ 2,000,556
Accounts payable	9,513,144	8,496,057
Estimated third-party payor settlements (Note 3)	453,480	70,538
Accrued liabilities and other	10,191,053	8,433,232
Total current liabilities	22,470,582	19,000,383
<b>Long-term Debt - Net of current portion (Note 8)</b>	79,905,006	77,834,308
<b>Other Liabilities</b>		
Accrued professional liability (Note 10)	2,362,929	2,767,976
Other long-term liabilities	1,363,218	1,648,599
Total liabilities	106,101,735	101,251,266
<b>Net Assets</b>		
Unrestricted	317,145,367	293,412,406
Temporarily restricted	283,805	342,097
Permanently restricted	585,000	400,000
Total net assets	318,014,172	294,154,503
Total liabilities and net assets	<b>\$ 424,115,907</b>	<b>\$ 395,405,769</b>

# Holland Hospital and Affiliates

## Consolidated Statement of Operations

	Year Ended	
	March 31, 2014	March 31, 2013
<b>Unrestricted Revenue, Gains, and Other Support</b>		
Net patient service revenue	\$ 217,213,762	\$ 208,187,204
Less provision for bad debts	(12,886,179)	(12,079,466)
Net patient service revenue less provision for bad debts	204,327,583	196,107,738
Other	11,890,061	10,261,449
Net assets released from restrictions	601,400	454,490
Total unrestricted revenue, gains, and other support	216,819,044	206,823,677
<b>Expenses</b>		
Salaries and wages	100,829,580	95,344,748
Employee benefits and payroll taxes	25,911,290	24,911,744
Medical supplies and drugs	35,481,537	32,506,518
Purchased services	17,524,255	17,064,345
Utilities	2,844,972	2,502,155
Other	13,326,242	13,368,880
Depreciation and amortization	12,708,124	11,550,199
Interest expense	1,688,291	1,763,447
Total expenses (Note 13)	210,314,291	199,012,036
<b>Operating Income</b>	6,504,753	7,811,641
<b>Nonoperating Income (Loss)</b>		
Investment income (Note 5)	4,437,041	4,044,943
Earnings of equity investments	510,312	232,794
Foundation investment income (Note 5)	600,979	805,763
Foundation net program costs	(1,322,769)	(1,348,455)
Unrealized gains on trading securities (Note 5)	12,976,790	9,394,935
Loss on defeasance of debt (Note 8)	-	(1,451,934)
Other income	25,855	24,295
Total nonoperating income	17,228,208	11,702,341
<b>Increase in Unrestricted Net Assets</b>	<b>\$ 23,732,961</b>	<b>\$ 19,513,982</b>

# Holland Hospital and Affiliates

## Consolidated Statement of Changes in Net Assets

	Year Ended	
	March 31, 2014	March 31, 2013
<b>Unrestricted Net Assets</b> - Excess of revenue over expenses	\$ 23,732,961	\$ 19,513,982
<b>Temporarily Restricted Net Assets</b>		
Restricted contributions	543,108	503,956
Net assets released from restriction	(601,400)	(454,490)
<b>(Decrease) Increase in Temporarily Restricted Net Assets</b>	(58,292)	49,466
<b>Permanently Restricted Net Assets</b> - Restricted contributions	185,000	-
<b>Increase in Net Assets</b>	23,859,669	19,563,448
<b>Net Assets</b> - Beginning of year	294,154,503	274,591,055
<b>Net Assets</b> - End of year	<u><u>\$ 318,014,172</u></u>	<u><u>\$ 294,154,503</u></u>

# Holland Hospital and Affiliates

## Consolidated Statement of Cash Flows

	Year Ended	
	March 31, 2014	March 31, 2013
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 23,859,669	\$ 19,563,448
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	12,620,069	11,549,749
Net change in unrealized net gain on investments	(12,976,790)	(9,394,935)
Realized gains on investments	(3,338,474)	(2,420,644)
Loss on disposal of equipment	638,850	894,350
Restricted contributions	(728,108)	(503,956)
Provision for bad debts	12,886,179	12,079,466
Loss on defeasance of debt	-	1,451,934
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable	(14,716,838)	(14,320,286)
Other current assets	(658,322)	(1,292,575)
Estimated third-party payor settlements	1,594,832	(3,562,829)
Other assets	(341,095)	(262,126)
Accounts payable	1,017,087	3,120,680
Accrued liabilities and other	(690,428)	(411,741)
Other liabilities	1,757,821	1,155,423
Net cash provided by operating activities	20,924,452	17,645,958
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(38,381,493)	(23,028,292)
Proceeds from sale of property and equipment	47,498	5,500
Purchase of short-term investments and assets limited as to use	(17,120,531)	(133,296,874)
Proceeds from sale and maturities of short-term investments and assets limited as to use	35,221,064	122,537,470
Net cash used in investing activities	(20,233,462)	(33,782,196)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of debt obligations	4,558,428	39,372,794
Principal payment on long-term debt	(2,087,326)	(23,935,556)
Restricted contributions	728,108	503,956
Net cash provided by financing activities	3,199,210	15,941,194
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	3,890,200	(195,044)
<b>Cash and Cash Equivalents - Beginning of year</b>	14,860,137	15,055,181
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 18,750,337</b>	<b>\$ 14,860,137</b>
<b>Supplemental Cash Flow Information - Cash paid for interest</b>	<b>\$ 1,462,597</b>	<b>\$ 1,861,472</b>

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 1 - Nature of Business and Significant Accounting Policies

**Basis of Presentation** - The consolidated financial statements include the accounts of Holland Community Hospital, doing business as Holland Hospital, and its wholly owned or controlled subsidiaries, HH Services - Bates et. al, LLC (Bates), HH Services - ORT, LLC (ORT), Lakeshore Health Partners (LHP), and Lakeshore Health Partners - FM, LLC (LHPFML) (collectively referred to as the "Hospital"). The Hospital provides medical and surgical services in the Holland, Michigan area. All intercompany accounts and transactions have been eliminated in consolidation. During 2013, HH Services - South Washington, LLC (HHSSW) became a new division of LHP.

In 1988, Holland Hospital converted from an authority to a private, nonprofit hospital. The authority still exists and, although the authority does not have any assets or liabilities, the authority does retain the right to receive the net proceeds from any sale of Holland Hospital under the 1987 Amendment to Act No. 47, Public Acts of 1945.

During 2013, the Hospital transferred net assets of approximately \$902,000 to various subsidiaries that are in the process of winding down operations. During 2014, no such transfers occurred.

**Foundation** - During the year ended March 31, 2000, the Hospital designated funds to be utilized to benefit the community through nursing programs with area churches and schools, prenatal and postnatal programs, and physician programs. The net activity is shown in other changes in unrestricted net assets. These funds are referred to by the Hospital and in this report as the "Foundation."

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

**Cash and Cash Equivalents** - Cash and cash equivalents include cash and highly liquid investments purchased with an original maturity of three months or less, excluding those amounts included in assets limited as to use.

Cash balances held in the bank exceed the federal depository insurance limit. The Hospital's cash is only insured up to the federal depository insurance limit. Management believes that any credit risk related to these cash balances is minimal.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

**Accounts Receivable** - Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges. An allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data related to these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts in the period they are determined to be uncollectible.

**Assets Limited as to Use/Investments** - Assets limited as to use include investments in marketable securities, money market accounts, and U.S. government obligations, all measured at fair value in the consolidated balance sheet. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the change in unrestricted net assets, unless the income or loss is restricted by donor or law. Investments in limited partnerships, real estate, and common trust funds, which are not readily marketable, are carried at estimated fair values as provided by the various investment managers, adjusted for additional investments into the funds or withdrawals from the funds. The Hospital reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and significant assumptions used in determining fair value. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. Investments are considered trading securities for financial accounting purposes. All of these assets are set aside for either board, bond indenture agreements, or donor designations.



# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

The Hospital invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheet.

**Property and Equipment** - Property and equipment amounts are recorded at cost. Donated property and equipment are recorded at the estimated fair market value at the time of donation. Depreciation is computed principally on the straight-line basis over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

**Goodwill and Other Intangible Assets** - Goodwill represents the cost of acquired net assets in excess of their fair market values. Goodwill and intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually. No impairment of goodwill or other intangible assets was recognized in 2014 or 2013.

**Investments in Affiliate Entities** - The consolidated financial statements include the Hospital's interest in Lakeshore Area Radiation Oncology Center (a cancer treatment center) and Holland Community Physician Hospital Organization. These investments are accounted for using the equity method.

**Bond Financing Costs** - Bond financing costs are amortized on a straight-line basis, which approximates the interest method, over the term of the related debt issue.

**Temporarily and Permanently Restricted Net Assets** - Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity.

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

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action including fines, penalties, and exclusions from the Medicare and Medicaid programs.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources in total was \$217,195,262 and \$208,187,204 for the years ended March 31, 2014 and 2013, respectively. In 2014, this amount is made up of amounts from third-party payors of \$198,771,494 and amounts from self-pay payors of \$5,567,012. In 2013, this amount is made up of amounts from third-party payors of \$190,213,009 and amounts from self-pay payors of \$6,338,038.

**Contributions** - The Hospital reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of changes in net assets as net assets released from restrictions.

The Hospital reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Hospital reports the expiration of donor restrictions when the assets are placed in service.

**Charity Care** - The Hospital maintains records to identify and monitor the level of care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. The Hospital also maintains records of the cost of services provided to Medicare and Medicaid recipients not covered by governmental reimbursement as well as the cost of other programs designed to promote community health not covered by insurance.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

**Excess of Revenue Over Expenses** - The consolidated statement of operations includes excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, are consistent with industry practice and include transfers to (from) affiliates.

**Accounting for Conditional Asset Retirement Obligation** - The Financial Accounting Standards Board issued guidance which clarified when an entity is required to recognize a liability for a conditional asset retirement obligation. Management has considered this guidance, specifically as it related to its legal obligation to report asset retirement activities, such as asbestos removal, on its existing properties. The Hospital is in the process of renovating and replacing a significant portion of the physical plant facilities, resulting in a relatively small portion of the facility with any remaining hazardous material. Management has determined an estimated settlement date for the asset retirement obligations based on the knowledge obtained during the significant renovation project currently underway. The Hospital has recognized an estimate of the liability of approximately \$640,000 and \$680,000 related to these asset retirement activities as of March 31, 2014 and 2013, respectively, which is included in other long-term liabilities on the consolidated balance sheet.

**Electronic Health Records Incentive Payments** - The American Recovery and Reinvestment Act of 2009 (ARRA) established funding in order to provide incentive payments to hospitals and physicians that implement the use of electronic health record (EHR) technology by 2014. The Hospital may receive an incentive payment for up to four years, provided the Hospital demonstrates meaningful use of certified EHR technology for the EHR reporting period. The revenue from the incentive payments is recognized ratably over the EHR reporting period when there is reasonable assurance that the Hospital will comply with eligibility requirements during the EHR reporting period and an incentive payment will be received. The amounts are recorded within other operating revenue as the incentive payments are related to the Hospital's ongoing and central activities yet not critical to the delivery of patient service.

**Tax Status** - The Internal Revenue Service has ruled that the Hospital, LHPFML, and LHP are tax-exempt organizations as defined under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for federal income taxes has been made in the consolidated financial statements for the Hospital or LHPFML. ORT and Bates are single-member limited liability corporations, in which the activity flows through to the Hospital for federal income tax purposes. The Hospital's tax returns are not subject to examination by taxing authorities for years beginning prior to March 31, 2011.

The Hospital has adopted accounting standards related to uncertain tax positions and, accordingly, reviewed all tax positions. The evaluated potential exposure related to uncertain tax positions was found to be immaterial.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 1 - Nature of Business and Significant Accounting Policies (Continued)

**Subsequent Events** - The consolidated financial statements and related disclosures include evaluation of events up through and including June 9, 2014, which is the date the consolidated financial statements were available to be issued.

### Note 2 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2014	2013
Patient accounts receivable	\$ 68,452,168	\$ 69,951,124
Less allowance for uncollectible accounts	(9,301,770)	(9,097,742)
Less allowance for contractual adjustments	(33,081,714)	(34,201,108)
Net patient accounts receivable	26,068,684	26,652,274
Other	3,590,828	1,176,579
Total accounts receivable	<u>\$ 29,659,512</u>	<u>\$ 27,828,853</u>

The Hospital grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	Percent	
	2014	2013
Medicare	35	30
Medicaid	8	9
Blue Cross/Blue Shield of Michigan	12	14
Commercial insurance and HMOs	21	27
Self-pay	24	20
Total	<u>100</u>	<u>100</u>

The Hospital's allowance for doubtful accounts for self-pay patients is 61 and 57 percent of self-pay accounts receivable at March 31, 2014 and 2013, respectively. In addition, the Hospital's self-pay write-offs were \$11,575,315 for the year ended March 31, 2014 and \$11,082,952 for the year ended March 31, 2013. The Hospital does not maintain a significant allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 3 - Estimated Third-party Payor Settlements

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the basis of reimbursement with these third-party payors is as follows:

- **Medicare** - Inpatient, acute-care, and psychiatric services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Outpatient services related to Medicare beneficiaries are reimbursed based on a prospectively determined amount per episode of care.
- **Medicaid** - Inpatient, acute-care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Capital costs relating to Medicaid patients are paid on a cost-reimbursement method. Outpatient and physician services are reimbursed on an established fee-for-service methodology.
- **Blue Cross/Blue Shield of Michigan** - Inpatient, acute-care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on a fee-for-service and percentage-of-charge basis.
- **Health Maintenance Organizations** - Services rendered to HMO beneficiaries are paid at predetermined rates or at a percentage of Hospital charges.

Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare, Medicaid, Blue Cross/Blue Shield of Michigan, and HMO programs that are subject to audit by fiscal intermediaries.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. The Hospital is unable to determine the extent of exposure for overpayments or underpayments found in an audit. The potential exists for significant overpayments or underpayments of claims liability for the Hospital at a future date.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 4 - Community Benefit

In support of its mission, the Hospital provides various health-related services to the indigent and other residents in its service area. These services include the following:

**Community Partnership Programs** - Community partnership programs include programs provided to people with inadequate healthcare resources or for other groups within the community that need special services and support. Examples include programs related to the poor, elderly, substance abuse, child abuse, and others with specific particular healthcare needs. They also include broader populations who benefit from community health initiatives such as health promotion, education, health screening, and supporting the Holland Community Health Center.

**Donations/Contributions** - Donations/contributions include cash and in-kind donations that are made on behalf of the poor and needy to community agencies and to special funds for charitable activities as well as resources contributed directly to programs, organizations, and foundations for efforts on behalf of the poor and disadvantaged.

**Charity Care** - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenues received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on a calculation which applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. The Hospital estimates that it incurred costs of providing services to indigent patients of \$2,194,000 and \$2,060,000 during 2014 and 2013, respectively.

**Unpaid Costs for Government Program Patients** - The Hospital is a licensed Medicare and Medicaid provider with approximately 50 percent of its patient base qualifying for one of these two programs. At present, the reimbursement rates for both programs do not fully cover the cost of provider care to these patients. This represents the estimated shortfall created when a facility receives payments below the costs of treating Medicare and Medicaid beneficiaries.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 5 - Other Assets

The detail of other assets is summarized in the following schedule:

	2014	2013
Assets limited as to use:		
Internally designated for capital acquisition	\$ 150,924,427	\$ 137,066,873
Internally designated for the Foundation	24,375,918	27,655,460
Held by trustee under bond indenture	2,582,054	12,597,438
Held in trust for payment of professional liability claims	14,429,745	16,777,642
Total assets limited as to use	192,312,144	194,097,413
Goodwill	14,048,192	14,048,192
Other intangible assets	2,890,000	2,890,000
Investment in other entities	3,095,651	2,765,247
Other noncurrent assets	2,075,462	2,093,100
Total other assets	<u>\$ 214,421,449</u>	<u>\$ 215,893,952</u>

Investment in other entities represents the Hospital's interest in Lakeshore Area Radiation Oncology and Holland Community Physician Hospital Organization.

In December 2010, the Hospital acquired the membership interest of Holland SC, LLC. As part of the transaction, the Hospital recorded \$14,048,192 of goodwill and \$2,890,000 of license intangibles. These assets are considered to have indefinite useful lives and will be evaluated for impairment on an annual basis.

Other noncurrent assets are comprised of bond issue costs and other long-term receivables.

Investment income and gains for assets limited as to use and short-term investments are comprised of the following for the years ended March 31, 2014 and 2013:

	2014	2013
Interest and dividend income	\$ 1,699,546	\$ 2,430,062
Realized gains on sales of investments	3,338,474	2,420,644
Change in net unrealized gains on investments	12,976,790	9,394,935
Total	<u>\$ 18,014,810</u>	<u>\$ 14,245,641</u>

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 6 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Hospital's assets measured at fair value on a recurring basis at March 31, 2014 and 2013 and the valuation techniques used by the Hospital to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Hospital has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Hospital's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.



# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 6 - Fair Value Measurements (Continued)

#### Assets Measured at Fair Value on a Recurring Basis at March 31, 2014

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2014
Short-term investments - Money market funds	\$ 144,061	\$ -	\$ -	\$ 144,061
Assets limited as to use (Note 5):				
Money market funds	127,364	-	-	127,364
U.S. Treasury shares	573,750	-	-	573,750
Domestic common stocks	13,298,780	-	-	13,298,780
Exchange traded funds	1,089,250	-	-	1,089,250
International common stocks	272,611	-	-	272,611
Mutual funds - Equity securities	72,650,898	-	-	72,650,898
Mutual funds - International	67,918	-	-	67,918
Mutual funds - Fixed income	15,267,530	-	-	15,267,530
Common collective funds	-	25,742,800	-	25,742,800
Alternative investments - Real estate	-	-	13,147,428	13,147,428
Alternative investments - Common trust funds	-	-	3,978,147	3,978,147
Alternative investments - Hedge funds	-	6,981,270	-	6,981,270
Alternative investments - Limited partnerships	-	-	39,114,398	39,114,398
Total assets	<u>\$ 103,492,162</u>	<u>\$ 32,724,070</u>	<u>\$ 56,239,973</u>	<u>\$ 192,456,205</u>

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 6 - Fair Value Measurements (Continued)

#### Assets Measured at Fair Value on a Recurring Basis at March 31, 2013

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2013
Short-term investments - Money market funds	\$ 144,056	\$ -	\$ -	\$ 144,056
Assets limited as to use (Note 5):				
Money market funds	308,470	-	-	308,470
U S Treasury shares	3,771,657	-	-	3,771,657
Domestic common stocks	16,438,836	-	-	16,438,836
Exchange traded funds	1,306,235	-	-	1,306,235
Mutual funds - Equity securities	32,873,674	-	-	32,873,674
Mutual funds - International	44,036,304	-	-	44,036,304
Mutual funds - Fixed income	10,207,034	-	-	10,207,034
Common collective funds	-	23,505,072	-	23,505,072
REIT	-	516,033	-	516,033
Alternative investments - Real estate	-	-	3,864,758	3,864,758
Alternative investments - Common trust funds	-	-	14,558,140	14,558,140
Alternative investments - Hedge funds	-	7,113,616	-	7,113,616
Alternative investments - Limited partnerships	-	-	35,597,584	35,597,584
Total assets	<u>\$ 109,086,266</u>	<u>\$ 31,134,721</u>	<u>\$ 54,020,482</u>	<u>\$ 194,241,469</u>

The fair value of common collective funds and hedge funds was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of these investments using quoted prices for similar assets in active markets and the readily determinable fair value of the underlying investments in the funds.

The fair value of limited partnerships, common trust funds, and real estate alternative investments was determined primarily based on Level 3 inputs. The Hospital estimates the fair value of these investments based upon audited and interim unaudited financial statements for the respective funds.

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 6 - Fair Value Measurements (Continued)

The fund of funds hedge funds class includes investments that generate returns through investments in a number of different hedge funds. The funds make allocations to various event-driven, relative value, equity long/short, and tactical hedge funds that are identified through a disciplined investment process. Underlying funds include both single-strategy and multi-strategy funds with the number of funds also set at the discretion of the manager. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The real estate funds class includes limited partnership structures that are illiquid in nature. Private real estate encompasses a broad array of globally diversified strategies and securities. Investments may be in any country, although funds will typically specialize in specific regions and countries. The fair values of the investments in this class have been estimated using the net asset value of the Hospital's ownership interest in partners' capital.

The Hospital's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the end of the reporting period.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended March 31, 2014 and 2013 are as follows:

	<u>Alternative Investments</u>
Balance at April 1, 2013	\$ 54,020,482
Total income and unrealized gains included in change in net assets	<u>2,219,491</u>
Balance at March 31, 2014	<u>\$ 56,239,973</u>
	<u>Alternative Investments</u>
Balance at April 1, 2012	\$ 21,335,890
Purchases	29,457,000
Total income and unrealized losses included in change in net assets	<u>3,227,592</u>
Balance at March 31, 2013	<u>\$ 54,020,482</u>

### Investments in Entities that Calculate Net Asset Value per Share

The Hospital holds shares or interests in investment companies at year end whereby the fair value of the investments held is estimated based on the net asset value per share (or its equivalent) of the investment company.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 6 - Fair Value Measurements (Continued)

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

#### Investments Held at March 31, 2014

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Common trust funds	\$ 13,147,428	\$ -	Daily	None
Real estate funds	3,978,147	-	Monthly	15 days
Limited partnerships	39,114,398	-	Semiannually or quarterly	90 days or 65 days
Total	<u>\$ 56,239,973</u>	<u>\$ -</u>		

#### Investments Held at March 31, 2013

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Common trust funds	\$ 14,558,140	\$ -	Daily	None
Real estate funds	3,864,758	-	Monthly	15 days
Limited partnerships	35,597,584	-	Semiannually or quarterly	90 days or 65 days
Total	<u>\$ 54,020,482</u>	<u>\$ -</u>		

### Note 7 - Property and Equipment

The cost of property, plant, and equipment and depreciable lives are summarized as follows:

	2014	2013	Depreciable Life - Years
Land	\$ 7,930,062	\$ 7,556,948	-
Land improvements	830,595	835,029	5-20
Buildings and improvements	103,020,235	92,674,254	15-40
Leasehold improvements	3,429,696	2,738,885	10-20
Equipment	97,075,282	94,589,144	3-10
Construction in progress	34,195,255	15,370,367	-
Total cost	246,481,125	213,764,627	
Accumulated depreciation	<u>(95,960,076)</u>	<u>(88,258,923)</u>	
Net property and equipment	<u>\$ 150,521,049</u>	<u>\$ 125,505,704</u>	

Depreciation expense was approximately \$12,733,000 and \$11,533,000 for the years ended March 31, 2014 and 2013, respectively.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 7 - Property and Equipment (Continued)

The construction in progress represents construction costs incurred related to improvements in information technology and various renovations throughout the Hospital. Future commitments to complete the renovations as of March 31, 2014 are approximately \$7,676,000.

### Note 8 - Long-term Debt

A summary of long-term debt at March 31, 2014 and 2013 is as follows:

	2014	2013
Series 2010, Michigan Finance Authority Revenue and Refunding Bond dated August 1, 2010, due in annual principal payments of \$1,305,556. Interest is payable semiannually at February 1 and August 1 at a fixed rate of 3.70 percent. The bonds payable are collateralized by certain assets of the Hospital	\$ 19,583,852	\$ 20,889,408
Series 2004B, Michigan State Hospital Finance Authority Bonds payable dated August 11, 2004, due in amounts ranging from \$505,000 to \$1,975,000, due on January 1, 2034, plus a variable interest rate (0.05 percent at March 31, 2014) plus a letter of credit fee of 0.36 percent on outstanding balances. The variable interest rate is based on the BMA index rate. The letter of credit expires on January 1, 2017. The bonds payable are collateralized by certain assets of the Hospital	19,095,000	19,580,000
Series 2013A, Michigan Finance Authority Revenue and Refunding Bond dated February 20, 2013, due in amounts ranging from \$30,000 to \$4,625,000, due on January 1, 2040. Interest is payable semiannually at January 1 and July 1 at rates ranging from 2.00 percent to 5.00 percent. The bonds payable are collateralized by certain assets of the Hospital	36,800,000	37,010,000

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 8 - Long-term Debt (Continued)

	2014	2013
Series 2013 HELP, Michigan Finance Authority Healthcare Equipment Loan Program dated November 8, 2013, due in monthly principal payments of \$39,362.42, due on August 15, 2023, plus a variable interest rate (0.70 percent at March 31, 2014). The bonds payable are collateralized by certain assets of the Hospital	\$ 4,471,658	\$ -
Total	79,950,510	77,479,408
Add premium and original issue discount	2,267,401	2,355,456
Less current portion	(2,312,905)	(2,000,556)
Long-term portion	\$ 79,905,006	\$ 77,834,308

The Series 2004B Bonds are remarketed periodically. Should the remarketing agent be unable to remarket the bonds based on its best efforts, these bonds would be "put" back on the bond trustee, who would draw down on the letter of credit to pay down the bonds. The reimbursement agreement between the letter of credit bank and the Hospital calls for the Hospital to reimburse the letter of credit bank for any remarketing draws consistent with the original debt amortization.

During 2013, in connection with the refunding of the Series 2004A Bonds, a loss on extinguishment of debt was recognized in the amount of \$1.4 million. No such losses occurred during 2014.

Minimum principal payments on long-term debt to maturity as of March 31, 2014 are as follows:

2015	\$ 2,312,905
2016	2,372,905
2017	2,442,905
2018	2,507,905
2019	2,577,905
Thereafter	67,735,985
Total	\$ 79,950,510

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 9 - Leases

The Hospital leases various equipment and buildings under operating leases with terms ranging from 3 to 15 years. Rent expense was approximately \$3,591,000 and \$3,658,000 in 2014 and 2013, respectively. At March 31, 2014, future minimum rental payments are due as follows:

2015	\$ 2,222,316
2016	1,657,010
2017	1,332,751
2018	1,176,800
2019	796,365
Thereafter	<u>1,758,650</u>
Total	<u>\$ 8,943,892</u>

### Note 10 - Professional and Other Liability Insurance

The Hospital has established a program of self-insurance for professional liability risks and maintains an irrevocable trust for payment of such claims. The Hospital also purchases excess liability coverage from independent carriers under claims-made policies at varying limits, as available. Should the claims-made policies not be renewed or replaced with equivalent insurance, claims based on occurrences during their term but reported subsequently will be uninsured. Incidents occurring prior to January 1, 1978 are covered by a commercial insurance policy. The assets of the self-insurance trust are included with assets limited as to use in the accompanying consolidated balance sheet. Income generated by the trust assets and administrative costs are recognized in the accompanying consolidated statement of operations.

The Hospital is involved in certain legal actions and is aware of certain other possible claims arising from services provided to patients. Management believes, after considering legal counsel's evaluations of all actions and claims, that insurance coverage and accruals for estimated losses are adequate to cover expected settlements.

### Note 11 - Retirement Benefits

The Hospital has a 401(k) plan covering substantially all employees with 960 hours of service during a calendar year. Expenses incurred for the 401(k) match plan totaled \$2,190,962 and \$1,948,044 in 2014 and 2013, respectively.

### Note 12 - Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

**Cash and Cash Equivalents** - Due to its short-term nature, the carrying amount reported in the consolidated balance sheet for cash and cash equivalents approximates its fair value.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2014 and 2013

### Note 12 - Fair Value of Financial Instruments (Continued)

**Accounts Receivable** - The carrying amount reported in the consolidated balance sheet for accounts receivable approximates its fair value, due to being a current asset.

**Investments and Assets Limited as to Use** - Fair values, which are the amounts reported in the consolidated balance sheet, are based on quoted market prices, if available, or estimates using quoted market prices for similar securities.

**Accounts Payable and Accrued Expenses** - The carrying amount reported in the consolidated balance sheet for accounts payable and accrued expenses approximates its fair value, due to being a current liability.

**Estimated Third-party Payor Settlements - Net** - Due to its short-term nature, the carrying amount reported in the consolidated balance sheet for estimated third-party payor settlements approximates its fair value.

**Long-term Debt** - The fair value of the Hospital's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Hospital for debt of the same remaining maturities (see Note 8).

Based on the borrowing rates currently available to the Hospital for loans with similar terms and maturities, the fair value of long-term debt at March 31, 2014 and 2013 is shown in the following table:

	Carrying Amount	Fair Value
2014 long-term debt	\$ 79,950,510	\$ 80,530,637
2013 long-term debt	77,479,408	81,419,955

The fair value of the Hospital's fixed-rate tax-exempt bond obligations is determined by applying the yield of openly marketed bonds that have substantially the same characteristics as the Hospital's tax-exempt bonds. The determination of fair value of the tax-exempt bond obligations is consistent with a Level 2 measurement under the fair value hierarchy.

### Note 13 - Functional Expenses

The Hospital is a general acute-care facility that provides inpatient and outpatient healthcare services to patients within the surrounding community. Expenses related to providing these services for the years ended March 31, 2014 and 2013 are as follows:

	2014	2013
Healthcare services	\$ 170,773,548	\$ 165,614,078
General and administrative	39,540,743	33,397,958
Total	<u>\$ 210,314,291</u>	<u>\$ 199,012,036</u>



## **Additional Information**

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Independent Auditor's Report on Additional Information

To the Board of Directors  
Holland Hospital and Affiliates

We have audited the consolidated financial statements of Holland Hospital and Affiliates as of and for the years ended March 31, 2014 and 2013. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet, consolidating statement of operations, and consolidating statement of changes in net assets are presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Plante & Moran, PLLC*

June 9, 2014

# Holland Hospital and Affiliates

## Consolidating Balance Sheet March 31, 2014

	Holland Community Hospital	Lakeshore Health Partners	HH Services - Bates et al, LLC	Lakeshore Health Partners - FM, LLC	HH Services - ORT, LLC	Eliminating Entries	Total
<b>Assets</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 17,837,554	\$ 669,380	\$ 239,632	\$ 2,780	\$ 991	\$ -	\$ 18,750,337
Short-term investments	144,061	-	-	-	-	-	144,061
Accounts receivable	57,185,913	1,089,823	198,059	178,140	224,572	(29,216,995)	29,659,512
Estimated third-party payor settlements	3,322,445	-	-	-	-	-	3,322,445
Other current assets	7,015,771	281,283	-	-	-	-	7,297,054
Total current assets	85,505,744	2,040,486	437,691	180,920	225,563	(29,216,995)	59,173,409
<b>Property and Equipment - Net</b>	150,231,407	283,822	5,820	-	-	-	150,521,049
<b>Other Assets</b>	214,421,449	-	-	-	-	-	214,421,449
Total assets	<b>\$ 450,158,600</b>	<b>\$ 2,324,308</b>	<b>\$ 443,511</b>	<b>\$ 180,920</b>	<b>\$ 225,563</b>	<b>\$ (29,216,995)</b>	<b>\$ 424,115,907</b>

# Holland Hospital and Affiliates

## Consolidating Balance Sheet (Continued) March 31, 2014

	Holland Community Hospital	Lakeshore Health Partners	HH Services - Bates et al, LLC	Lakeshore Health Partners - FM, LLC	HH Services - ORT, LLC	Eliminating Entries	Total
<b>Liabilities and Net Assets (Deficit)</b>							
<b>Current Liabilities</b>							
Current portion of long-term debt	\$ 2,312,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,312,905
Accounts payable	9,487,422	14,108,843	6,043,039	2,972,815	6,118,020	(29,216,995)	9,513,144
Estimated third-party payor settlements	453,480	-	-	-	-	-	453,480
Accrued liabilities and other	9,594,571	596,482	-	-	-	-	10,191,053
Total current liabilities	21,848,378	14,705,325	6,043,039	2,972,815	6,118,020	(29,216,995)	22,470,582
<b>Long-term Debt</b> - Net of current portion	79,905,006	-	-	-	-	-	79,905,006
<b>Other Liabilities</b>							
Accumulated losses in excess of investments in other entities	26,664,897	-	-	-	-	(26,664,897)	-
Accrued professional liability	2,362,929	-	-	-	-	-	2,362,929
Other long-term liabilities	1,363,218	-	-	-	-	-	1,363,218
Total liabilities	132,144,428	14,705,325	6,043,039	2,972,815	6,118,020	(55,881,892)	106,101,735
<b>Net Assets (Deficit)</b>							
Unrestricted	317,145,367	(12,381,017)	(5,599,528)	(2,791,895)	(5,892,457)	26,664,897	317,145,367
Temporarily restricted	283,805	-	-	-	-	-	283,805
Permanently restricted	585,000	-	-	-	-	-	585,000
Total net assets (deficit)	318,014,172	(12,381,017)	(5,599,528)	(2,791,895)	(5,892,457)	26,664,897	318,014,172
Total liabilities and net assets (deficit)	<u>\$ 450,158,600</u>	<u>\$ 2,324,308</u>	<u>\$ 443,511</u>	<u>\$ 180,920</u>	<u>\$ 225,563</u>	<u>\$ (29,216,995)</u>	<u>\$ 424,115,907</u>

# Holland Hospital and Affiliates

## Consolidating Statement of Operations Year Ended March 31, 2014

	Holland Community Hospital	Lakeshore Health Partners	HH Services - Bates et. al, LLC	Lakeshore Health Partners - FM, LLC	HH Services - ORT, LLC	Eliminating Entries	Total
<b>Unrestricted Revenue, Gains, and Other Support</b>							
Net patient service revenue	\$ 195,982,670	\$ 13,814,588	\$ 2,783,559	\$ 2,065,835	\$ 2,567,110	\$ -	\$ 217,213,762
Less provision for bad debt	(12,018,718)	(477,699)	(139,175)	(158,586)	(92,001)	-	(12,886,179)
Net patient service revenue less provision for bad debts	183,963,952	13,336,889	2,644,384	1,907,249	2,475,109	-	204,327,583
Other	10,921,882	1,293,625	40,650	244,474	11,460	(622,030)	11,890,061
Net assets released from restrictions	601,400	-	-	-	-	-	601,400
Total unrestricted revenue, gains, and other support	195,487,234	14,630,514	2,685,034	2,151,723	2,486,569	(622,030)	216,819,044
<b>Expenses</b>							
Salaries and wages	83,449,721	11,480,646	2,095,084	1,364,629	2,439,500	-	100,829,580
Employee benefits and payroll taxes	23,018,096	1,845,200	338,230	403,254	306,510	-	25,911,290
Medical supplies and drugs	32,834,566	1,553,945	578,699	326,349	187,978	-	35,481,537
Purchased services	17,375,458	415,253	58,093	64,505	145,946	(535,000)	17,524,255
Utilities	2,651,389	149,958	22,805	5,389	15,431	-	2,844,972
Other	10,833,558	1,644,617	314,182	75,974	544,941	(87,030)	13,326,242
Depreciation and amortization	12,359,521	76,398	40,574	203,938	27,693	-	12,708,124
Interest expense	1,688,291	-	-	-	-	-	1,688,291
Total expenses	184,210,600	17,166,017	3,447,667	2,444,038	3,667,999	(622,030)	210,314,291
<b>Operating Income (Loss)</b>	11,276,634	(2,535,503)	(762,633)	(292,315)	(1,181,430)	-	6,504,753
<b>Nonoperating Income (Expenses)</b>							
Investment income	4,437,041	-	-	-	-	-	4,437,041
Earnings of equity investments	(4,272,272)	-	-	-	-	4,782,584	510,312
Foundation investment income	600,979	-	-	-	-	-	600,979
Foundation net program costs	(1,322,769)	-	-	-	-	-	(1,322,769)
Change in unrealized investment gain	12,976,790	-	-	-	-	-	12,976,790
Other income (expense)	36,558	(10,005)	(698)	-	-	-	25,855
Total nonoperating income (expenses)	12,456,327	(10,005)	(698)	-	-	4,782,584	17,228,208
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<b>\$ 23,732,961</b>	<b>\$ (2,545,508)</b>	<b>\$ (763,331)</b>	<b>\$ (292,315)</b>	<b>\$ (1,181,430)</b>	<b>\$ 4,782,584</b>	<b>\$ 23,732,961</b>

# Holland Hospital and Affiliates

## Consolidating Statement of Changes in Net Assets (Deficit) Year Ended March 31, 2014

	Holland Community Hospital	Lakeshore Health Partners	HH Services - Bates et al, LLC	Lakeshore Health Partners - FM, LLC	HH Services - ORT, LLC	Eliminating Entries	Total
<b>Unrestricted Net Assets</b> - Excess of revenue over (under) expenses	\$ 23,732,961	\$ (2,545,508)	\$ (763,331)	\$ (292,315)	\$ (1,181,430)	\$ 4,782,584	\$ 23,732,961
<b>Temporarily Restricted Net Assets</b>							
Restricted contributions	543,108	-	-	-	-	-	543,108
Net assets released from restriction	(601,400)	-	-	-	-	-	(601,400)
<b>Decrease in Temporarily Restricted Net Assets</b>	(58,292)	-	-	-	-	-	(58,292)
<b>Permanently Restricted Net Assets</b> - Restricted contributions	185,000	-	-	-	-	-	185,000
<b>Increase (Decrease) in Net Assets</b>	23,859,669	(2,545,508)	(763,331)	(292,315)	(1,181,430)	4,782,584	23,859,669
<b>Net Assets (Deficit)</b> - Beginning of year	294,154,503	(9,835,509)	(4,836,197)	(2,499,580)	(4,711,027)	21,882,313	294,154,503
<b>Net Assets (Deficit)</b> - End of year	<u>\$ 318,014,172</u>	<u>\$ (12,381,017)</u>	<u>\$ (5,599,528)</u>	<u>\$ (2,791,895)</u>	<u>\$ (5,892,457)</u>	<u>\$ 26,664,897</u>	<u>\$ 318,014,172</u>