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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 05-01-2013 , 2013, and ending 04-30-2014

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

C Name of organization
SOUTHEAST GEORGIA HEALTH SYSTEM FOUNDATION INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 2415 Parkwood Dr

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Brunswick, GA 31520

D Employer identification number
58-2125644

E Telephone number
(912)466-3395

G Gross receipts $ 2,749,390

F Name and address of principal officer
Gary R Colberg FACHE

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

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

H(c) Group exemption number ▶

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

J Website: ▶ N/A

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

L Year of formation 1985

M State of legal domicile GA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Southeast Georgia Health System Foundation, Inc , will serve as a supporting organization to further enable Southeast Georgia Health System to provide safe, quality, accessible, and cost-effective care to meet the health needs of the people and communities it serves

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	3
6	Total number of volunteers (estimate if necessary)	**6**	11
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	4,873,395	765,493
	9 Program service revenue (Part VIII, line 2g)		0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	301,749	305,218
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,175,144	1,070,711
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	409,695	5,170,420
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	230,511	226,277
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶147,311		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	100,659	54,695
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	740,865	5,451,392
	19 Revenue less expenses Subtract line 18 from line 12	4,434,279	-4,380,681

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	10,756,860	7,818,524
	21 Total liabilities (Part X, line 26)	14,345	900,000
	22 Net assets or fund balances Subtract line 21 from line 20	10,742,515	6,918,524

Part II Signature Block

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

Sign Here

****** 2014-12-15
Signature of officer Date

Michael D Scherneck Exec Vice Pres, CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

Southeast Georgia Health System Foundation, Inc , will serve as a supporting organization to further enable Southeast Georgia Health System to provide safe, quality, accessible, and cost-effective care to meet the health needs of the people and communities it serves

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 5,170,420 including grants of $ 5,170,420) (Revenue $)

To provide financial support to Southeast Georgia Health System for Equipment and Operating needs for 12 month Fiscal Period beginning 05/01/2013 and ended 04/30/2014

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

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

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 5,170,420

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts 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		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a		No
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		No
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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

Check if Schedule O contains a response 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	1a	11		
	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	1b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review 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		No
b	Other officers or key employees of the organization	15b		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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

☐ Own website ☑ Another's website ☑ Upon request ☐ 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

▶Michael DScherneckExecVPCFO 2415 Parkwood Dr
Brunswick, GA 31520 (912) 466-7049

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) James A Bishop Chairman/Bd Mbr	2 00 0 00	X		X				0	0	0
(2) Carl B Coolidge Board Member	2 00 0 00	X						0	0	0
(3) Bruce C Dixon Vice Chr/Bd Mbr	2 00 0 00	X		X				0	0	0
(4) Donna Godbey Sec/Board Mbr	2 00 0 00	X		X				0	0	0
(5) William H Gross Board Member	2 00 2 00	X						0	0	0
(6) Lucia G Gumaer Board Member	2 00 0 00	X						0	0	0
(7) Dr Mark G Hanly Board Member	2 00 0 00	X						0	0	0
(8) Cornelius P Holland III Treas/Board Mbr	2 00 0 00	X		X				0	0	0
(9) JoAnn Joubert Board Member	2 00 0 00	X						0	0	0
(10) Russell S Mentzer Board Member	2 00 0 00	X						0	0	0
(11) Randall E Morris Board Member	2 00 0 00	X						0	0	0
(12) Gary R Colberg FACHE President & CEO	4 00 52 00				X			0	672,787	67,050
(13) Michael D Scherneck Executive VP, CFO	2 00 52 00				X			0	379,118	91,414
(14) Krista Robitz Director, Development	40 00 0 00				X			0	97,007	14,391

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			
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶									1,148,912	172,855

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 ▶ 0

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation

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 ▶ 0

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				
	d	Related organizations . . .	1d	285,309			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	480,184			
	g	Noncash contributions included in lines 1a-1f $		66,272			
	h	**Total.** Add lines 1a-1f . . . . . ▶		765,493			
Program Service Revenue			Business Code				
	2a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		0			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		183,376			183,376
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) . . . . . ▶		0			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	1,800,521				
	b	Less cost or other basis and sales expenses	1,678,679				
	c	Gain or (loss)	121,842				
	d	Net gain or (loss) . . . . . ▶		121,842			121,842
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		0			
	12	**Total revenue.** See Instructions . . . . . ▶		1,070,711			305,218

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	5,170,420	5,170,420		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	178,950		89,475	89,475
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,526		2,763	2,763
9 Other employee benefits	28,193		14,097	14,096
10 Payroll taxes	13,608		6,804	6,804
11 Fees for services (non-employees)				
a Management	0			
b Legal	0			
c Accounting	0			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	13,148		6,575	6,573
12 Advertising and promotion	12,390			12,390
13 Office expenses	14,041		7,021	7,020
14 Information technology	0			
15 Royalties . .	0			
16 Occupancy	13,852		6,926	6,926
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	0			
23 Insurance	0			
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 Bad Debt Expense	1,264			1,264
b				
c				
d				
e All other expenses	0			
25 **Total functional expenses.** Add lines 1 through 24e	5,451,392	5,170,420	133,661	147,311
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 ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1	0
	2	Savings and temporary cash investments	4,240,280	2	347,238
	3	Pledges and grants receivable, net	214,357	3	238,369
	4	Accounts receivable, net		4	0
	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	0
	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	0
	7	Notes and loans receivable, net		7	0
	8	Inventories for sale or use		8	0
	9	Prepaid expenses and deferred charges		9	0
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a			
	b	Less accumulated depreciation — 10b		10c	0
	11	Investments—publicly traded securities	6,284,572	11	7,184,396
	12	Investments—other securities See Part IV, line 11		12	0
	13	Investments—program-related See Part IV, line 11		13	0
	14	Intangible assets		14	0
	15	Other assets See Part IV, line 11	17,651	15	48,521
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	10,756,860	16	7,818,524
Liabilities	17	Accounts payable and accrued expenses	14,345	17	
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	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	900,000
	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		25	
	26	**Total liabilities.** Add lines 17 through 25	14,345	26	900,000
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	10,742,515	27	6,918,524
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	10,742,515	33	6,918,524
	34	Total liabilities and net assets/fund balances	10,756,860	34	7,818,524

Part XI Reconcilliation 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	1,070,711
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,451,392
3	Revenue less expenses Subtract line 2 from line 1	3	-4,380,681
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	10,742,515
5	Net unrealized gains (losses) on investments	5	556,690
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	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	6,918,524

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 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	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 ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SOUTHEAST GEORGIA HEALTH SYSTEM FOUNDATION INC

Employer identification number
58-2125644

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(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	
(A) Glynn Brunswick Mem Hosp Authority	586000498	3	Yes		Yes		Yes		5,170,420
Total									5,170,420

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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	

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 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*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SOUTHEAST GEORGIA HEALTH SYSTEM FOUNDATION INC

Employer identification number
58-2125644

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or 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	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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 ▶ $ _____

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

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

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

b If "Yes," explain the arrangement in Part 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	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

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

4 Describe in Part 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				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

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

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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 X FIN48 Footnote	On May 1, 2009, Southeast Georgia Health System adopted the uncertain tax positions provisions of FASB ASC Topic 740 ("ASC 740"), Income Taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the combined financial statements Under ASC 740-10-25, Southeast Georgia Health System may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position The tax benefits recognized in the combined financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement ASC 740 also provides guidance on de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods The System has determined that it does not have any material unrecognized tax benefits or obligations as of April 30, 2014 and 2013, respectively Fiscal years ending on and after April 30, 2011 remain subject to examination by federal and state tax authorities

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SOUTHEAST GEORGIA HEALTH SYSTEM FOUNDATION INC

Employer identification number
58-2125644

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) Glynn-Brunswick Mem Hosp dba SE GA Health System-Brunswick Brunswick, GA 31520	58-6000498	501(c)(3)	5,170,420	0			Provide funds to SE Georgia Health Sys for equity purchases

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
Additional Supplemental Information	Southeast Georgia Health System Foundation, Inc makes grant distributions only to the Glynn-Brunswick Memorial Hospital Authority, its supported organization, with which governance is shared

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SOUTHEAST GEORGIA HEALTH SYSTEM FOUNDATION INC

Employer identification number
58-2125644

Part I Questions Regarding Compensation

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

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				
(1)Gary R Colberg FACHE President & CEO	(i)							
	(ii)	478,184		194,603	15,300	51,750	739,837	
(2)Michael D Scherneck Executive VP, CFO	(i)							
	(ii)	304,199		74,919	64,977	26,437	470,532	62,545

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

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SOUTHEAST GEORGIA HEALTH SYSTEM FOUNDATION INC

Employer identification number
58-2125644

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	1	66,272	FMV
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (_____)				
26	Other ▶ (_____)				
27	Other ▶ (_____)				
28	Other ▶ (_____)				

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

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

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

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.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SOUTHEAST GEORGIA HEALTH SYSTEM FOUNDATION INC

Employer identification number
58-2125644

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	
Form 990, Part VI, Line 11b Form 990 Review Process	A draft electronic copy of Form 990 was provided to the Chairman of the Finance Committee of the Board of Directors of Southeast Georgia Health System Foundation, Inc , prior to be ing filed with the Internal Revenue Service Management addressed all questions and recomm endations raised by the Finance Committee Chairman Subsequently, updated copies of Form 9 90 were provided to each of the members of the Board of Directors of Southeast Georgia Hea lth System Foundation, Inc
Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	The Southeast Georgia Health System Foundation, Inc has adopted the conflict-of-interest, whistleblower, and document retention and destruction policies of The Glynn-Brunswick Mem orial Hospital Authority d/b/a Southeast Georgia Health System Under the conflict-of-inte rest policy, the Compliance Department requires all members of the Board of Directors, off icers and key employees to report any potential conflicts on an annual basis
Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Except through the normal I R S/ Form 990 inspection process, Southeast Georgia Health Sys tem Foudation, Inc has not established a standard process for making its governing docume nts, conflict of interest policy and financial statements available to the public

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" 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.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SOUTHEAST GEORGIA HEALTH SYSTEM FOUNDATION INC

Employer identification number
58-2125644

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) Glynn-Brunswick Mem Hosp Auth dba SE GA Health System-Brunswick Brunswick, GA 31520 58-6000498	Inpatient and Outpatient Healthcare Services	GA	501(c)(3)	3	N/A		No
(2) Kings Bay Hosp dba SE GA Health Sys-CMC 2000 Dan Proctor Dr St Marys, GA 31558 58-1911751	Inpatient and Outpatient Healthcare Services	GA	501(c)3	3	Glynn-Brunswick Memorial Hosp Authority		No
(3) Cooperative Healthcare Svcs Inc 2415 Parkwood Dr Brunswick, GA 31520 01-0594994	Physcian and Immediate Care Facilities	GA	501(c)3	11	Glynn-Brunswick Memorial Hosp Authority		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Southeast Georgia Cyberknife Center LLC 2500 Starling St Ste 107 Brunswick, GA 31520 27-3316081	Medical Services	GA	N/A	N/A				No			No	
(2) SGHS QALICB I LLC 2415 Parkwood Dr Brunswick, GA 31520 90-0912965	Real Estate Holdings	GA	N/A	N/A				No			No	
(3) Glynco LLC 3010 W White River Blvd Muncie, IL 47304 59-3762931	Real Estate Leasing	IL	N/A	N/A				No			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	(i) No

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

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba SOUTHEAST GEORGIA HEALTH SYSTEM

Combined Financial Statements
For the Years Ended April 30, 2014 and 2013

(with Independent Auditors' Report thereon)

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEALTH SYSTEM

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April 30, 2014 and 2013

Independent Auditors' Report

To the Glynn-Brunswick Memorial Hospital Authority
Brunswick, Georgia

We have audited the accompanying combined financial statements of Glynn-Brunswick Memorial Hospital Authority, dba Southeast Georgia Health System (the "System"), which comprise the combined balance sheets as of April 30, 2014 and 2013, and the related combined statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the combined financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the System as of April 30, 2014 and 2013, and the results of its operations and changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 and the schedule of funding progress on page 42 be presented to supplement the combined financial statements Such information, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the combined financial statements in an appropriate operational, economic, or historical context We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined financial statements, and other knowledge we obtained during our audits of the combined financial statements We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Other Information

Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole The supplemental combining financial information on pages 43 through 46 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the combining financial information is fairly stated in all material respects in relation to the combined financial statements taken as a whole

Dixon Hughes Goodman LLP

July 25, 2014

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEALTH SYSTEM

Management's Discussion and Analysis

April 30, 2014 and 2013

Southeast Georgia Health System (the "Health System") provides inpatient, outpatient, and emergency services for residents of Glynn, Camden and the surrounding counties within Southeast Georgia

FINANCIAL HIGHLIGHTS

The financial statements that follow include information for the fiscal years ended April 30, 2014 and 2013 Additionally, data for the fiscal year ended April 30, 2012 is included throughout the Management's Discussion and Analysis for reference purposes

Inpatient activity for the fiscal year ended April 30, 2014 measured on both an admission and patient day basis declined compared to the 2013 fiscal year Inpatient admissions were 5 5% lower than the preceding year but the case mix index was 2 3% higher As a result of those factors, there were 3 2% fewer patient days in 2014 as compared to 2013 Efforts continue with respect to managing "observation" cases, however, the introduction of the "two-midnight" rule by Medicare contributed to a 7 6% increase in the number of observation stays Regrettably, those cases typically require a level of patient care resources comparable to a traditional inpatient case, but, for the most part, provide much lower payments than would have been made had the patient met inpatient criteria

General outpatient volumes rose, but emergency department visits declined slightly The number of outpatient surgeries, including endoscopy cases, increased primarily due to the acquisition of a free-standing gastroenterology endoscopy center at the end of September 2013 which has been integrated as a hospital service The outpatient service utilization at both hospital campuses was negatively impacted as a result of the implementation of an electronic medical record ("EMR") within several of the physician practices operated by the Health System The EMR roll-out required that those practices schedule fewer patients during the early stages of the implementation which in turn affected the volume of outpatient service referrals The Health System did, however, realize Stage One Meaningful Use funding which helped defray the cost of EMR implementation and the impact on patient volumes

The Senior Care Center utilization in Brunswick and St Marys improved slightly over the prior year while resident days increased by 1 2%, but the Health System once again encountered issues in connection with its efforts to qualify residents for coverage for those services

The Health System generally serves as the sole community provider in both the Glynn County and Camden County markets As such, the Health System has historically been required to meet the needs of its constituents, including those uninsured and under-insured patients, and it makes every attempt to do so in the most effective and cost-efficient means possible Unfortunately, in spite of efforts to promote the Affordable Care Act (the "ACA"), the level of charity care and bad debts remains high, particularly with the increased copayment and deductible obligations that patients have under their insurance plans

The Health System has focused on managing the rate of increase in expenses, although the introduction of certain high dollar medical supplies, the aforementioned expansion of endoscopy services and the continued growth of the physician network required to meet the demands of our community added to the cost structure within the Health System

The Health System continues to benefit from low short-term interest rates on $40,450,000 of variable rate debt based on its own creditworthiness as well as the liquidity support which is being provided under a letter of credit by Branch Banking & Trust Company that is in place through 2018

The Health System has maintained a disciplined asset allocation strategy which enabled it to participate in the favorable returns provided in key components of the investment market over the course of the past fiscal year This, combined with efforts to manage the level of capital commitments made during the 2014 fiscal year enabled the Health System to improve upon its general cash and investment position Improved liquidity remains among the foremost of the Health System's strategic goals However, the Health System did commit significant funding to invest in the gastroenterology endoscopy center in Brunswick and to build out the new medical office plazas on the Brunswick and Camden campuses The Health System continues to utilize New Market Tax Credit financing secured in 2013 for the build-out of the Brunswick Medical Plaza as well as renovations to the Community Care Center in Brunswick

Recognizing that its long-term future depends upon the availability of a robust medical staff, the Health System has continued its efforts to maintain and grow its medical staffs In spite of the growing competition for a limited number of medical professionals, the Health System has been successful in its physician recruitment efforts and has also been able to retain those physicians employed within the Health System's affiliate, Cooperative Healthcare Services, Inc

The assets and deferred outflows of resources of Southeast Georgia Health System exceeded its liabilities at April 30, 2014 by $278 7 million (net position) This amount may be used to meet the Health System's ongoing financial obligations and to finance capital improvements and expansion of services

The Health System's total net position increased by $1 1 million during the fiscal year ended April 30, 2014 Its participation in the investment market, where realized and unrealized investment gains over that period totaled $6 8 million, combined with $5 6 million of other non-operating income, including interest, dividends and capital grants and contributions, enabled the Health System to overcome its disappointing operating results For the year ended April 30, 2013, the Health System's total net position increased by $23 2 million due primarily to $16 9 million in combined investment returns, $4 0 million of capital grants and contributions along with more favorable operating results

OPERATIONAL REVIEW

Inpatient admissions in 2014 decreased by 681, or 5 5%, as compared to the fiscal year ended April 30, 2013, and patient days also decreased by 2 3% over that same period The Health System has continued to focus its efforts on defending against the efforts of insurers to implement strategies to reduce inpatient admissions, but the added focus on health care at a national level and the introduction of greater deterrents to utilization on a consumer-level created a stronger tide that was not able to be overcome

While the number of resident days at the Senior Care Center-Brunswick increased slightly, challenges returned with respect to the qualification of several residents for insurance benefits, and the level of allowances, including uncompensated care, provided in that setting rose as compared to the 2013 fiscal year Skilled care days at the Health System's Senior Care Center-St Marys were comparable to the preceding year, although the operating performance declined slightly due to lower net revenue realized per resident day

Emergency room visits, which had increased by 3 7% in 2013, declined by 1 6% in 2014, although they still remained above 2012 levels After experiencing an 18 2% increase last year, the immediate care center volumes retreated by 7 6% The availability of primary care physicians throughout the Health System's service area as well as the addition of competing immediate care centers in the Camden market contributed to the change in patient utilization in those areas Outpatient surgeries for the fiscal year ended April 30, 2014 declined by 526 cases or 6 2%, due primarily to the impact that the EMR roll-out had on the Health System's orthopaedic, otolaryngology and general surgery practice schedules and the resulting surgeries With the

addition of the gastroenterology endoscopy center, and in spite of the retirement of one of four active gastroenterologists, the number of endoscopy cases increased significantly from 2,662 cases in the 2013 fiscal year to 4,336 cases for the fiscal year ended April 30, 2014 The majority of those cases were performed at the endoscopy center although hospital-based cases did increase slightly as well As a result of all of these factors, acute-care hospital-based outpatient charges remained unchanged taking into account the effects of the last charge increase

While inpatient and outpatient volumes were generally at or slightly below 2014 levels, the addition of the endoscopy center and associated practitioners along with the cost of newer technologies and general healthcare inflation contributed to a 5 3% increase in operating expenses as compared to the 2013 results That increase also included the full year impact of physician practices added during 2013

Personnel expenses amounted to $180 9 million in 2014, which represents a $5 4 million, or 3 1% increase over the 2013 results In addition to the effects of the endoscopy service providers and the full year effects of those practices added throughout the previous fiscal year, the 2014 results include higher health benefit costs Contract personnel costs include not only agency staff, but also contracted services including food service, and beginning in January 2014, environmental services staff For the fiscal year ended April 30, 2012, the total cost of salaries, wages, employee benefits and contract personnel costs aggregated $162 2 million

Supply costs amounted to $63 6 million in 2014, up from $60 2 million for the year ended April 30, 2013 and $56 1 million for the fiscal year ended April 30, 2012 The 2014 spend level was impacted largely by the medical technologies associated with the types of inpatient and outpatient surgical procedures performed, for example, the daVinci surgical supplies and the costs of other implantable devices In spite of ongoing supply cost reduction efforts throughout the Health System, the overall rate of increase in this area was 5 6% As a percentage of net patient service revenue, those costs represented 20 1%, somewhat higher than the 2013 and 2012 spending levels of 18 8% and 19 0%, respectively

Insurance and utility costs for the fiscal year ended April 30, 2014 amounted to $9 6 million, which represents a $1 4 million increase as compared to the results based upon the fiscal year ended April 30, 2013 The actuarially determined component of professional liability costs associated with the Health System's deductible requirements under its professional liability umbrella policy, which are determined based on industry trends and actual experience, required a provision of $2 0 million as compared to the level experienced in the preceding fiscal year - $1 1 million in 2013 – which was significantly less than the $1 8 million provision that was required in 2012 The total insurance and utility costs for the twelve month period ended April 30, 2012 amounted to $8 5 million

Depreciation costs amounted to $22 4 million for 2014 which was 10 1% greater than the $20 3 million for both the 2013 and 2012 fiscal years, a reflection of the capital commitments made by the Health System

The remaining operating expense categories aggregated $52 9 million compared to an annual spend of $48 4 million based on the 2013 results, the total actual results for 2012 amounted to $47 5 million Physician fees, inclusive of hospitalists, anesthesia support, emergency department call coverage and certain locum tenens physician costs declined to approximately $7 6 million in 2014 compared to $8 2 million in 2013 and $9 7 million in 2012 Emergency department call coverage stipends paid to independent practitioners have decreased as the number of physicians employed by the Health System has risen, and recruitment efforts continue as a means to reduce the coverage costs associated with hospitalists The acute care and skilled nursing provider fees included in the 2014 operating results rose slightly to $4 8 million, up from $4 6 million in 2013 and $4 0 million a year earlier Outside services rose by $3 6 million to $27 4 million in 2014 due in large part to the resources committed to the Meaningful Use initiative Professional fees increase by $1 2 million or 31 8% as legal fees, including those associated with a favorable arbitration effort, and collection fees increased compared to the preceding years Continued efforts made by the Management of the Health System to reduce discretionary spending during 2014 and 2013 helped to offset the impact of other growth and cost increases in these areas

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Health System's combined financial statements which are comprised of two components 1) combined financial statements, and 2) notes to the combined financial statements This report also contains other supplementary information in addition to the combined financial statements themselves

The combined financial statements include Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows for the fiscal years ended April 30, 2014 and 2013 The Health System operates in a manner similar to a private business and therefore utilizes the enterprise fund method of accounting This method provides both long-term and short-term financial information and requires that revenues and expenses are recognized on the full accrual basis

The Balance Sheets present information on all of the Health System's assets, deferred outflows of resources and liabilities, with the residual of these elements reported as net position Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Health System is improving or deteriorating

The Statements of Revenues, Expenses and Changes in Net Position present information showing how the Health System's net position changed during the most recent fiscal year All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows

CODE OF ETHICS

The Health System has adopted a Code of Ethics which is applicable to the senior financial officers as well as all other employees within the Health System The points covered under the Code of Ethics include

- Introduction to the Health System and its Compliance Program
- Patients and Our Medical Staff
- Patient Confidentiality/Health Insurance Portability and Accountability Act
- Compliance with Laws and Regulations
- Employment Practices
- Marketing/Market Competition
- Purchasing
- External and Internal Investigations
- Reporting Violations
- Disciplinary Actions Relating to Compliance Violations

No violations of the Code of Ethics have been reported to the Audit or Compliance Committees relating to any senior financial officer or other member of the Finance Department, nor have any such infractions been reported involving any member of the Senior Management Team of the Health System

FINANCIAL ANALYSIS

Total Assets and Deferred Outflows of Resources

Total assets and deferred outflows of resources of the Health System increased by $4 1 million in 2014 as compared to 2013 after having increased by $46 1 million from 2012 to 2013 (See Table 1) Accounts receivable increased by $10 7 million from 2013 to 2014 after having risen by $3 4 million from 2012 to 2013 The 2014 Indigent Care Trust Fund ("ICTF") program provided funding notification which served as a basis for including $3 2 million in accounts receivable as of the close of the current year Similarly, notification regarding the State of Georgia's 2014 Upper Payment Limit ("UPL") was received shortly after the close of the Health System's fiscal year resulting in a further increase in other accounts receivable in the amount of

$2 3 million At the close of the April 30, 2013 fiscal year, only $1 2 million in ICTF program funding was outstanding However, for 2012, funding of the State of Georgia's 2012 Indigent Care Trust Fund and Upper Payment Limit programs had not been concluded prior to the close of the Health System's 2012 fiscal year, and as such, neither the cash nor any associated amount receivable was included as of April 30, 2012 Patient accounts receivable rose by $2 7 million from 2012 to 2013 and an additional $5 7 million from 2013 to 2014, an aggregate increase of 15 3% Over that same period, net patient service revenue grew by 6 7% Various initiatives implemented by payors, including pre-payment reviews, contributed to the disproportionate increase in patient accounts receivable In spite of these factors and the less favorable operating performance, cash, cash equivalents and short-term investments remained at $3 6 million at April 30, 2014 as compared to $5 0 million and $3 8 million at April 30, 2013 and 2012, respectively

Other current assets aggregated $11 5 million at April 30, 2014 and 2013 and $9 7 million at April 30, 2012 Other non-current assets consist primarily of $9 8 million leveraged loan entered into in during the 2013 fiscal year in connection with the New Market Tax Credit financing further described under the long-term debt section of this Management's Discussion and Analysis Goodwill associated with the acquisition of the gastroenterology endoscopy center is included as a deferred outflow of resources at April 30, 2014 in the net amount of $3 7 million

After a rebalancing of the debt service reserve fund, construction and debt service funds maintained pursuant to the bond financing documents were reduced to $11 0 million at April 30, 2014 which is down from $16 3 million at April 30, 2013 and $14 4 million at April 30, 2012 Unspent proceeds from the New Market Tax Credit financing along with contributions restricted for capital programs, which totaled $10 3 million at April 30, 2013, were utilized as intended, declining to $3 7 million at April 30, 2014 Other cash and investments internally designated for capital improvements and other purposes increased from $134 5 million as of April 30, 2012, to $148 5 million as of April 30, 2013, and finally to $149 9 million as of April 30, 2014 While a portion of those funds were utilized to acquire the hard and soft assets associated with the gastroenterology endoscopy center, positive investment market performance still allowed those assets to grow by $1 4 million from 2013 to 2014 The Health System's long-term reinvestment in net property, plant and equipment, including improvements to the existing Camden and Brunswick facilities, resulted in a net increase of $2 8 million in capital assets from 2013 to 2014, the net increase from 2012 to 2013 amounted to $3 6 million

Table 1
SUMMARY OF ASSETS AND
DEFERRED OUTFLOWS OF RESOURCES
(in millions of dollars)

	2014	2013	2012
Current and other assets	$ 96 0	$ 87 1	$ 71 5
Noncurrent cash and investments	168 4	179 2	152 4
Capital assets	258 6	255 9	252 2
Total assets	523 0	522 2	476 1
Deferred outflows of resources	3 9	0 5	0 7
Total assets and deferred outflows	$ 526 9	$ 522 7	$ 476 8

Total Liabilities and Net Position

Total liabilities of the Health System changed only slightly from 2013 to 2014 (See Table 2) The current portion of long-term debt, including lease obligations, increased by $0 3 million from 2013 There was no balance outstanding under the bank line of credit at the close of 2014 and 2013, and only a minimal amount remained outstanding under that line at the close of 2012 As of the close of the 2014 fiscal year, accounts payable, including amounts attributable to capital projects, increased by $0 7 million from the prior year due to the nature and timing of vendor payments, the 2013 balance was $3 2 million greater than 2012 Accrued salaries, including paid-time-off obligations, increased by $0 5 million from 2013 to 2014 and $2 1 million from 2012 to 2013 due to the timing of payrolls The provision for self-insured malpractice, health insurance and self-insured workers' compensation claims declined in the aggregate by $0 4 million, due primarily to the settlement of a long-outstanding professional liability claim In total, other accrued expenses, inclusive of the professional claims obligation, decreased by $0 4 million from $14 3 million at April 30, 2013 to $13 9 million at April 30, 2014 Those liabilities had also decreased from $14 5 million as of April 30, 2012

Deferred revenue, associated primarily with the ICTF program at April 30, 2014, totaled $0 8 million The deferred revenue balance at April 30, 2013, which related primarily to the Meaningful Use initiative, approximated $1 0 million which was up from $0 1 million at April 30, 2012

Table 2
SUMMARY OF LIABILITIES AND NET POSITION
(in millions of dollars)

	2014	2013	2012
Current liabilities	$ 54 2	$ 49 9	$ 43 6
Long-term liabilities	194 1	195 3	178 9
Total liabilities	248 3	245 2	222 5
Net position	278 6	277 5	254 3
Total liabilities and net position	$ 526 9	$ 522 7	$ 476 8

In spite of the operating shortfall, the Health System's net position increased by $1 1 million in 2014 due to the positive investment results Net position had increased by $23 2 million between April 30, 2012 and April 30, 2013 as a result of the Health System's favorable operating results, investment income and capital grants and contributions during that period

Patient Service Revenue

For the fiscal year ended April 30, 2014, gross inpatient revenue totaled $349 3 million which represented an increase of only 0 4% over the previous fiscal year Outpatient revenue for the 2014 fiscal year amounted to $437 7 million, only 0 7% greater than the level for the 2013 fiscal year In total, gross patient service revenue increased by only 0 5% year over year

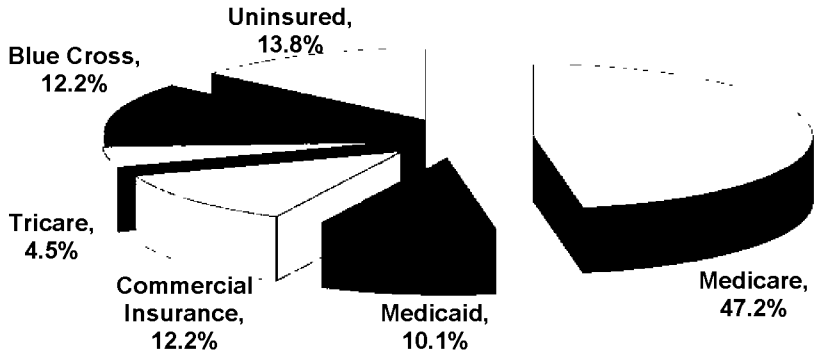
It should be noted that a portion of the increase in gross revenue is attributable to the fact that, in light of healthcare inflation, certain charges were increased in May 2013 resulting in an overall weighted average charge increase of 1 75% The reduction in admissions discussed previously offset the effects of that charge increase as it related to inpatients Furthermore, while the addition of the gastroenterology endoscopy center added to the revenue base of the Health System, the implementation of the practice-based electronic health record impacted both the physician practice revenue as well as the volume of hospital-based diagnostic testing and procedures which resulted in less robust levels of gross outpatient revenue (See Table 3)

Table 3
SUMMARY OF NET PATIENT SERVICE REVENUE
(in millions of dollars)

	Fiscal Year Ended April 30: 2014	2013	2012
Inpatient revenue	$ 349 3	$ 347 9	$ 320 9
Outpatient revenue	437 7	434 8	400 4
Total patient service revenue	787 0	782 7	721 3
Medicare and Medicaid adjustments	307 2	301 1	275 5
Indigent care trust fund reimbursement	(3 7)	(5 3)	(3 0)
Charity care allowances	47 5	49 5	44 6
Other adjustments	77 3	74 6	68 2
Bad debt	43 1	42 6	40 3
Total adjustments and allowances	471 4	462 5	425 6
Net patient service revenue	$ 315 6	$ 320 2	$ 295 7

The Health System has agreements with certain third-party payors which include provisions regarding the level of reimbursement to be provided to the Health System Graph 1 presents gross patient revenue by payor type for the fiscal year ended April 30, 2014

Graph 1
PATIENT REVENUES BY PAYOR TYPE



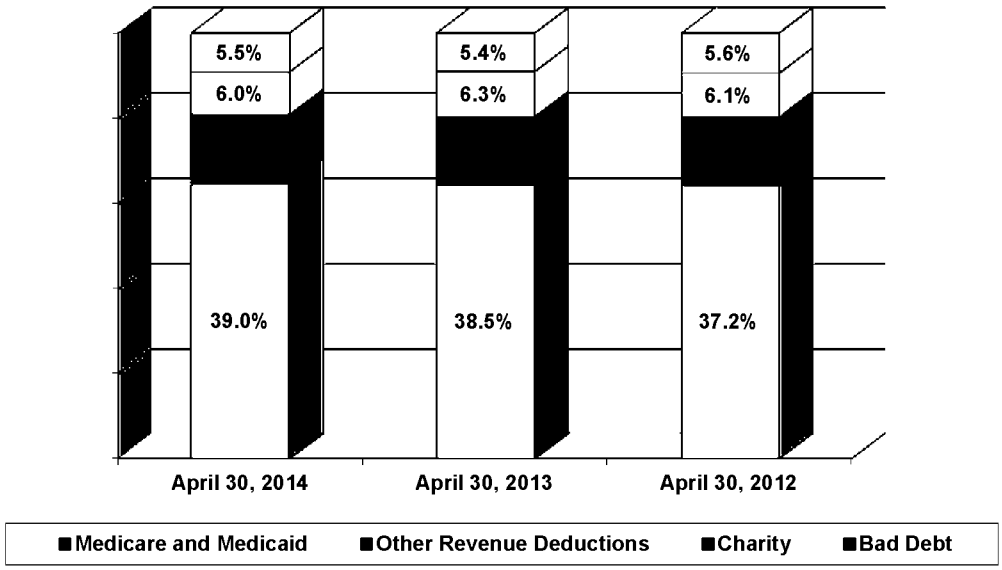
By far, the largest consumers of healthcare services remain Medicare and Medicaid beneficiaries, together representing almost 57 3% of the total services provided by the Health System on the basis of gross charges It should be noted that the Medicaid figures include those beneficiaries covered by Amerigroup and Wellcare under the managed care program maintained by the State of Georgia Similarly, the Medicare percentage includes those patients covered under federally approved Medicare managed care programs Blue Cross (12 2%), commercially insured (12 2%), Tricare (4 5%), and uninsured (13 8%) patients comprise the balance of our customers These percentages generally appear consistent with other similarly-sized communities in Georgia including the effects of the change in coverage available for State of Georgia employees that occurred in January 2014 which resulted in an increase in Blue Cross utilization and a corresponding decrease in commercially insured patients Also, the military-sponsored programs are taking steps intended to limit the extent to which their beneficiaries access care within non-military, community-based facilities

Most insurers pay based on fee schedules or on a discounted fee-for-service basis so the Health System realizes full charges for the services it provides for very few patients In addition, increases in reimbursement from these third-party payors have generally been less than the Health System's rate increases, which results in an increase in revenue deductions

The Health System's experience with respect to uninsured patients remains relatively consistent with the trends being experienced throughout the healthcare industry Efforts to manage the growing exposure to self-pay and charity care amounts, including the rising level of copayments and deductibles, have enabled the Health System to maintain the combined provision for bad debts and charity care to $90 6 million in gross charges in 2014 as compared to the $92 1 million which was recognized in the fiscal year ended April 30, 2013 The Health System has actively monitored the insurance status of its patients to ensure that the benefits of any retroactive insurance determinations are realized, helping to control the financial exposure in this regard The bad debt allowance at April 30, 2014 was $43 2 million (or 40 5% of accounts receivable, net of contractual allowances), the amounts as of the close of the prior fiscal year were $44 9 million and 43 8%, respectively

Revenue deductions are presented as a percentage of gross revenue in Graph 2 Medicare and Medicaid contractual adjustments represent the largest components of this category

Graph 2
REVENUE DEDUCTIONS AS A PERCENTAGE OF GROSS REVENUE



Other Operating Revenue
For the fiscal year ended April 30, 2014, total other operating revenue amounted to $9 8 million, a significant increase over the 2013 and 2012 levels of $3 6 million and $3 9 million, respectively Included in the 2014 results are $5 7 million of Medicare and Medicaid meaningful use program revenue

Operating Expenses
For the fiscal year ended April 30, 2014, total operating expenses, exclusive of interest expense, amounted to $329 3 million which represents an increase of $16 5 million, or 5 3% over the amount for the fiscal year ended April 30, 2013

In 2014, personnel expenses, including $133 9 million of salaries and wages, $9 8 million in contract and agency personnel costs, and $37 1 million in employee benefits, accounted for 54 9% (See Graph 3) of the Health System's operating expenses as compared to 56 1% in 2013 and 55 0% in 2012 The employed physician group directly impacts this relationship as well as salary costs in general which, along with contract personnel costs, rose by 4 5% year-over-year, commensurate with the change in the number of full-time equivalent employees ("FTE") which increased to a weighted average of 2,318 in 2014, an increase of 4 1% from the 2013 level of 2,226 FTEs at April 30, 2012 amounted to 2,206 The last general increase in salaries and wages occurred in October 2012 at which time the Health System provided a 1 5% across-the-board increase to remain competitive with surrounding health care providers The Health System also provided market adjustments in areas that were identified to be below market based upon industry surveys No significant changes in pay rates have occurred since that time It should be noted that contract personnel costs, inclusive of nursing agency costs, rose to $9 8 million for 2014 which was $1 8 million, or 22 5%, greater than 2013 and $3 4 million, or 52 0%, higher than 2012 The most significant factors contributing to those changes were that in 2014, the environmental services staff came under a contract arrangement, while in 2013, the addition of a contract for full-time neurosurgical coverage resulted in higher contract personnel costs

Employee benefit costs amounted to $37 1 million which represented a 2 1% decrease as compared to the 2013 level of $37 9 million and a 6 1% increase over the 2012 fiscal year ($35 0 million) A general increase in the utilization and dollar value of health claims contributed to an increase in health benefit costs, however, the change in the arrangement for environmental services staff, which covers benefits as well as salaries, resulted in a decrease in benefit costs With regard to the difference between 2013 and 2012, a portion of that increase involved the impact that the favorable workers' compensation settlement associated with a stop loss coverage dispute had in 2013 Due in large part to the expansion of the physician practices, the proportion of employee benefits to wages paid decreased to 27 7% of wages in 2014 as compared to 29 3% in 2013 and 29 0% in 2012

Expenditures for medical supplies and drugs were the second largest expense category, representing 19 3% of operating expenses, in line with 2013 (19 2%) and 2012 (19 0%) Supply expense increased at a rate of 5 6% over last year, with the expansion of more complex cases along with inflationary conditions, and 7 3% a year earlier due to those same factors as well as the generally higher patient volumes associated with 2013

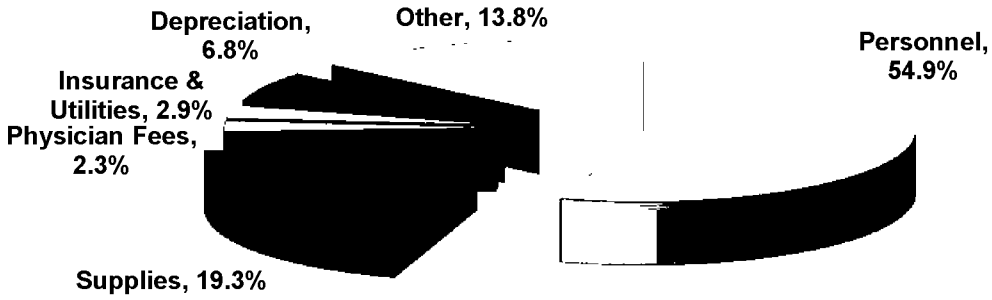
Physician fees totaled $7 6 million for the 2014 fiscal year, down significantly from the 2013 level of $8 2 million and the 2012 spend of $9 7 million While the coverage requirements for the expanding hospitalist program on the Brunswick Campus required a greater level of locum tenens support in both 2014 and 2013, the Health System was able to effect changes to decrease anesthesia service support fees Furthermore, emergency department call coverage stipends paid to independent practitioners have decreased as the number of physicians employed by the Health System has risen

Insurance and utility costs aggregated $9 6 million for the fiscal year ended April 30, 2014 which was 16 4% greater than the 2013 level of $8 2 million and 12 9% higher than the 2012 level of $8 5 million The actuarially determined component of professional liability costs associated with the Health System's deductible requirements under its professional liability umbrella policy, which are determined based on industry trends and actual experience, amounted to $2 0 million in 2014, $1 1 million in 2013 and $1 8 million in 2012

New capital commitments were maintained at the level anticipated in the annual business plan for 2014 and as such, depreciation and amortization grew as planned to $22 4 million That component of expense had risen from $20 3 million in both 2013 and 2012

All remaining expenses categories incurred over the course of the fiscal year ended April 30, 2014 totaled $45 2 million which represents a 13 4% increase over 2013's spending level of $40 2 million For 2012 these costs aggregated $37 8 million The total acute care and skilled facility provider fees amounted to $4 8 million in 2014 as compared to $4 6 million in 2013 and $4 0 million in 2012 Efforts associated with the development of and training for the Meaningful Use initiative contributed to a $3 6 million increase in outside services However, continued efforts made by the Management of the Health System to reduce discretionary spending during 2014 and 2013 helped to offset the impact of other growth and inflationary cost increases in these areas

Graph 3
COMPOSITION OF OPERATING EXPENSES



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the close of the 2014 fiscal year, the Health System had a total net investment of $258 6 million in land, land improvements, buildings, equipment and construction in progress (See Table 4) This amount represents a net increase (includes additions, disposals, and depreciation expense) of $2 8 million, or 1 1% over last year

Table 4
CAPITAL ASSETS
(net of depreciation, in millions of dollars)

	2014	2013	2012
Land	$ 28 3	$ 25 0	$ 23 2
Land improvements	1 3	1 5	1 8
Buildings	178 8	169 2	162 8
Equipment	45 1	45 5	50 1
Construction in progress	5 1	14 7	14 3
Total capital assets, net	$ 258 6	$ 255 9	$ 252 2

(All tabular dollar amounts in millions)

During the 2014 fiscal year, the Health System expended $1 3 million and $2 4 million, respectively, related to the construction and build-out of the Brunswick and Camden Medical Plazas Other major capital additions during the year ended April 30, 2014 include

• Real Property Acquisitions	$ 4,246,000
• Electronic Health Records System	1,936,000
• Dragon Voice Recognition	803,000
• Vital Sign Machines	432,000
• Radiographic Fluoroscopy Room	350,000
• Stretchers	252,000
• SPY Elite System	200,000
• Ascom Phone Replacement	170,000
• PAC Imaging Storage	162,000

Long-term Debt

During 2014, the Health System made additional draws under the loan agreements entered into previously with a commercial bank for up to $20,000,000 in financing for the construction of medical office plazas on the Brunswick and Camden Campuses As of April 30, 2013, $15 4 million had been drawn down, and in 2014, an additional $2 8 million was drawn under those loan agreements which bear interest at variable rates pegged to LIBOR on a 30-year amortization period with the initial principal payment due in January 2014 Also in 2012, the Health System entered into a tax-exempt loan from a commercial bank in the amount of $4,220,000 bearing interest at a rate of 2 33% for the purpose of refinancing the remainder of its 1996 fixed rate revenue anticipation certificates

In 2013, the Health System was successful at securing financing under the New Market Tax Credit ("NMTC") program in support of the build-out of the Brunswick Medical Plaza as well as renovations to an office complex to serve as the future site of its Community Care Center in Brunswick Under the NMTC program, an investment fund was created through a $4 4 million equity contribution by Chase Community Equity, LLC and the Health System provided a $9 8 million leveraged loan to that investment fund which in turn financed two community development entities ("CDE") The CDEs provided loan financing aggregating $13 8 million to an affiliate of the Health System with scheduled maturities through 2046 bearing interest at 0 65% At the end of 2020, the Health System may acquire the equity interests in the investment fund through a put option at a fixed amount, or alternatively, a fair-market-value-based call option The $9 8 million leveraged loan is included in other long-term assets and the $13 8 million CDE note payable is included in the non-current liabilities of the Health System

There have been no other major changes in the long-term debt obligations of the Health System since September 2008 when the Health System issued $147,435,000 of long-term debt which enabled the Health System to defease the 2004 bond issue, to provide additional project funding of $40,000,000, and to establish a Debt Service Reserve Fund in the amount of $9 5 million (See Table 5) The Health System has, however, taken advantage of approximately $1 7 million in additional lease financing arrangements as a means to acquire certain equipment Included in the current and long-term portions of debt at April 30, 2014 are $5 9 million of equipment financing and lease obligations

Table 5
OUTSTANDING DEBT
(in millions of dollars)

	2014	2013	2012
Current portion of long-term debt	$ 6 0	$ 5 7	$ 4 8
Non-current portion of long-term debt	176 1	177 1	175 4
Notes payable to CDEs	13 8	13 8	-
Total	$ 195 9	$ 196 6	$ 180 2

The Health System continues to enjoy very low rates of interest on the $40,450,000 of variable rate debt that is currently outstanding which is supported by a letter of credit, the expiration date of which was recently extended to March 31, 2018 The remaining fixed rate tax exempt debt bears interest rates ranging between 3% and 6% Interest costs amounted to $7 3 million in 2014 which was comparable to 2013 ($7 2 million) and 2012 ($7 6 million) While there were scheduled maturities, the additions to and fulfillment of lease financing obligations contributed to the slight increase in interest costs from 2013 to 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

The major economic factors affecting the Health System in the upcoming year include the federal budgetary considerations, including the effects of sequestration, and the potential impact of the implementation of the provisions of the ACA While the federal legislation could provide some relief with respect to those who currently are without insurance throughout the State of Georgia, the decision not to expand the Medicaid program in the State of Georgia has restricted the extent of any benefits that might be realized Until employers and individuals take action, the potential for further increases in the number of uninsured and under-insured patients exists This, combined with the increase in high deductible insurance plans, could present additional financial challenges for the Health System These matters are further exacerbated by the pace of economic recovery being encountered across the nation and within the communities served by the Health System

As in the past, the impact of additional competition for outpatient services, particularly those services that can be replicated within the practices of members of the medical staff and other physicians, remains a potential issue Finally, the availability of an adequate complement of physicians and physician extenders throughout our service area is critical to the long-term success of the Health System and the various service-related investments that have been made

It also remains important for the Health System to maintain an effective program of recruitment and retention for key healthcare personnel including nurses and other specialized healthcare personnel To this end, the Health System continues to work closely with The College of Coastal Georgia in the development and support of key health-related educational programs

Next Year's Budget

The 2015 Business Plan of the Health System is predicated upon a conservative level of patient volumes, with total admissions being budgeted to decrease slightly compared to the 2014 fiscal year Patient days are likewise forecasted to decrease by approximately 1 9% as length-of-stay is expected to be managed slightly below current levels Additional efforts to further improve clinical documentation are expected to result in an increase in case mix index beyond 2014 levels The resulting daily occupancy is expected to be 162 3 patients per day

General outpatient visits are expected to increase slightly as a result of general demand along with the progress made in connection with the implementation of an electronic medical record within the physician practices However, it is expected that certain more extensive outpatient services are likely to remain at or slightly below current levels as insurers place more case management restrictions on those services The Health System remains committed to primary care which is expected to limit the growth in the emergency room setting

The Health System has projected an operating gain equal to 2 0% of net patient service revenue and an overall gain of 3 9% of net patient service revenue However, the external pressures faced by the Health System and the healthcare industry in general, along with the broader economic and investment market conditions, will undoubtedly have an impact on the Health System and its ability to meet those forecasts

Previous commitments made by the Health System have enabled the Health System to limit the capital budget for fiscal year 2015 to $11 5 million, comprised primarily of $8 9 million for routine capital expenditures, $1 8 million for meaningful use initiatives, as well as $0 8 million for land purchases should the opportunity arise

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Southeast Georgia Health System's finances Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Southeast Georgia Health System's Finance Department, 2415 Parkwood Drive, Brunswick, Georgia 31520

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEALTH SYSTEM

Combined Balance Sheets
(in thousands)

April 30, 2014 and 2013

Assets and Deferred Outflows of Resources	2014	2013
Current assets		
Cash and cash equivalents	$ 3,526	$ 3,522
Short-term investments	100	1,509
Patient accounts receivable, less allowance for uncollectible accounts of $43,175 in 2014 and $44,925 in 2013	63,290	57,593
Other receivables	7,314	2,357
Supplies and pharmaceutical inventories	7,958	7,986
Estimated third-party payor settlements	223	82
Other current assets	3,315	3,458
Total current assets	85,726	76,507
Non-current cash and investments		
Held by trustee for debt service	10,956	16,303
Restricted by third-parties for construction	3,670	10,352
Internally designated for self-insurance	3,881	4,050
Internally designated for capital improvements and other purposes	149,933	148,525
Total non-current cash and investments	168,440	179,230
Capital assets		
Non-depreciable capital assets	33,393	39,653
Depreciable capital assets, net	225,245	216,221
Total capital assets, net	258,638	255,874
Other assets		
Leverage loan receivable	9,785	9,785
Other assets	358	844
Total other assets	10,143	10,629
Total assets	522,947	522,240
Deferred outflows of resources	3,927	514
Total assets and deferred outflows of resources	$ 526,874	$ 522,754

accompanying notes are an integral part of these combined financial statements

Liabilities and Net Position	**2014**	**2013**
Current liabilities		
Current maturities of long-term debt	$ 6,036	$ 5,726
Cash float liability	253	-
Accounts payable	16,554	15,896
Estimated third-party payor settlements	4,437	1,263
Accrued salaries and compensated absences	16,166	15,710
Other accrued expenses	9,988	10,289
Deferred revenue	750	1,049
Total current liabilities	54,184	49,933
Long-term debt, excluding current maturities	176,115	177,114
Notes payable to community development entities	13,824	13,824
Other noncurrent liabilities	212	318
Professional liability claims obligation, net	3,881	4,050
Total liabilities	248,216	245,239
Net position		
Net investment in capital assets	65,296	65,562
Restricted	12,433	20,303
Unrestricted	200,929	191,650
Total net position	278,658	277,515
Total liabilities and net position	$ 526,874	$ 522,754

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEALTH SYSTEM

Combined Statements of Revenues, Expenses and Changes in Net Position
(in thousands)

For the Years Ended April 30, 2014 and 2013

	2014	2013
Operating revenues		
Net patient service revenue (net of provision for bad debts of $43,127 in 2014 and $42,592 in 2013)	$ 315,621	$ 320,239
Other revenue	9,833	3,658
Total operating revenues	325,454	323,897
Operating expenses		
Salaries and wages	133,942	129,563
Employee benefits	37,148	37,948
Contract personnel	9,802	8,003
Professional fees	5,140	3,899
Supplies and drugs	63,600	60,222
Physician fees	7,619	8,196
Insurance and utilities	9,579	8,229
Outside services	27,370	23,766
Depreciation and amortization	22,373	20,316
Hospital provider fee	4,812	4,621
Other	7,923	7,953
Total operating expenses	329,308	312,716
Operating (loss) income	(3,854)	11,181
Non-operating revenues (expenses)		
Investment income	5,101	4,329
Interest expense	(7,377)	(7,238)
Debt issuance expense	-	(356)
Realized gain on investments	10,542	5,003
Unrealized (loss) gain on investments	(3,764)	7,542
Other	843	(1,261)
Total non-operating revenues, net	5,345	8,019
Excess of revenues over expenses	1,491	19,200
Distributions to non-controlling interests	(882)	-
Capital grants and contributions	534	4,000
Increase in net position	1,143	23,200
Net position, beginning of year	277,515	254,315
Net position, end of year	$ 278,658	$ 277,515

The accompanying notes are an integral part of these combined financial statements

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEALTH SYSTEM

Combined Statements of Cash Flows
(in thousands)

For the Years Ended April 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Cash flows from and on behalf of patients	$ 312,658	$ 318,856
Payments to team members for services	(170,635)	(165,419)
Payments to suppliers and contractors	(135,775)	(122,490)
Other receipts and payments, net	4,876	2,969
Net cash provided by operating activities	11,124	33,916
Cash flows from investing activities		
Interest and dividend income	5,101	4,329
Net change in non-current cash and investments	17,568	(14,272)
Acquisition of goodwill	(3,892)	-
Other investing activities	2,146	(588)
Net cash provided by (used in) investing activities	20,923	(10,531)
Cash flows from non-capital financing activities		
Net payments on line of credit	-	(174)
Cash flows from capital and related financing activities		
Purchases of capital assets, net	(22,286)	(24,325)
Capital grants and contributions	534	4,000
Payment of debt issuance costs	-	(356)
Principal payments on long-term debt	(6,202)	(4,798)
Interest paid on long-term debt	(7,168)	(7,258)
Proceeds from issuance of long-term debt	3,708	20,574
Distributions to non-controlling interests	(882)	-
Issuance of leverage loan receivable	-	(9,785)
Net cash used in capital and related financing activities	(32,296)	(21,948)
Net (decrease) increase in cash and cash equivalents	(249)	1,263
Net cash and cash equivalents at beginning of year	3,522	2,259
Net cash and cash equivalents at end of year	$ 3,273	$ 3,522
Cash and cash equivalents at end of year		
Cash and cash equivalents	$ 3,526	$ 3,522
Cash float liability	(253)	-
Net cash and cash equivalents at end of year	$ 3,273	$ 3,522

(continued)

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEALTH SYSTEM

Combined Statements of Cash Flows, Continued
(in thousands)

For the Years Ended April 30, 2014 and 2013

	2014	2013
Reconciliation of operating income to net cash provided by operating activities		
Operating (loss) income	$ (3,854)	$ 11,181
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	22,373	20,316
Provision for bad debts	43,127	42,592
Change in assets and liabilities		
Patient accounts receivable	(48,824)	(45,273)
Other receivables	(4,957)	(680)
Supplies and pharmaceutical inventories	28	(1,283)
Other assets	506	(712)
Accounts payable	32	4,371
Accrued salaries and compensated absences	455	2,096
Estimated third-party payor settlements	3,033	365
Other accrued expenses	(496)	19
Deferred revenue	(299)	924
Net cash provided by operating activities	$ 11,124	$ 33,916
Non-cash investing and financing activities		
Equipment acquired under capital lease obligations	$ 1,700	$ 500

The accompanying notes are an integral part of these combined financial statements

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba SOUTHEAST GEORGIA HEALTH SYSTEM

Notes to Combined Financial Statements

For the Years Ended April 30, 2014 and 2013
(All tabular dollar amounts in thousands)

1 Reporting Entity

The Glynn-Brunswick Memorial Hospital Authority (the "Authority"), a public body corporate and politic, was established by the governing bodies of Glynn County, Georgia (the "County"), and the City of Brunswick, Georgia (the "City"), on March 1, 1961 under the Hospital Authorities Law of Georgia The Authority is governed by nine members appointed by the governing bodies of the County and the City The Authority does business as Southeast Georgia Health System (the "System")

The System operates Southeast Georgia Health System Brunswick Campus (the "Brunswick Campus"), located in Brunswick, Georgia, and the following operating segments, which are reported as departments of the Brunswick Campus

- Senior Care Center–Brunswick, located in Brunswick, Georgia
- Senior Care Center–St Marys, located in St Marys, Georgia

The Authority is the sole corporate member of the following not-for-profit corporations, which are fully-blended component units that are combined in the System's reporting entity

- Kings Bay Community Hospital, Inc , dba Southeast Georgia Health System Camden Campus (the "Camden Campus"), located in St Marys, Georgia
- Cooperative Healthcare Services, Inc ("CHSI"), the operations of which consist primarily of various physician practices and joint ventures located in Brunswick, Georgia and the surrounding geographic region
- Southeast Georgia Health System Foundation, Inc (the "Foundation"), which was created for the sole benefit of the Authority and receives contributions dedicated to charitable activities related to the System

The System has membership interests in the following ventures

- Southeast Georgia Health System QALICB I, LLC ("QALICB"), a financing vehicle for the construction of certain qualified projects under the New Market Tax Credit ("NMTC") program discussed in Note 15
- Southeast Georgia CyberKnife Center, LLC ("SGCC"), an outpatient cancer treatment center that is recorded in the accounts of the Brunswick Campus due to a controlling interest
- Glynco, LLC ("Glynco"), a real estate partnership that is recorded in the accounts of CHSI due to a controlling interest
- Renue Plastic Surgery Center, an outpatient surgery center that is recorded as a cost-basis investment in the accounts of the Brunswick Campus due to a 15% non-controlling interest

The following physician practices are owned and operated by CHSI and are recorded in its accounts in the combined financial statements

- Brantley Family Medicine Center
- Brunswick General Surgery
- Coastal Medical Access Project
- Community Care Center
- Endocrinology and Diabetes Care Center
- Glynn Immediate Care Center
- Glynn Family Medicine Center
- Glynco Immediate Care Center
- Infectious Disease Care Center
- McIntosh Family Medicine Center
- St Simons Immediate Care Center
- Summit Sports Medicine and Orthopaedic Surgery
- Southeast Georgia Physician Associates
    - Brunswick Pediatrics
    - Camden General Surgery
    - Camden Pediatrics
    - Camden Primary Care
    - Ear, Nose & Throat
    - Gastroenterology
    - Glynn General & Vascular Surgery
    - Hospital Medicine
    - Medical Oncology
    - Neurosciences
    - Obstetrics & Gynecology
    - Pulmonary Medicine
    - Pulmonology
    - Radiation Oncology
    - Rheumatology
    - St Simons Pediatrics
    - Thoracic Surgery
    - Urology

Until 2003, the Authority operated the facilities at the Brunswick Campus pursuant to a lease agreement with the County and the City under which the Authority, in return for a nominal annual lease payment, was obligated to provide for the care of indigent persons who were residents of Glynn County at no or reduced cost to the patients based on the federal income poverty guidelines, and to operate the Brunswick Campus as a public, not-for-profit hospital

In 2003, the lease was terminated and the real estate portion of the Brunswick Campus was conveyed to the Authority under an agreement providing that title will revert to the County and the City if any of the following events occur (i) the Authority ceases to operate a public, non-profit hospital on the land, (ii) an ad valorem tax is levied against the taxpayers of the County or the City or a charge is made against the County or the City to pay for all or any part of the cost of providing indigent care, (iii) the Authority sells or conveys any portion of the land, except for the sale of individual office condominium units to healthcare providers and except for the conveyance of security title to lenders, or (iv) the dissolution of the Authority

2 Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies consistently applied by management in the preparation of the accompanying combined financial statements

Basis of Presentation – The accompanying combined financial statements of the System include the operations of the Brunswick Campus, Camden Campus, CHSI the Foundation, QALICB, SGCC, and Glynco Upon combination, all significant intercompany accounts and transactions are eliminated All financial and statistical data included in the combined financial statements and all tabular amounts included in notes to the combined financial statements are expressed in thousands

Enterprise Fund Accounting – The System is a special-purpose governmental entity engaged only in business-type activities that uses enterprise fund accounting as required by the Governmental Accounting Standards Board ("GASB"), whereby revenues and expenses are recognized on the full accrual basis using the economic resources measurement focus The System applies the provisions of all relevant pronouncements of the GASB as well as those of the Financial Accounting Standards Board that do not conflict with or contradict GASB pronouncements

Use of Estimates – The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures of contingencies at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period Accordingly, actual results could differ from those estimates

Net Position – Net position represents the residual balance of other financial statement elements on the combined balance sheets (assets and deferred outflows of resources, less liabilities and deferred inflows of resources) Net position of the System is classified in three components *Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by the balance of any outstanding borrowings used to finance the purchase or construction of those assets *Restricted net position* is comprised of non-capital assets that must be used for a particular purpose as specified by creditors, grantors, or contributors external to the System, including amounts deposited with trustees as required under revenue bond indentures and non-expendable amounts related to non-controlling interests in SGCC and Glynco *Unrestricted net position* represents all remaining amounts that do not meet the definition of *net investment in capital assets* or *restricted net position*

Deferred Outflows and Inflows of Resources – Deferred outflows and inflows of resources represent the consumption and acquisition, respectively, of net position that applies to future periods Deferred outflows of resources primarily relates to goodwill, which is the excess consideration paid in connection with business combinations and is amortized over ten years

Tax-Exempt Status – The Brunswick Campus, the Camden Campus, the Foundation and CHSI have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code Accordingly, no provision for state or federal income taxes has been presented in the accompanying combined financial statements QALICB, SGCC, and Glynco are organized under Georgia law and the Internal Revenue Code as limited liability companies ("LLC") The System's share of income from these entities is not considered unrelated business income ("UBI") and is therefore not subject to tax

Notes to Combined Financial Statements (All tabular dollar amounts in thousands)

The System recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position The System has determined that it does not have any material unrecognized tax benefits or obligations as of April 30, 2014 and 2013, respectively Fiscal years ended on and after April 30, 2011 remain subject to examination by federal and state tax authorities

Cash and Cash Equivalents – The System considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents The System maintains cash deposits in excess of federally insured limits and requires financial institutions to pledge collateral for the excess uninsured amounts

Allowance for Uncollectible Accounts – The System provides an allowance for uncollectible accounts based on the evaluation of the overall collectibility of accounts receivable As accounts are known to be uncollectible, they are charged against the allowance Allowance estimates are primarily based on the System's historical collection experience by payor class The primary risk of uncollectibility relates to uninsured patient accounts and patient accounts for which primary insurance has paid, but patient deductibles or co-insurance remain outstanding As such, changes in general economic conditions or healthcare coverage provided by federal or state governments or private insurers may have a material impact on these estimates

Supplies and Pharmaceutical Inventories – Pharmaceutical inventories are valued at lower of cost or market on the first-in, first-out basis Supplies and store room inventories are valued at average cost

Investments – Investments in marketable debt and equity securities and other financial instruments are reported at fair value in the combined balance sheets Interest, dividends and capital gains and losses, both realized and unrealized, on such investments are reported as non-operating revenues (expenses) when earned

Capital Assets – Capital assets are reported at historical cost Depreciation is computed on the straight-line method and is provided over the estimated useful life of each class of depreciable asset as follows

Land improvements	15 to 20 years
Buildings and building improvements	20 to 40 years
Equipment, computers, and furniture	3 to 15 years

Operating Revenues and Expenses – The System's combined statements of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses Operating revenues result from exchange transactions associated with providing healthcare services, which is the System's principal activity Investment income and non-exchange revenues, including grants and contributions received for purposes other than property and equipment acquisition, are reported as non-operating revenues Operating expenses include all expenses incurred to provide healthcare services, other than financing costs

Other Operating Revenue – The American Recovery and Reinvestment Act of 2009 established incentive payments under the Medicare and Medicaid programs for certain healthcare providers that use certified electronic health records ("EHR") technology To qualify for incentives payments, healthcare providers must meet designated EHR meaningful use criteria Compliance with meaningful use criteria is subject to audit by the federal government or its designee and incentive payments are subject to adjustment in future periods

The System recognizes revenue related to incentive payments in the period in which it has attested that it is in compliance with the applicable EHR meaningful use requirements Accordingly, the Health System recognized other operating revenue totaling approximately $5,699,000 for the year ended April 30, 2014

Net Patient Service Revenue – Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others as services are rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and a provision for bad debts Retroactive third-party payor settlements and bad debt adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

Charity Care – The System provides care to patients who meet certain criteria under its charity care policy, without charge or at amounts less than its established rates The System follows federal government guidelines in determining which patients qualify for charity care Because the System does not pursue collection of amounts deemed to qualify as charity care, such amounts are not reported as net patient service revenue

Compensated Absences – The System's team members earn paid time off ("PTO") at varying rates depending on salary and years of service PTO time accumulates based on years of service and generally any days not used at year-end will carry over to the next fiscal year, subject to a maximum limit Each year, eligible team members may receive payment for up to 25% of their PTO balance, but not more than 80 hours per year Accrued PTO is paid at the time of termination At April 30, 2014 and 2013, the System has accrued liabilities related to these compensated absences of approximately $7,945,000 and $7,930,000, respectively

Reclassifications – Certain reclassifications of 2013 amounts have been made to conform to the presentation of the 2014 combined financial statements

Subsequent Events – The System evaluated the effect subsequent events would have on the combined financial statements from May 1, 2014 through July 25, 2014, which is the date the combined financial statements were available to be issued During that period, the System did not have any material subsequent events that would require recognition or disclosure

3 Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates A summary of payment arrangements with major third-party payors follows

Medicare –

* Inpatient acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors
* Medicare reimbursement for outpatient services is under a prospective payment system called the Ambulatory Payment Classification System Prospective payment rates are established for each group of services provided in hospital outpatient departments for the diagnosis or treatment of beneficiaries This system categorizes payments according to clinical diagnosis and resource use Services covered under other Medicare fee schedules are excluded and continue to be paid using the fee schedules
* Skilled nursing services and transitional care rendered are prospectively paid under a system called Resource Utilization Groups The rates vary according to patient classifications, which depend on clinical, diagnostic and other factors

The System is subject to various final settlements determined after submission of annual cost reports and audits by the Medicare fiscal intermediary The System's classification of patients under the Medicare program and the appropriateness of their admissions are subject to an independent review by a peer review organization The System's Medicare cost reports have been audited and final settled by the Medicare fiscal intermediary through April 30, 2009

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 created the Recovery Audit Contractors ("RAC") program to detect and correct improper payments in the Medicare program The RAC reviews began in late 2009 and 2010 Although management believes its billing policies do not result in overpayments, the RAC reviews could result in recoupments

Medicaid –

* Acute inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors
* All outpatient services are reimbursed based on cost and/or fee schedules
* Long-term care services are paid according to prospectively determined per diem rates

Beginning June 1, 2006, Georgia Medicaid moved a significant portion of its recipients to managed care companies called Care Management Organizations ("CMO") Contractual payments are made by the CMO for services provided using the same methodology and payment rates as traditional Medicaid The System's cost reports have been audited and final settled by the Medicaid fiscal intermediary through April 30, 2010

The Georgia General Assembly enacted legislation which went into effect in July 2010 which established a healthcare provider tax for the purpose of funding the Medicaid program The healthcare provider tax legislation expired June 30, 2013, and was replaced with a provider fee arrangement The provider fee percentage will be set by the Georgia Department of Community Health based on the General Assembly's appropriation in the Medicaid budget The System paid approximately $4,812,000 and $4,621,000 to the State for the years ended April 30, 2014 and 2013, respectively

(All tabular dollar amounts in thousands)

Other Payors – The System has entered into payment agreements with certain commercial insurance carriers, local businesses, and preferred provider organizations The bases for payment to the System under these agreements include prospectively determined rates per discharge, discounts from established charges, and per diem rates

Provisions have been made for estimated settlements arising from adjustments that may result from third-party payor reviews and audits It is reasonably possible that recorded estimates will change by material amounts in the near term Net patient service revenue decreased approximately $217,000 and increased approximately $74,000 during the years ended April 30, 2014 and 2013, respectively, due to actual settlements of prior period cost reports being different from amounts previously estimated

Georgia Indigent Care Trust Fund Act – Under the provisions of the Georgia Indigent Care Trust Fund ("ICTF"), Medicaid disproportionate share hospitals ("DSH") contribute funds to be used by the State in the Medicaid program, which may be supplemented by federal funds (combination dollars) Combination dollars are returned to DSH as additional Medicaid inpatient reimbursement At April 30, 2014 and 2013, the System had approximately $3,179,000 and $480,000, respectively, recorded as a receivable relating to ICTF During 2014 and 2013, approximately $3,744,000 and $5,338,000, respectively, was recorded as net patient service revenue relating to ICTF The federal government does not ensure future ICTF funding

Georgia Upper Payment Limit Rate – Under Georgia Upper Payment Limit Rate ("UPL") provisions, government owned or operated hospitals and critical access eligible hospitals may contribute funds to be used by the State in the Medicaid program, which may be supplemented by federal funds (combination dollars) Combination dollars are returned in the form of UPL payments and are recorded as additional Medicaid inpatient and outpatient reimbursement At April 30, 2014 and 2013, the System had approximately $2,284,000 and $690,000, respectively, recorded as a receivable relating to UPL During 2014 and 2013, approximately $2,866,000 and $3,195,000, respectively, was recorded as net patient service revenue relating to UPL The federal government does not ensure future UPL funding

4 Patient Accounts Receivable

Patient accounts receivable reported as current assets by the System at April 30, 2014 and 2013 are summarized by payor as follows

	2014	2013
Receivable from Medicare	$ 17,115	$ 14,044
Receivable from Medicaid	6,975	5,571
Receivable from patients	56,105	59,906
Receivable from insurance carriers	26,270	22,997
	106,465	102,518
Less allowance for uncollectible accounts	(43,175)	(44,925)
Patient accounts receivable, net	$ 63,290	$ 57,593

(All tabular dollar amounts in thousands)

5 Concentrations of Credit Risk

In the course of providing healthcare services, the System grants credit to patients and generally does not require collateral or other security in extending credit, however, it routinely obtains assignment of, or is otherwise entitled to receive, patient benefits under governmental and commercial health insurance programs, plans and policies For the years ended April 30, 2014 and 2013, approximately 42% of the System's net patient service revenue was derived from the federal Medicare and Medicaid programs 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 and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on the System's combined financial statements Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs

The System provides healthcare services in Glynn and Camden counties and the surrounding areas in Southeast Georgia and, as a result, has a related geographic concentration of credit risk pertaining to patient accounts receivable The composition of receivables from patients and third-party payors as of April 30, 2014 and 2013 was as follows

	2014		2013	
	Gross	Net	Gross	Net
Medicare	31%	25%	27%	25%
Medicaid	10	10	11	10
Self-pay	32	26	39	26
Other third-party payors	27	39	23	39
	100%	100%	100%	100%

6 Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable and payable, third-party payor settlements, and other current financial assets and liabilities approximate fair value based on their short-term nature Long-term debt approximates fair value, as interest approximates market rates

(All tabular dollar amounts in thousands)

Investments in marketable debt and equity securities and other financial instruments are measured at fair value based on the following methodologies

- *Corporate equity securities, corporate bonds, and U S agency securities* These investments are valued at the closing price reported on the active market on which the individual securities are traded

- *Mutual funds* These investments are public investment vehicles valued using the Net Asset Value ("NAV") provided by the administrator of the fund and are quoted in an active market The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, divided by the number of shares outstanding Money market mutual funds are valued using $1 for the NAV

- *Common trust funds and limited partnerships* These investments are private investment vehicles valued using the NAV provided by the administrator of the fund The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, divided by the number of shares outstanding The NAV is not quoted in an active market

Fair value estimates are based on pertinent information available to management as of April 30, 2014 Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of the combined financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein

7 Deposits and Investments

At April 30, 2014 and 2013, the System reported its deposits and investments as follows

	2014	2013
Carrying amount		
Deposits	$ 16,235	$ 32,807
Investments	155,578	151,454
	$ 171,813	$ 184,261
Included in the following balance sheet captions		
Cash and cash equivalents	$ 3,526	$ 3,522
Cash float liability	(253)	-
Short-term investments	100	1,509
Non-current cash and investments	168,440	179,230
	$ 171,813	$ 184,261

(All tabular dollar amounts in thousands)

Deposits and investments are exposed to various risks The System employs a number of investment managers and has adopted a formal investment policy which endeavors to conform with the Uniform Prudent Investor Act and the Prudent Investor Standard as a means of managing its exposure to risk Due to the level of risk associated with certain investment securities, the possibility is reasonable that changes in the values of investment securities will occur in the near term and that these changes could materially affect the amounts reported in the combined balance sheets

Concentration of credit risk The System has an investment policy which provides objectives and guidelines for diversification of funds, but places no specific limit on the amount that may be invested in any one issuer

Interest rate risk The System has an investment policy that considers investment risks and provides for a prudent approach with regular monitoring and reporting The investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates

At April 30, 2014, the System had investments with fixed maturity dates as follows

		Investment Maturities (in Years)		
Investment Type	Carrying Amount	Less than 1	1-5	6-10
Corporate bonds	$ 805	$ 30	$ 467	$ 308
U S agency securities	11,361	1,001	453	9,907
Fixed income mutual funds	47,839	47,839	-	-
Money market mutual funds	2,586	2,586	-	-

At April 30, 2013, the System had investments with fixed maturity dates as follows

		Investment Maturities (in Years)		
Investment Type	Carrying Amount	Less than 1	1-5	6-10
Corporate bonds	$ 1,132	$ 236	$ 392	$ 504
U S agency securities	12,240	501	450	11,289
Fixed income mutual funds	32,551	32,551	-	-
Money market mutual funds	1,707	1,707	-	-

Credit risk The System has adopted an investment policy that permits specific investments, including debt and equity securities, separate accounts, mutual funds, trusts, partnerships, commingled funds, pooled funds, contracts, and others The policy provides guidelines regarding risk tolerance and investment objectives by type, including credit rating, liquidity, market capitalization, region, sector, and investment strategy As of April 30, 2014, 36% of the System's corporate bonds were rated A and 64% were rated BBB by Standard and Poor's As of April 30, 2014, 11% of the System's U S agency securities were rated AAA, and 89% were unrated

(All tabular dollar amounts in thousands)

Custodial credit risk Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it State law requires collateralization of all deposits with insurance or other acceptable collateral in specific amounts The System secures its deposits through depository insurance, a collateral pool administered under the direction of the State of Georgia Office of Treasury and Fiscal Services, and collateral held by third parties or the respective pledging financial institutions' trust departments in the System's name At April 30, 2014, approximately $2,622,000 of the System's deposits were uninsured and uncollateralized

Short-term investments

Short-term investments consist of certificates of deposit with maturities of twelve months or less and interest rates ranging from 18% to 85%, totaling approximately $100,000 and $1,509,000 at April 30, 2014 and 2013, respectively

Non-current cash and investments

The composition of non-current cash and investments at April 30, 2014 and 2013 is summarized as follows

	2014	2013
Held by trustee for debt service		
Depository accounts	$ 9,589	$ 2,903
Money market mutual funds	1,367	1,441
Certificates of deposit	-	11,959
	10,956	16,303
Restricted by third-parties for construction		
Depository accounts	2,633	10,352
Corporate equity securities	1,037	-
	3,670	10,352
Internally designated for self-insurance		
Depository accounts	-	182
Money market mutual funds	129	-
Mutual funds	3,752	3,868
	3,881	4,050
Internally designated for capital improvements and other purposes		
Depository accounts	640	2,380
Money market mutual funds	1,090	266
Corporate bonds	805	1,132
Corporate equity securities	17,175	11,020
Mutual funds	94,528	85,417
Common trust funds	16,576	28,733
Limited partnership	7,758	7,337
U S agency securities	11,361	12,240
	149,933	148,525
Total	$ 168,440	$ 179,230

(All tabular dollar amounts in thousands)

8 Capital Assets

Capital asset activity and balances for the year ended April 30, 2014 are as follows

	2013	Additions	Transfers	Retirements	2014
Non-depreciable capital assets					
Land	$ 25,061	$ 3,226	$ -	$ -	$ 28,287
Construction in progress	14,592	11,232	(20,718)	-	5,106
Total non-depreciable capital assets	39,653	14,458	(20,718)	-	33,393
Depreciable capital assets					
Land improvements	4,557	69	-	-	4,626
Buildings	253,689	3,237	15,679	-	272,605
Equipment	186,221	7,219	5,039	(3,617)	194,862
Total depreciable capital assets	444,467	10,525	20,718	(3,617)	472,093
Less accumulated depreciation for					
Land improvements	(3,033)	(239)	-	-	(3,272)
Buildings	(84,455)	(9,281)	-	-	(93,736)
Equipment	(140,758)	(12,355)	-	3,274	(149,839)
Total accumulated depreciation	(228,246)	(21,875)	-	3,274	(246,847)
Total depreciable capital assets, net	216,221	(11,350)	20,718	(343)	225,246
Capital assets, net	$ 255,874	$ 3,108	$ -	$ (343)	$ 258,639

Capital asset activity and balances for the year ended April 30, 2013 are as follows

	2012	Additions	Transfers	Retirements	2013
Non-depreciable capital assets					
Land	$ 23,239	$ 510	$ 1,312	$ -	$ 25,061
Construction in progress	14,291	16,333	(16,032)	-	14,592
Total non-depreciable capital assets	37,530	16,843	(14,720)	-	39,653
Depreciable capital assets					
Land improvements	4,907	-	-	(350)	4,557
Buildings	243,914	1,734	13,387	(5,346)	253,689
Equipment	182,049	5,168	1,333	(2,329)	186,221
Total depreciable capital assets	430,870	6,902	14,720	(8,025)	444,467
Less accumulated depreciation for					
Land improvements	(3,124)	(259)	-	350	(3,033)
Buildings	(81,099)	(8,701)	-	5,345	(84,455)
Equipment	(131,931)	(11,157)	-	2,330	(140,758)
Total accumulated depreciation	(216,154)	(20,117)	-	8,025	(228,246)
Total depreciable capital assets, net	214,716	(13,215)	14,720	-	216,221
Capital assets, net	$ 252,246	$ 3,628	$ -	$ -	$ 255,874

Notes to Combined Financial Statements (All tabular dollar amounts in thousands)

Assets recorded under capital leases at April 30, 2014 and 2013 were approximately $14,779,000 and $13,410,000, respectively, with related accumulated depreciation of approximately $7,157,000 and $4,972,000, respectively

Commitments related to construction and information system projects were approximately $4,261,000 as of April 30, 2014

9 Long-Term Debt

Long-term debt at April 30, 2014 and 2013 is summarized as follows

	2014	2013
Series 2012 fixed rate refunding revenue anticipation certificates, bearing interest at 2 33%, payable annually, and maturing annually beginning in 2012 through 2016	$ 2,730	$ 3,755
Series 2008A fixed rate revenue anticipation certificates, bearing interest from 4 5% to 5 625%, payable annually, and maturing annually beginning in 2017 through 2034	106,865	106,865
Series 2008B variable rate revenue anticipation certificates, bearing interest at a weekly rate (10% at April 30, 2014), payable monthly, and maturing annually through 2038	40,450	40,450
Series 2005 fixed rate revenue anticipation certificates, bearing interest from 3% to 4%, payable semi-annually on the first day of February and August of each year, and maturing annually through 2016	7,115	9,435
Notes payable, bearing interest at rates equal to LIBOR plus 75% to 1 25%, payable in monthly installments of principal and interest, maturing annually through 2022, secured by real property	20,857	17,403
Capital lease obligations	5,883	6,786
Unamortized issuance discount	(1,749)	(1,854)
	182,151	182,840
Less current maturities	6,036	5,726
Long-term debt, excluding current maturities	$ 176,115	$ 177,114
Notes payable to community development entities (see Note 15)	$ 13,824	$ 13,824

(All tabular dollar amounts in thousands)

A schedule of the changes in the System's long-term debt for 2014 and 2013 is summarized as follows

	April 30, 2013	Additions	Reductions	April 30, 2014	Due Within One Year
Revenue certificates	$ 160,505	$ -	$ (3,345)	$ 157,160	$ 3,380
Notes payable	31,227	3,708	(254)	34,681	1,124
Capital lease obligations	6,786	1,700	(2,603)	5,883	1,532
Less deferred issuance discount	(1,854)	-	105	(1,749)	-
Totals	$ 196,664	$ 5,408	$ (6,097)	$ 195,975	$ 6,036

	April 30, 2012	Additions	Reductions	April 30, 2013	Due Within One Year
Revenue certificates	$ 163,165	$ -	$ (2,660)	$ 160,505	$ 3,345
Notes payable	10,697	20,574	(44)	31,227	179
Capital lease obligations	8,380	500	(2,094)	6,786	2,202
Less deferred issuance discount	(2,055)	-	201	(1,854)	-
Totals	$ 180,187	$ 21,074	$ (4,597)	$ 196,664	$ 5,726

Scheduled principal and interest repayments on long-term debt and capital leases are as follows

Year Ending April 30	Principal	Interest
2015	$ 6,036	$ 9,251
2016	5,993	9,010
2017	5,185	8,630
2018	5,370	8,056
2019	5,157	7,564
2020-2024	40,444	32,238
2025-2029	32,058	24,170
2030-2034	41,232	14,529
2035-2039	52,096	4,006
2040-2044	2,957	97
2045-2049	1,196	7
Total debt service requirements	197,724	$ 117,558
Less issuance discount	(1,749)	
Total long-term debt, net	$ 195,975	

In February 2012, the Authority issued Refunding Revenue Anticipation Certificates ("Series 2012 Certificates") in the amount of $4,220,000 The purpose of the issuance was to refund the Authority's outstanding Series 1996 Certificates

In September 2008, the Authority issued Fixed Rate Revenue Anticipation Certificates ("Series 2008A Certificates") in the amount of $106,865,000 and Variable Rate Revenue Anticipation Certificates ("Series 2008B Certificates") in the amount of $40,570,000 The purpose of the issuance was to obtain funding or reimbursement for qualified expenditures made in connection with the acquisition and renovation of a 200 bed skilled nursing facility contiguous to the Brunswick Campus, the construction of additional labor, delivery, recovery and postpartum patient rooms and renovation of the existing Maternity Care Center on the Brunswick Campus, the replacement of utility infrastructure within the St Simons Tower on the Brunswick Campus, the development and build-out of an Orthopaedic and Neurologic care center within the St Simons Tower on the Brunswick Campus, certain other renovations to the Brunswick Campus and medical equipment acquisitions, and to refund the Authority's outstanding Series 2004 Certificates in the amount of $94,000,000, as well as to pay costs of issuance, funded interest and reserve funds and other costs related to the Series 2008A Certificates and Series 2008B Certificates

In April 2005, the Authority issued the Series 2005 Fixed Revenue Anticipation Certificates ("Series 2005 Certificates") in aggregate principal of $18,285,000 Series 2005 Certificates were issued for the purpose of advance refunding a portion of the Series 1996 Certificates

In conjunction with the issuance of the Series 2004, 2005 and 2008A Certificates, prior certificates were refunded in advance As a result of the advanced refundings, there were differences between the acquisition prices and the carrying amounts of the refunded certificates These differences, reported in the accompanying combined financial statements as deferred outflows of resources, are amortized as a component of interest expense over the shorter of the life of the new certificates or the remaining life of the old certificates

The Brunswick Campus and Camden Campus make up the obligated group that is responsible for the repayment of the certificates While CHSI is not a member of the obligated group, the medical practices operated by the System within CHSI have been established to meet identified primary and highly specialized care needs of the System's service area, to offer alternatives to the hospital-based emergency care setting, and to provide a means to meet the needs of patients covered under the State of Georgia's Medicaid program Certain of these medical practices require financial subsidies to meet their stated strategic mission and objectives Furthermore, certain administrative costs of the obligated group are allocated to the operations There are restrictions on the amount that can be transferred out of the obligated group in any given year The transfers from the obligated group to CHSI during 2014 and 2013 did not exceed the annual restrictions per the bond indenture

The certificates are secured by a first and prior liens on revenues to be derived from the operations of the obligated group Monies in the debt service fund are also subject to a lien in favor of the holders of the certificates issued The Series 2005 Certificates are insured by Financial Guaranty Insurance Company The Series 2008B Certificates are supported by a letter of credit issued by Branch Banking and Trust Company in the amount of $40,450,000, which has an expiration date of March 31, 2018

Notes to Combined Financial Statements (All tabular dollar amounts in thousands)

Under the terms of the certificate indentures, the System is required to maintain certain deposits with trustees for debt service and construction purposes Such deposits are included within non-current cash and investments in the combined balance sheets The certificate indentures also contain various restrictive covenants pertaining to certain measures of financial performance The System is in compliance with these covenants

The System maintains an open end revolving line of credit of $6,000,000 at an interest rate equal to the greater of 3 25% or LIBOR plus 125 basis points The line of credit is unsecured As of April 30, 2014 and 2013, there were no outstanding advances on the credit line

10 Commitments and Contingencies

The System is involved in litigation in the ordinary course of business related to professional liability claims The System maintains umbrella insurance with a limit of $10,000,000 each occurrence and $20,000,000 annual aggregate for professional liability and other general liability claims exceeding self-retained limits of $2,000,000 individually and $6,000,000 collectively, on an annual basis The System is self-insured under these limits At April 30, 2014, malpractice and other various claimants had filed claims that are in various stages of processing, and some may ultimately be brought to trial

The System has engaged the services of an independent actuary to perform an annual evaluation of estimated professional liability claims obligations and to determine the reserve requirements at the end of each fiscal year The discount rate used in actuarial calculations for 2014 was 4 0% and 2013 was 4 5% The current portion of the estimated professional liability claims obligation included in other accrued expenses totaled approximately $1,294,000 and $1,350,000 at April 30, 2014 and 2013, respectively, while the non-current obligation totaled approximately $3,881,000 and $4,050,000, respectively Self-insured professional liability claims expense for 2014 and 2013 aggregated approximately $1,986,000 and $1,090,000, respectively Management is of the opinion that the accrual for professional liability claims is adequate for loss contingencies

In connection with the System's self-insurance reserves for professional liability and other general liability, the Authority has internally designated approximately $3,881,000 and $4,050,000 at April 30, 2014 and 2013 respectively, within non-current cash and investments

The System is committed under various non-cancelable operating leases for equipment with expiration dates through 2019, as well as lease agreements for office space with expiration dates through 2022 Future minimum operating lease payments are as follows

Year ending April 30	Minimum Payments
2015	$ 2,964
2016	2,951
2017	2,689
2018	2,428
2019	1,956
2020 - 2022	2,857
Total	$ 15,845

(All tabular dollar amounts in thousands)

11 Employee Benefit Trust and Self-Insurance

The System maintains a plan and trust agreement to provide life insurance, accident and health benefits (including hospitalization, medical, surgical, major medical, and other health benefits), and workers' compensation for its team members The System maintains excess workers' compensation and employers' liability insurance above self-insured retention limits of $750,000 per occurrence through the Georgia Self Insurers Guarantee Trust Fund (the "Self Insurers Trust") The System maintains an irrevocable standby letter of credit in the amount of $2,850,000 which is committed at April 30, 2014 for self-insured workers compensation claims in participation with the Self Insurers Trust At April 30, 2014 and 2013, there were no outstanding advances on the letter of credit

Life insurance coverage is provided by premiums paid to an independent insurance carrier Health benefits for team members and their dependents, if elected, are funded entirely by contributions into the plan by the System and its team members The plan is administered by a third-party administrator

Claims liabilities related to health benefit and workers' compensation are included in other accrued expenses at April 30, 2014 and 2013, in the amount of $4,775,000 and $4,925,000, respectively

12 Retirement Plans

The System sponsors several defined contribution employee benefit plans and a frozen non-contributory defined benefit pension plan Benefits in the defined benefit pension plan were frozen in 1998, and participants were offered incentives to transfer their benefit to the 403(b) defined contribution plans Most participants converted to the defined contribution plans The System then funded the remaining pension obligation, resulting in a net funded pension plan asset or liability, which is reported as other assets or liabilities in the accompanying combined balance sheets

There were no required contributions to the frozen pension plan in 2014 or 2013 The plan will continue in existence as long as benefits are being paid to existing participants The calculated benefits are based on years of service and the team member's compensation during the last five years of employment The actuarial measurement dates were as of April 30, 2014 and 2013, respectively The System reported a net pension liability of approximately $212,000 and $318,000 at April 30, 2014 and 2013, respectively

Assumptions used in the accounting for net periodic pension costs for the years ended April 30, 2014 and 2013 were as follows

	2014	2013
Weighted average discount rate	4 75%	5 50%
Expected long-term rate of return	4 75%	5 50%

(All tabular dollar amounts in thousands)

The System's annual pension benefit and net funded pension asset for 2014 and 2013 were as follows

	2014	2013
Interest on net pension obligation	$ (378)	$ (417)
Expected return on plan assets	363	430
Annual pension benefit (cost)	(15)	13
Other adjustments	121	(581)
Decrease in net funded pension asset (liability)	106	(568)
Net funded pension (liability) asset, beginning of year	(318)	250
Net funded pension liability, end of year	$ (212)	$ (318)

As of April 30, 2014, the most recent actuarial valuation date, the plan was approximately 97% funded The actuarial accrued liability for benefits was approximately $7,900,000, and the fair value of assets was approximately $7,688,000, resulting in a net unfunded liability of approximately $212,000 at April 30, 2014

The schedule of funding progress, presented as required supplementary information following the notes to the combined financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits

Plan assets are held with a life insurance company under a group annuity contract Plan assets at April 30, 2014 and 2013 were as follows

	2014	2013
Asset value	$ 7,688	$ 7,926

Three-year trend information follows

	Annual Pension Benefit (Cost)	Funded Asset (Unfunded Liability)
2012	$ 17	$ 250
2013	13	(318)
2014	(15)	(212)

Notes to Combined Financial Statements (All tabular dollar amounts in thousands)

Under the 401(a) and 403(b) defined contribution plans, the System makes matching contributions to the team member accounts based on the team members' deferral contributions and years of service The System makes additional discretionary contributions annually as a percent of each team member's salary The System administers the plans and can change or alter plan provisions Contributions by the System aggregated approximately $5,206,000 and $4,968,000 during the years ended April 30, 2014 and 2013, respectively

13 Charity Care and Community Service

The System is committed to meeting the needs of the communities which it serves To this end, the System provides care to patients who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured The amount of support provided for the years ended April 30, 2014 and 2013 is as follows

	2014	2013
Indigent care		
Based on established rates	$ 45,527	$ 47,500
Based on estimated cost of the care provided	$ 17,927	$ 18,305
Unreimbursed Medicaid outpatient service costs	$ 466	$ 549
Provision for bad debts	$ 43,127	$ 42,592

Management estimates the cost to provide indigent care by applying a cost-to-charge ratio to the value of charity care based on established rates

In addition, the System provides financial support for a variety of programs designed to meet the health and educational needs of the communities which it serves The amount of direct financial support provided to those community programs for the years ended April 30, 2014 and 2013 was as follows

	2014	2013
College of Coastal Health Professional Education	95	51
Athletic trainer support to schools	349	350
Davis Love Foundation	75	75
American Cancer Society	19	19
Emergency & Acute Care Medical Co Southeast, LLC	2,469	2,041
Total	$ 3,007	$ 2,536

The System also sponsored and participated in over 106 and 110 other programs during 2014 and 2013, respectively, in support of not-for-profit community organizations, providing direct financial support to those activities in the amount of approximately $165,000 and $230,000 during the years ended April 30, 2014 and 2013, respectively

14 Charitable Remainder Trust

The System is beneficiary to a charitable remainder trust The trust provides for the payment of distributions over the trust's term to designated beneficiaries At April 30, 2014 and 2013, the System is the sole remaining beneficiary The trust indenture provides that, contingent upon approval of the trustee, the remaining trust assets are available to fund permanent additions to the System The indenture dictates that the trustee has sole authority to determine what constitutes a permanent addition and that, should all of the distributable amount not be disbursed to the System, the trust assets could contingently be made available to another charitable organization Management is of the belief that, as the sole remaining beneficiary to the trust, the System will have the ability to utilize the assets in the future in order to fund permanent additions to the System However, no beneficial interest has been recorded at April 30, 2014 or 2013, as the trustee maintains variance power over ultimate disbursement of the funds

Proceeds from the trust are recorded as contributions in the period in which the funding is authorized and committed by the trustee Such contributions totaled approximately $253,000 and $319,000 during the years ended April 30, 2014 and 2013, respectively Assets held in the trust totaled approximately $4,832,700 and $4,743,000 at April 30, 2014 and 2013, respectively

15 New Market Tax Credit

The System participates in the NMTC program offered through the Department of the Treasury in order to finance the renovation and construction of medical facilities in designated areas of Brunswick, Georgia The NMTC program permits corporate and individual taxpayers to receive a credit against federal income taxes for making qualified equity investments in qualified community development entities ("CDE")

The System entered into a NMTC transaction with JPMorgan Chase Bank ("Bank") in December 2012, whereby the System made a leverage loan of approximately $9,785,000 to Chase NMTC Brunswick Investment Fund, LLC ("Investment Fund") The Investment Fund is a funding vehicle for the CDEs that was capitalized with an equity investment of approximately $4,473,000 by Chase Community Equity, LLC ("Investor"), the federal tax credit investor under the NMTC program The Investment Fund made qualified equity investments totaling $14,250,000 into two CDEs, which loaned to QALICB approximately $13,824,000 in qualified low-income community investment loans The QALICB notes payable to the CDEs bear interest only for the first seven years at a rate of 0 65% Beginning in fiscal year 2020, payments of principal and interest totaling approximately $144,000 are due each month until maturity in 2045 The terms of the System's leverage loan receivable from the Investment Fund mirror those of the terms of the notes payable to the CDE, except at a rate of 62%

In connection with the NMTC transaction, the System entered into a put/call option agreement with the Bank In 2019, the Bank can exercise its put option and sell its interest in the Investment Fund to the System for a nominal price of $1,000 plus transfer taxes If the Bank does not exercise its put option then the System can exercise its call option to purchase the equity in the Investment Fund at fair value Thus, it is expected that the System will acquire the Bank's equity interest in the Investment Fund, at which time it will forgive the notes payable from QALICB to the CDEs and the leverage loan receivable from the Investment Fund to the System The ultimate anticipated gain to be realized from the NMTC transaction is an unrecorded contingency

(All tabular dollar amounts in thousands)

16 Combining Financial Information

Combining financial information for the System and its fully-blended component units as of and for the year ended April 30, 2014 follows

	Brunswick Campus	Camden Campus	Foundation	CHSI	QALICBI	Eliminations	Combined
Assets							
Current assets	$ 63 094	$ 10 708	$ 239	$ 11 013	$ 672	$ -	$ 85 726
Intercompany receivable	-	29 431	30	-	-	(29 461)	-
Non-current cash and investments	155 350	2 907	7 550	-	2 633	-	168 440
Capital assets, net	195 498	41 943	-	3 879	17 448	(130)	258 638
Other assets	78 710	5	-	131	-	(68 703)	10 143
Total assets	492 652	84 994	7 819	15 023	20 753	(98 294)	522 947
Deferred outflows of resources	3 857	70	-	-	-	-	3 927
Liabilities							
Current liabilities	41 742	4 857	450	7 090	45	-	54 184
Intercompany payable	27 633	-	-	1 476	352	(29 461)	-
Non-current liabilities, net	148 476	29 875	450	1 407	13 824	-	194 032
Total liabilities	217 851	34 732	900	9 973	14 221	(29 461)	248 216
Net position	$ 278 658	$ 50 332	$ 6 919	$ 5 050	$ 6 532	$ (68 833)	$ 278 658
Operating revenues							
Net patient service revenue	$ 237 898	$ 41 107	$ -	$ 36 616	$ -	$ -	$ 315 621
Other revenue	10 051	2 034	283	3 929	103	(6 567)	9 833
Total operating revenues	247 949	43 141	283	40 545	103	(6 567)	325 454
Operating expenses							
Team members	97 172	18 494	226	55 198	-	-	171 090
Depreciation and amortization	18 496	2 822	-	680	375	-	22 373
Other	111 071	14 912	360	16 069	-	(6 567)	135 845
Total operating expenses	226 739	36 228	586	71 947	375	(6 567)	329 308
Operating income (loss)	21 210	6 913	(303)	(31 402)	(272)	-	(3 854)
Non-operating revenues (expenses)							
Investment income, gains and losses	10 903	102	863	5	6	-	11 879
Interest expense	(5 560)	(1 662)	-	(64)	(91)	-	(7 377)
Other	721	105	-	17	-	-	843
Total non-operating revenues (expenses)	6 064	(1 455)	863	(42)	(85)	-	5 345
Excess (deficit) of revenues over expenses	27 274	5 458	560	(31 444)	(357)	-	1 491
Equity in earnings of affiliates	(4 233)	-	-	(8)	-	4 241	-
Distributions	(816)	-	-	(66)	-	-	(882)
Equity transfers	(26 000)	-	-	26 000	-	-	-
Capital grants and contributions	4 918	-	(4 384)	-	-	-	534
Change in net position	1 143	5 458	(3 824)	(5 518)	(357)	4 241	1 143
Net position, beginning of year	277 515	44 874	10 743	10 568	6 889	(73 074)	277 515
Net position, end of year	$ 278 658	$ 50 332	$ 6 919	$ 5 050	$ 6 532	$ (68 833)	$ 278 658

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEALTH SYSTEM

Employees' Pension Plan Required Supplementary Information
Schedule of Funding Progress
(Unaudited, in thousands)

Actuarial Valuation Date	Plan Assets at Fair Value (a)	Accrued Liability (b)	(Funded Asset)/ Unfunded Liability (b) - (a)	Funded Ratio (a) / (b)
September 30, 2005	$ 9,081	$ 8,646	$ (435)	105.0%
September 30, 2006	8,980	8,478	(502)	105.9%
September 30, 2007	8,973	8,351	(622)	107.4%
September 30, 2008	8,756	8,310	(446)	105.4%
April 30, 2009	8,530	8,242	(288)	103.5%
April 30, 2010	8,493	8,220	(273)	103.3%
April 30, 2011	8,314	8,006	(308)	103.8%
April 30, 2012	8,121	7,871	(250)	103.2%
April 30, 2013	7,926	8,244	318	96.1%
April 30, 2014	7,688	7,900	212	97.3%

NOTES TO THE REQUIRED SCHEDULE

The information presented in the required supplementary schedule was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	April 30, 2014
Actuarial cost method	Projected unit credit
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Reported fair value
Actuarial assumptions	
Investment rate of return	4.75%
Projected salary increases	N/A
Cost of living adjustments	N/A

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GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEALTH SYSTEM

Combining Balance Sheet (in thousands)

April 30, 2014

	Brunswick Campus	Camden Campus	Eliminations	Total Brunswick and Camden
Assets and Deferred Outflows of Resources				
Current assets				
Cash and cash equivalents	$ 1,842	$ -	$ -	$ 1,842
Short-term investments	100	-	-	100
Patient accounts receivable, net	45,619	8,039	-	53,658
Other receivables	5,750	1,310	-	7,060
Supplies and pharmaceutical inventories	6,839	905	-	7,744
Estimated third-party payor settlements	-	223	-	223
Other current assets	2,944	231	-	3,175
Total current assets	63,094	10,708	-	73,802
Non-current cash and investments				
Held by trustee for debt service	8,049	2,907	-	10,956
Restricted by third-parties for construction	-	-	-	-
Internally designated for self-insurance	3,881	-	-	3,881
Internally designated for capital improvements and other purposes	143,420	-	-	143,420
Total non-current cash and investments	155,350	2,907	-	158,257
Capital assets				
Non-depreciable capital assets	28,883	1,169	-	30,052
Depreciable capital assets, net	166,615	40,774	(130)	207,259
Capital assets, net	195,498	41,943	(130)	237,311
Other assets				
Investment in affiliates	68,572	-	(50,202)	18,370
Intercompany receivable	-	29,431	(27,633)	1,798
Leverage loan receivable	9,785	-	-	9,785
Other assets	353	5	-	358
Total other assets	78,710	29,436	(77,835)	30,311
Total assets	492,652	84,994	(77,965)	499,681
Deferred outflows of resources	3,857	70	-	3,927
Total assets and deferred outflows of resources	$ 496,509	$ 85,064	$ (77,965)	$ 503,608
Liabilities and Net Position				
Current liabilities				
Current maturities of long-term debt	$ 4,976	$ 567	$ -	$ 5,543
Cash float liability	-	253	-	253
Accounts payable	14,780	1,379	-	16,159
Intercompany payable	27,633	-	(27,633)	-
Estimated third-party payor settlements	4,437	-	-	4,437
Accrued salaries and compensated absences	8,716	1,260	-	9,976
Other accrued expenses	8,319	1,162	-	9,481
Deferred revenue	514	236	-	750
Total current liabilities	69,375	4,857	(27,633)	46,599
Long-term debt, excluding current maturities	145,300	29,176	-	174,476
Notes payable to community development entities	-	-	-	-
Other noncurrent liabilities	212	-	-	212
Professional liability claims obligation, net	2,964	699	-	3,663
Total liabilities	217,851	34,732	(27,633)	224,950
Net position	278,658	50,332	(50,332)	278,658
Total liabilities and net position	$ 496,509	$ 85,064	$ (77,965)	$ 503,608

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Foundation	CHSI	QALICB I	Subtotal	Eliminations	Combined
$ -	$ 1.040	$ 644	$ 3.526	$ -	$ 3.526
-	-	-	100	-	100
-	9.632	-	63.290	-	63.290
239	15	-	7.314	-	7.314
-	214	-	7.958	-	7.958
-	-	-	223	-	223
-	112	28	3.315	-	3.315
239	11.013	672	85.726	-	85.726
-	-	-	10.956	-	10.956
1.037	-	2.633	3.670	-	3.670
-	-	-	3.881	-	3.881
6.513	-	-	149.933	-	149.933
7.550	-	2.633	168.440	-	168.440
-	350	2.991	33.393	-	33.393
-	3.529	14.457	225.245	-	225.245
-	3.879	17.448	258.638	-	258.638
-	131	-	18.501	(18.501)	-
30	-	-	1.828	(1.828)	-
-	-	-	9.785	-	9.785
-	-	-	358	-	358
30	131	-	30.472	(20.329)	10.143
7.819	15.023	20.753	543.276	(20.329)	522.947
-	-	-	3.927	-	3.927
$ 7.819	$ 15.023	$ 20.753	$ 547.203	$ (20.329)	$ 526.874
$ 450	$ 43	$ -	$ 6.036	$ -	$ 6.036
-	-	-	253	-	253
-	395	-	16.554	-	16.554
-	1.476	352	1.828	(1.828)	-
-	-	-	4.437	-	4.437
-	6.190	-	16.166	-	16.166
-	462	45	9.988	-	9.988
-	-	-	750	-	750
450	8.566	397	56.012	(1.828)	54.184
450	1.189	-	176.115	-	176.115
-	-	13.824	13.824	-	13.824
-	-	-	212	-	212
-	218	-	3.881	-	3.881
900	9.973	14.221	250.044	(1.828)	248.216
6.919	5.050	6.532	297.159	(18.501)	278.658
$ 7.819	$ 15.023	$ 20.753	$ 547.203	$ (20.329)	$ 526.874

GLYNN-BRUNSWICK MEMORIAL HOSPITAL AUTHORITY, dba
SOUTHEAST GEORGIA HEATH SYSTEM

Combining Statement of Revenues, Expenses and Changes in Net Position (in thousands)

For the Year Ended April 30, 2014

	Brunswick Campus	Camden Campus	Eliminations	Total Brunswick and Camden
Operating revenues				
Net patient service revenue	$ 237,898	$ 41,107	$ -	$ 279,005
Other revenue	10,051	2,034	-	12,085
Total operating revenues	247,949	43,141	-	291,090
Operating expenses				
Salaries and wages	72,916	14,172	-	87,088
Employee benefits	24,256	4,322	-	28,578
Contract personnel	7,211	466	-	7,677
Professional fees	4,841	15	-	4,856
Supplies and drugs	53,310	6,539	-	59,849
Physician fees	6,995	2,160	-	9,155
Insurance and utilities	8,745	431	-	9,176
Outside services	19,961	3,706	-	23,667
Depreciation and amortization	18,496	2,822	-	21,318
Hospital provider fee	4,306	506	-	4,812
Other	5,702	1,089	-	6,791
Total operating expenses	226,739	36,228	-	262,967
Operating income (loss)	21,210	6,913	-	28,123
Non-operating revenues (expenses)				
Investment income	4,763	102	-	4,865
Interest expense	(5,560)	(1,662)	-	(7,222)
Realized gain on investments	10,461	-	-	10,461
Unrealized (loss) gain on investments	(4,321)	-	-	(4,321)
Other	721	105	-	826
Total non-operating revenues (expenses)	6,064	(1,455)	-	4,609
Excess (deficit) of revenues over expenses	27,274	5,458	-	32,732
Equity in earnings of affiliates	(4,233)	-	(5,458)	(9,691)
Distributions to non-controlling interests	(816)	-	-	(816)
Equity transfers	(26,000)	-	-	(26,000)
Capital grants and contributions	4,918	-	-	4,918
Increase (decrease) in net position	$ 1,143	$ 5,458	$ (5,458)	$ 1,143

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Foundation	CHSI	QALICB I	Subtotal	Eliminations	Combined
$ -	$ 36,616	$ -	$ 315,621	$ -	$ 315,621
283	3,929	103	16,400	(6,567)	9,833
283	40,545	103	332,021	(6,567)	325,454
179	46,675	-	133,942	-	133,942
47	8,523	-	37,148	-	37,148
-	2,125	-	9,802	-	9,802
-	284	-	5,140	-	5,140
14	3,737	-	63,600	-	63,600
-	1,726	-	10,881	(3,262)	7,619
14	389	-	9,579	-	9,579
13	3,690	-	27,370	-	27,370
-	680	375	22,373	-	22,373
-	-	-	4,812	-	4,812
319	4,118	-	11,228	(3,305)	7,923
586	71,947	375	335,875	(6,567)	329,308
(303)	(31,402)	(272)	(3,854)	-	(3,854)
225	5	6	5,101	-	5,101
-	(64)	(91)	(7,377)	-	(7,377)
81	-	-	10,542	-	10,542
557	-	-	(3,764)	-	(3,764)
-	17	-	843	-	843
863	(42)	(85)	5,345	-	5,345
560	(31,444)	(357)	1,491	-	1,491
-	(8)	-	(9,699)	9,699	-
-	(66)	-	(882)	-	(882)
-	26,000	-	-	-	-
(4,384)	-	-	534	-	534
$ (3,824)	$ (5,518)	$ (357)	$ (8,556)	$ 9,699	$ 1,143