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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 07-01-2013 , 2013, and ending 06-30-2014

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

C Name of organization
FLOYD HEALTHCARE MANAGEMENT INC

Doing Business As

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

City or town, state or province, country, and ZIP or foreign postal code
ROME, GA 301620233

D Employer identification number
58-1973570

E Telephone number
(706) 509-6074

G Gross receipts $ 399,973,649

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

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: ▶ WWW FLOYD ORG

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

L Year of formation 1990

M State of legal domicile GA

Part I Summary

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

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	3,579
6	Total number of volunteers (estimate if necessary)	6	185
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,216,813
b	Net unrelated business taxable income from Form 990-T, line 34	7b	217,994

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	2,485,440	452,870
9	Program service revenue (Part VIII, line 2g)	322,128,422	333,335,915
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,770,360	5,852,093
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,442,632	4,874,855
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	331,826,854	344,515,733
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,899,816	1,508,266
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)	175,508,158	181,353,568
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶204,844		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	149,879,280	148,507,526
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	327,287,254	331,369,360
19	Revenue less expenses Subtract line 18 from line 12	4,539,600	13,146,373

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	348,973,368	361,388,788
21	Total liabilities (Part X, line 26)	218,203,492	215,720,786
22	Net assets or fund balances Subtract line 21 from line 20	130,769,876	145,668,002

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

****** 2015-05-15
Signature of officer Date

RICHARD T SHEERIN 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
JACQUELINE G ATKINS		2015-05-12		P00861721

Firm's name ▶ DRAFFIN & TUCKER LLP — Firm's EIN ▶ 58-0914992

Firm's address ▶ PO BOX 71309
ALBANY, GA 317081309 — Phone no (229) 883-7878

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

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

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 264,228,383 including grants of $ 1,508,266) (Revenue $ 332,707,477)

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

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 264,228,383

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 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	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, 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	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *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**	Yes	
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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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**	Yes	
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**	Yes	
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
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**		
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	264		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,579		
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		Yes	
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		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	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			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
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	18		
	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	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			No
6	Did the organization have members or stockholders?	6			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			No

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

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

Section C. Disclosure

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

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

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

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

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

Check if Schedule O contains a response 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			

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)** . . . . . ▶								7,815,021	5,750	623,416

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 ▶169

			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
BRASFIELD AND GORRIE LLC PO BOX 11407 BIRMINGHAM AL 352461407	GEN CONTRACTOR	7,294,664
CERNER CORP PO BOX 412702 KANSAS CITY MO 641412702	IT SERVICES	6,056,633
ARAMARK MANAGEMENT SERVICES PO BOX 233 ROME GA 301610233	LAUNDRY	4,691,706
IN COMPASS HEALTH INC 318 MAXWELL ROAD SUITE 500 ALPHARETTA GA 30009	HOSPITALIST	3,110,257
MORRISON MANAGEMENT SPECIALISTS PO BOX 102289 ATLANTA GA 303682289	DIETARY SVC	2,528,850

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 ▶58

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				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	452,870			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		452,870			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	623000	330,526,126	330,526,126		
	b	FAMILY PRACTICE CAPITATION	621990	1,592,976	1,592,976		
	c	REFERENCE LAB	621500	909,234		909,234	
	d	SUBWAY/STARBUCKS	722513	307,579		307,579	
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		333,335,915			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,549,401			1,549,401
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					

		(i) Real	(ii) Personal				
	6a	Gross rents	3,842,488					
	b	Less rental expenses	237,654					
	c	Rental income or (loss)	3,604,834					
	d	Net rental income or (loss) . . . . . ▶		3,604,834			3,604,834

		(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	59,380,670	142,284			
	b	Less cost or other basis and sales expenses	55,157,842	62,420			
	c	Gain or (loss)	4,222,828	79,864			
	d	Net gain or (loss) . . . . . ▶		4,302,692			4,302,692
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722513	681,646			681,646
	b	MISCELLANEOUS INCOME	621990	529,470	529,470		
	c	FAMILY PRACTICE REVENUE	621110	31,143	31,143		
	d	All other revenue		27,762	27,762		
	e	**Total.** Add lines 11a–11d . . . . . ▶		1,270,021			
	12	**Total revenue.** See Instructions . . . . . ▶		344,515,733	332,707,477	1,216,813	10,138,573

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	1,394,690	1,394,690		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	113,576	113,576		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	6,061,153	750,167	5,310,986	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	135,379,214	113,203,135	22,021,316	154,763
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,284,726	4,505,013	773,556	6,157
9 Other employee benefits	25,172,139	20,575,574	4,568,442	28,123
10 Payroll taxes	9,456,336	7,001,575	2,443,497	11,264
11 Fees for services (non-employees)				
a Management				
b Legal	509,516	35,687	473,829	
c Accounting	420,888		420,888	
d Lobbying	29,232		29,232	
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	33,846,433	28,140,784	5,705,649	
12 Advertising and promotion	1,738,667	178,350	1,560,317	
13 Office expenses	7,872,863	6,101,643	1,768,096	3,124
14 Information technology	7,050,889	1,124,637	5,926,252	
15 Royalties . .				
16 Occupancy	15,663,362	13,570,737	2,092,625	
17 Travel	2,959,570	1,163,177	1,794,980	1,413
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	556,005	430,278	125,727	
20 Interest	398,335		398,335	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	23,097,445	20,011,626	3,085,819	
23 Insurance	3,008,043	719,068	2,288,975	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	41,179,045	41,127,470	51,575	
b R&M	4,295,928	2,765,825	1,530,103	
c LICENSE & TAXES	3,734,991	157,840	3,577,151	
d DUES & SUBSCRIPTIONS	1,022,662	306,315	716,347	
e All other expenses	1,123,652	851,216	272,436	
25 **Total functional expenses.** Add lines 1 through 24e	331,369,360	264,228,383	66,936,133	204,844
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		2,722,055	1	3,869,580
	2	Savings and temporary cash investments		39,160,943	2	44,039,612
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		50,531,968	4	65,869,855
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		93,134	6	72,871
	7	Notes and loans receivable, net		804,674	7	790,348
	8	Inventories for sale or use		10,017,186	8	9,727,134
	9	Prepaid expenses and deferred charges		3,664,480	9	2,993,776
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 347,177,904			
	b	Less accumulated depreciation	10b 178,911,595	173,859,457	10c	168,266,309
	11	Investments—publicly traded securities		46,952,106	11	61,485,969
	12	Investments—other securities See Part IV, line 11		1,583,919	12	1,583,919
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		1,040,826	14	948,989
	15	Other assets See Part IV, line 11		18,542,620	15	1,740,426
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		348,973,368	16	361,388,788
Liabilities	17	Accounts payable and accrued expenses		30,833,373	17	37,272,117
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		122,815,472	20	120,301,042
	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		35,702,371	23	32,225,769
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		28,852,276	25	25,921,858
	26	**Total liabilities.** Add lines 17 through 25		218,203,492	26	215,720,786
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		130,769,876	27	145,668,002
	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		130,769,876	33	145,668,002
	34	Total liabilities and net assets/fund balances		348,973,368	34	361,388,788

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	344,515,733
2	Total expenses (must equal Part IX, column (A), line 25)	2	331,369,360
3	Revenue less expenses Subtract line 2 from line 1	3	13,146,373
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	130,769,876
5	Net unrealized gains (losses) on investments	5	-963,871
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	2,715,624
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	145,668,002

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		

Additional Data

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

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

(A) Name and Title	(B) Average hours per week (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			
KURT STUENKEL PRES/SECRE/C	50 00 5 00	X		X				1,027,247	0	65,222
ROBERT HOLCOMBE JR MD DIRECTOR	41 00 1 00	X						344,262	0	20,697
BRAD WARD MD DIRECTOR	41 00 1 00	X						190,407	0	11,024
JAMES COLLINS JR MD DIRECTOR	41 00 1 00	X						189,027	0	0
JERRY NORMAN DIRECTOR	1 00 3 00	X						10,898	0	0
GEORGE BOSWORTH MD CHAIRMAN	1 00 2 00	X		X				5,750	3,000	0
KAY CHUMBLER DIRECTOR	1 00 2 00	X						8,375	0	0
JOHN MAYES DIRECTOR	1 00 2 00	X						7,948	0	0
JOHN SAM FREEMAN DIRECTOR	1 00 3 00	X						7,625	0	0
J ROGER SUMNER PAST CHAIRMA	1 00 2 00	X						4,750	2,750	0
FRANK SHELLEY DIRECTOR	1 00 2 00	X						6,500	0	0
DAVID JOHNSON DIRECTOR	1 00 2 00	X						6,075	0	0
GARRY FRICKS DIRECTOR	1 00 1 00	X						4,125	0	0
CARL HERRING MD DIRECTOR	1 00 1 00	X						4,000	0	0
TIM MAHANAY DIRECTOR	1 00 1 00	X						3,875	0	0
LARRY KUGLAR DIRECTOR	1 00 2 00	X						3,000	0	0
WILLIAM V WIGLEY VICE CHAIRMA	1 00 1 00	X		X				2,875	0	0
MARK MANIS DIRECTOR	1 00 2 00	X						0	0	0
RICHARD T SHEERIN CFO	50 00 5 00			X				338,538	0	48,033
WARREN RIGAS SVP COO	40 00				X			338,713	0	52,328
JOSEPH BIUSO MD VP & CMO	40 00				X			335,212	0	56,114
C WADE MONK GENERAL COUN	40 00				X			290,520	0	67,157
SHEILA HORNER VP & CNO	40 00				X			244,669	0	6,588
REBEKAH LOWREY MD SURGICAL DIR	40 00				X			218,040	0	8,938
GREG POLLEY VICE PRESIDE	40 00				X			208,564	0	65,595

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

(A) Name and Title	(B) Average hours per week (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			
DAN SWEITZER VP MARKET DE	40 00				X			192,922	0	39,433
JEFFERY D BUDA CHF INFORMAT	40 00				X			188,281	0	4,917
ALISON LAND VICE PRESIDE	40 00				X			183,400	0	40,788
ROBERT PURCELL PHARMACY DIR	40 00				X			179,269	0	29,874
BETH BRADFORD CHIEF HR OFF	40 00				X			157,722	0	6,391
KIMBERLY SCOGGINS ADMINISTRATO	40 00				X			155,843	0	13,233
DAVID EARLY DIRECTOR SUP	40 00				X			155,652	0	18,488
JOHN HARDWELL MD PHYSICIAN	40 00					X		795,726	0	11,376
MOLLY VICCHRILLI MD PHYSICIAN	40 00					X		539,950	0	17,516
LOUIS A SPENCER MD PHYSICIAN	40 00					X		522,163	0	9,525
SMITA VARSHNEYMD HOSPITALIST	40 00					X		493,837	0	21,183
MATTHEW T CORNFORTH MD PHYSICIAN	40 00					X		449,261	0	8,996

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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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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

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

1 ☐ A church, convention of churches, or association of churches 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)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

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

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions))**	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of monetary support
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

Part 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
SUPPLEMENTAL INFORMATION	SCHEDULE A, PART IV - REASON FOR NON-PRIVATE FOUNDATION STATUS ON JANUARY 1, 1998 FLOYD HEALTHCARE MANAGEMENT, INC ACQUIRED BY LEASE ALL OF THE ASSETS OF THE HOSPITAL AUTHORITY OF FLOYD COUNTY AND THEREBY BECAME THE LICENSED OPERATOR OF FLOYD MEDICAL CENTER, A GENERAL, ACUTE CARE HOSPITAL WITH 300+ BEDS SINCE THAT TIME, FLOYD HEALTHCARE MANAGEMENT, INC HAS CONTINUED TO OPERATE FLOYD MEDICAL CENTER AS A NON-PROFIT HOSPITAL, OFFERING A WIDE ARRAY OF SERVICES TO THE COMMUNITY, INCLUDING AN EMERGENCY ROOM WHICH SEES APPROXIMATELY 78,000 PATIENTS PER YEAR AND A BUSY OUTPATIENT INDIGENT CLINIC

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

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2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
FLOYD HEALTHCARE MANAGEMENT INC	58-1973570

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		29,232
j	Total Add lines 1c through 1i			29,232
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
SCHEDULE C, PART II-B, LINE 1	THE ORGANIZATION PAYS MEMBERSHIP DUES TO NATIONAL AND STATE ORGANIZATIONS A PORTION OF THOSE DUES IS ALLOCATED TO LOBBYING ACTIVITIES IN WHICH THOSE ORGANIZATIONS PARTICIPATE

Part IV Supplemental Information *(continued)*

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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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	(b) (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		12,929,005		12,929,005
b Buildings		122,010,280	45,640,373	76,369,907
c Leasehold improvements		14,788,373	9,230,189	5,558,184
d Equipment		183,931,675	124,041,033	59,890,642
e Other		13,518,571		13,518,571
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				168,266,309

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	
ACCRUED PENSION	16,588,495
MALPRACTICE CLAIMS	6,640,429
ACCRUED INTEREST	2,692,934
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	25,921,858

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	339,613,507
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-963,871		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	8,721,204		
e	Add lines **2a** through **2d**			2e	7,757,333
3	Subtract line **2e** from line **1**			3	331,856,174
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	12,659,559		
c	Add lines **4a** and **4b**			4c	12,659,559
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	344,515,733

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	326,480,315
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	8,745,204		
e	Add lines **2a** through **2d**			2e	8,745,204
3	Subtract line **2e** from line **1**			3	317,735,111
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	13,634,249		
c	Add lines **4a** and **4b**			4c	13,634,249
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	331,369,360

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
SCHEDULE D, PAGE 3, PART X	THE CORPORATION IS A NOT-FOR-PROFIT CORPORATION THAT HAS BEEN RECOGNIZED AS TAX-EXEMPT PURSUANT TO SECTION 501(C)3 OF THE INTERNAL REVENUE CODE THE CORPORATION APPLIES ACCOUNTING POLICIES THAT PRESCRIBE WHEN TO RECOGNIZE AND HOW TO MEASURE THE FINANCIAL STATEMENT EFFECTS OF INCOME TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON ITS INCOME TAX RETURNS THESE RULES REQUIRE MANAGEMENT TO EVALUATE THE LIKELIHOOD THAT, UPON EXAMINATION BY THE RELEVANT TAXING JURISDICTIONS, THOSE INCOME TAX POSITIONS WOULD BE SUSTAINED BASED ON THAT EVALUATION, THE CORPORATION ONLY RECOGNIZES THE MAXIMUM BENEFIT OF EACH INCOME TAX POSITION THAT IS MORE THAN 50% LIKELY OF BEING SUSTAINED TO THE EXTENT THAT ALL OR A PORTION OF THE BENEFITS OF AN INCOME TAX POSITION ARE NOT RECOGNIZED, A LIABILITY WOULD BE RECOGNIZED FOR THE UNRECOGNIZED BENEFITS, ALONG WITH ANY INTEREST AND PENALTIES THAT WOULD RESULT FROM DISALLOWANCE OF THE POSITION SHOULD ANY SUCH PENALTIES AND INTEREST BE INCURRED, THEY WOULD BE RECOGNIZED AS OPERATING EXPENSES BASED ON THE RESULTS OF MANAGEMENT'S EVALUATION, NO LIABILITY IS RECOGNIZED IN THE ACCOMPANYING BALANCE SHEET FOR UNRECOGNIZED INCOME TAX POSITIONS FURTHER, NO INTEREST OR PENALTIES HAVE BEEN ACCRUED OR CHARGED TO EXPENSE AS OF JUNE 30, 2014 AND 2013 OR FOR THE YEARS THEN ENDED THE CORPORATION'S TAX RETURNS ARE SUBJECT TO POSSIBLE EXAMINATION BY THE TAXING AUTHORITIES FOR FEDERAL INCOME TAX PURPOSES, THE TAX RETURNS ESSENTIALLY REMAIN OPEN FOR POSSIBLE EXAMINATION FOR A PERIOD OF THREE YEARS AFTER THE RESPECTIVE FILING DEADLINES OF THOSE RETURNS
SCHEDULE D, PAGE 4, PART XI, LINE 2D	RENTAL EXPENSES 237,654 INTERCOMPANY CONTRACTUALS 8,483,244 VENDOR REVENUE 306
SCHEDULE D, PAGE 4, PART XI, LINE 4B	GAIN ON SALE/LEASEBACK MOB 86,215 CAPITAL CONTRIBUTIONS 420,000 INTERCOMPANY PATIENT SERVICE REVENUES 12,153,344
SCHEDULE D, PAGE 4, PART XII, LINE 2D	RENTAL EXPENSES 237,654 VENDOR REVENUE 306 PMCI EXPENSES NOT INCLUDED ON THE 990 24,000 INTERCOMPANY CONTRACTUALS 8,483,244
SCHEDULE D, PAGE 4, PART XII, LINE 4B	GAIN ON SALE/LEASEBACK MOB 86,215 EQUITY TRANSFER 1,394,690 INTERCOMPANY PATIENT SERVICE REVENUES 12,153,344

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493133019205

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 125 0000000000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 325 0000000000 %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			20,337,360		20,337,360	6 130 %
b Medicaid (from Worksheet 3, column a)			55,902,810	35,303,235	20,599,575	6 210 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			76,240,170	35,303,235	40,936,935	12 340 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)			6,350,239	2,994,430	3,355,809	1 010 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,054,695	2,400	1,052,295	0 320 %
j **Total.** Other Benefits			7,404,934	2,996,830	4,408,104	1 330 %
k **Total.** Add lines 7d and 7j			83,645,104	38,300,065	45,345,039	13 670 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2 39,998,492		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3 21,199,201		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	77,659,510
6	Enter Medicare allowable costs of care relating to payments on line 5	6	78,298,159
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-638,649
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group FLOYD HEALTHCARE MANAGEMENT INC

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 14			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW FLOYD ORG			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 125 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 325 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

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

	Name and address	Type of Facility (describe)
1	FLOYD HEYMAN HOSPICE P O BOX 233 ROME,GA 30165	HOME HOSPICE CARE
2	FLOYD EMERGENCY MEDICAL SERVICES P O BOX 233 ROME,GA 30165	EMERGENCY SERVICES
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F) - EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE	IN DERIVING THE DENOMINATOR TO BE USED FOR COLUMN (F), THE FOLLOWING ADJUSTMENTS WERE MADE TO THE TOTAL EXPENSES REPORTED ON FORM 990, PART IX, LINE 25 FORM 990, PART IX, LINE 25 331,369,360 ADD EXPENSES REPORTED IN PART VIII 237,654 DENOMINATOR FOR COLUMN (F) 331,607,014

Form and Line Reference	Explanation
PART I, LINE 7 - COSTING METHODOLOGY EXPLANATION	THE DATA REPORTED IN THIS AREA IS REPORTED AS INSTRUCTED BY CATHOLIC HEALTH ASSOCIATION'S "A GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFITS, 2008" SEE ALSO THE DESCRIPTION FOR PART III, LINE 4

Form and Line Reference	Explanation
PART III, LINE 2 - BAD DEBT EXPENSE METHODOLOGY	AMOUNTS INCLUDED ON PART III LINE 2 REPRESENT THE AMOUNT OF CHARGES CONSIDERED UNCOLLECTIBLE AFTER REASONABLE ATTEMPTS TO COLLECT, AND WRITTEN OFF TO BAD DEBT EXPENSE THE FIGURE ON PART III LINE 3 REPRESENTS MANAGEMENT'S ESTIMATE (APPROXIMATELY 53%) BASED ON AN ANALYSIS OF SELF PAY PATIENTS' ABILITY TO PAY THEIR OUTSTANDING ACCOUNT THIS ANALYSIS INCLUDES REVIEWING THE PATIENT'S CREDIT HISTORY, INCOME LEVELS AND OVERALL COLLECTIBILITY OF THE ACCOUNT

Form and Line Reference	Explanation
BAD DEBT EXPENSE FOOTNOTE TO FINANCIAL STATEMENTS	ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE CORPORATION ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE CORPORATION ANALYZES CONTRACTUALLY DUE AMOUNTS, SERVICE DATES, AND SERVICE TYPE AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY, BASED ON THE ANTICIPATED REIMBURSEMENT MANAGEMENT ALSO REVIEWS SUBSEQUENT COLLECTION ACTIVITY TO ASSESS THE ACCURACY OF THE ALLOWANCE ESTIMATED FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE CORPORATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF PRIOR PAYMENTS, SERVICE DATE, SERVICE TYPE, AND ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE HOSPITAL'S ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR SELF-PAY PATIENTS WAS 97% AND 96% OF SELF-PAY ACCOUNTS RECEIVABLE AT JUNE 30, 2014 AND 2013, RESPECTIVELY IN ADDITION, THE HOSPITAL'S SELF-PAY WRITE OFFS, INCLUDING WRITE OFFS FOR CHARITY AND INDIGENT PATIENTS, INCREASED APPROXIMATELY 14,000,000 FROM 105,000,000 FOR FISCAL YEAR 2013 TO 119,000,000 FOR FISCAL YEAR 2014 THE INCREASE IN WRITE OFFS WAS MOSTLY ATTRIBUTED TO THE HOSPITAL PROCESSING MORE SELF-PAY CLAIMS, WHICH RESULTED IN MORE CLAIMS BEING SENT THROUGH THE COLLECTIONS PROCESS AND WRITTEN OFF THE HOSPITAL CHANGED ITS CHARITY CARE AND UNINSURED DISCOUNT POLICIES DURING FISCAL YEAR 2013 TO COMPLY WITH IRS REGULATION 501(R)

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

Form and Line Reference	Explanation
PART III, LINE 9B - COLLECTION PRACTICES EXPLANATION	FOR PATIENTS RECEIVING ONLY A PORTION OF THEIR BILL AS CHARITY, THE REMAINING PORTION OF THE BILL IS TREATED THE SAME AS ALL OTHER PATIENTS IN REGARDS TO COLLECTIONS

Form and Line Reference	Explanation
PART VI, LINE 2 - NEEDS ASSESSMENT	FLOYD HEALTHCARE MANAGEMENT, INC ("FHMI") COMPLETED A HEALTH CARE NEEDS ASSESSMENT IN CHATTOOGA, FLOYD, AND POLK COUNTIES IN FISCAL YEAR 2014 THIS INCLUDED A RANDOM PAPER SURVEY OF RESIDENTS OF EACH COUNTY AS WELL AS INTERVIEWS WITH COMMUNITY LEADERS AND HEALTH CARE PROFESSIONALS AND FOCUS GROUPS IN ADDITION, FHMI DEVELOPS A STRATEGIC PLAN THAT IS UPDATED ANNUALLY THE STRATEGIC PLAN TAKES INTO CONSIDERATION HEALTH NEEDS FOR OUR SERVICE AREA IN ADDITION TO UTILIZATION OF SERVICES, COMMUNITY PARTICIPATION, AND QUALITY OF SERVICES PROVIDED BOTH THE 2014 CHNA AND IMPLEMENTATION PLAN ARE POSTED ON THE FACILITY'S HOME WEBPAGE

Form and Line Reference	Explanation
PART VI, LINE 3 - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	FHMI COMMUNICATES THIS INFORMATION THROUGH SIGNAGE IN THE EMERGENCY CARE CENTER, PATIENT REGISTRATION AREAS, IN THE BUSINESS/PATIENT FINANCIAL SERVICES OFFICES, AND IN THE OFFICES OF OUR FINANCIAL COUNSELORS DURING TIMES OF PREADMISSION AS WELL AS ON-SITE REGISTRATION THE ACCESS/REGISTRATION STAFF DISCUSS POLICIES WITH THE PATIENT/PATIENT'S FAMILY IF APPROPRIATE AFTER DISCHARGE AND DURING THE "COLLECTION" PERIOD OUR STAFF ONCE AGAIN DISCUSS OUR FINANCIAL ASSISTANCE POLICIES IN ADDITION THERE IS A DEMONSTRATED WORD-OF-MOUTH COMMUNICATION OF THESE POLICIES THROUGH OUR PATIENT POPULATION

Form and Line Reference	Explanation
PART VI, LINE 4 - COMMUNITY INFORMATION	LOCATED IN NORTHWEST GA, FHMI DBA FLOYD MEDICAL CENTER ("FMC") IS BASED IN ROME, GA, WHICH IS THE COUNTY SEAT FOR FLOYD COUNTY, ABOUT 60 MILES NORTH OF ATLANTA AND 60 MILES SOUTH OF CHATTANOOGA, TN THE 162,135 (2014 ESTIMATE) RESIDENTS OF THE THREE-COUNTY REGION ARE SERVED BY FMC AND TWO SMALLER HOSPITALS THE POPULATION BASE IS APPROXIMATELY 76% CAUCASIAN, 13% AFRICAN AMERICAN, 9% HISPANIC OR LATINO AND 2% OTHER ETHNICITIES NORTHWEST GA IS A MEDICAL AND EDUCATIONAL HUB THREE OF THE LARGEST EMPLOYERS IN THE THREE-COUNTY AREA ARE HEALTH CARE PROVIDERS THE AREA IS ALSO HOME TO FOUR POST-SECONDARY EDUCATIONAL INSTITUTIONS STILL, THE MANUFACTURING SECTOR REMAINS AN ECONOMIC FORCE IN THE AREA THE UNEMPLOYMENT RATE FOR THE THREE-COUNTY AREA WAS 7% IN 2014, AND ALMOST 23% OF RESIDENTS ARE BELOW THE FEDERAL POVERTY LEVEL SLIGHTLY MORE THAN ONE-FOURTH OF THE ADULT POPULATION (26 8%) HAS NOT GRADUATED HIGH SCHOOL THE PRIMARY CAUSES OF DEATH IN THESE COUNTIES ARE "ISCHEMIC HEART AND VASCULAR DISEASE "MALIGNANT NEOPLASMS OF THE TRACHEA, BRONCHUS AND LUNG "COPD "CEREBROVASCULAR DISEASE "ALZHEIMER'S DISEASE "ACCIDENTAL POISONING AND EXPOSURE TO NOXIOUS SUBSTANCES "SUICIDE "FALLS

Form and Line Reference	Explanation
PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH	FHMI IS THE SAFETY-NET HEALTH CARE PROVIDER FOR NORTHWEST GEORGIA IN ADDITION TO PROVIDING EMERGENCY CARE SERVICES, FMC HAS GONE THE EXTRA STEP OF PROVIDING 24-HOUR COVERAGE FOR SURGERY AND OTHER SERVICES TO MAINTAIN STATUS AS A LEVEL II TRAUMA CENTER FHMI IS ALSO THE SITE FOR THE REGIONAL POISON CONTROL CENTER, HOUSES THE REGION'S ONLY LEVEL III NEONATAL INTENSIVE CARE UNIT, AND OPERATES A FAMILY MEDICINE RESIDENCY PROGRAM THAT OPERATES THE FLOYD COUNTY CLINIC TO PROVIDE BASIC HEALTH CARE SERVICES FOR THE ECONOMICALLY DISADVANTAGED IN THE COMMUNITY IN ADDITION TO THESE SERVICES, FHMI ACTIVELY PROMOTES HEALTH AND SAFETY THROUGHOUT THE COMMUNITY THROUGH VARIOUS COMMUNITY BENEFIT ACTIVITIES, PRIMARILY THROUGH THE PROVISION OF INDIGENT AND CHARITY CARE TO UNDER-INSURED AND UNINSURED PATIENTS IN ADDITION, FLOYD IS ACTIVE IN THE COMMUNITY PROVIDING SCHOOL-BASED CHILD SAFETY PROGRAMS, MOBILE MAMMOGRAPHY, CHILDBIRTH CLASSES, COMMUNITY HEALTH SCREENINGS AND HEALTH FAIRS, HEALTH CARE INTERNSHIPS, EXTERNSHIPS AND SHADOWING OPPORTUNITIES, AND SUPPORT FOR COMMUNITY-WIDE INITIATIVES WITH HEALTH PARTNERS INCLUDING THE NORTHWEST GEORGIA CANCER COALITION, CANCER NAVIGATORS, AND THE FREE CLINIC OF ROME

Form and Line Reference	Explanation
PART VI, LINE 6 - AFFILIATED HEALTH CARE SYSTEM	FLOYD HEALTHCARE MANAGEMENT, INC (FHMI) OPERATES FLOYD MEDICAL CENTER (FMC), A GENERAL ACUTE CARE HOSPITAL, AND FLOYD BEHAVIORAL HEALTH CENTER, A PSYCHIATRIC UNIT THESE TWO FACILITIES SERVE THE AREAS OF FLOYD COUNTY AND THE NORTHWEST GEORGIA REGION OTHER AFFILIATED ORGANIZATIONS INCLUDE - HOSPITAL AUTHORITY OF FLOYD COUNTY - A NONPROFIT ORGANIZATION THAT SUPPORTS FMC AND OPERATES POLK MEDICAL CENTER, A 25-BED, CRITICAL ACCESS HOSPITAL LOCATED IN CEDARTOWN, GA - FLOYD HEALTHCARE RESOURCES, INC - A NONPROFIT ORGANIZATION WHICH FACILITATES THE OPERATIONS OF FMC FOR THE BENEFIT OF CITIZENS LOCATED IN FLOYD COUNTY AND THE NORTHWEST GEORGIA REGION - HOSPITAL AUTHORITY OF FLOYD COUNTY SELF INSURANCE TRUST - A NONPROFIT ORGANIZATION THAT SUPPORTS THE HOSPITAL AUTHORITY OF FLOYD COUNTY THIS ORGANIZATION PROVIDES FUNDING TO SATISFY MALPRACTICE AND COMPREHENSIVE GENERAL PATIENT CLAIMS AGAINST THE AUTHORITY AND FHMI - FLOYD HEALTH CARE FOUNDATION, INC - A NONPROFIT ORGANIZATION THAT PROMOTES HEALTH CARE BY PROVIDING SUPPORT TO TAX-EXEMPT HEALTH CARE ORGANIZATIONS AND PUBLIC CHARITIES IN AND AROUND THE ROME, GEORGIA AREA - POLK MEDICAL CENTER, INC - A 25-BED, CRITICAL ACCESS HOSPITAL WHICH PROVIDES INPATIENT AND OUTPATIENT SERVICES

Form and Line Reference	Explanation
PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT	GEORGIA

Additional Data

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

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
FACILITY 1, FLOYD HEALTHCARE MANAGEMENT INC - PART V, LINE 3	
FACILITY 1, FLOYD HEALTHCARE MANAGEMENT INC - PART V, LINE 5C	THE 2014 CHNA HAS BEEN DISTRIBUTED UPON REQUEST TO OTHER NON-PROFIT AGENCIES IN THE AREA T O ASSIST WITH GRANTS COPIES HAVE ALSO BEEN MADE AVAILABLE TO ELECTED OFFICIALS, CHAMBERS OF COMMERCE, AND EDUCATIONAL INSTITUTIONS IN THE AREA
FACILITY 1, FLOYD HEALTHCARE MANAGEMENT INC - PART V, LINE 20D	FLOYD USES A SLIDING SCALE BASED ON FEDERAL POVERTY GUIDELINES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

▶ **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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. 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) HOSPITAL AUTHORITY OF FLOYD COUNTY 304 TURNER MCCALL BLVD ROME,GA 301610233	58-6001173	501C3	1,394,690				PENSION PLAN FUNDING

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 . . . . . ▶

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
(1) COBRA INSURANCE PREMIUM	24	68,103			
(2) TUITION	19	45,473			

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

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, 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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☑ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
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**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
SCHEDULE J, PAGE 1, PART I, LINE 1A	TRAVEL FOR COMPANIONS SPOUSAL TRAVEL EXPENSES ARE REIMBURSED WHEN ATTENDANCE IS NECESSARY AND APPROPRIATE THE POLICY RECOGNIZES THAT GOVERNING BOARD MEMBERS AND SENIOR EXECUTIVES ARE OFTEN PLACED IN SOCIAL SITUATIONS AT SUCH MEETINGS AND WOULD REPRESENT THE HOSPITAL OPTIMALLY WITH THE ASSISTANCE OF THEIR SPOUSES CONSEQUENTLY, THESE BENEFITS ARE NOT INCLUDED IN THEIR TAXABLE WAGES SPOUSAL TRAVEL EXPENSES REQUIRE PRIOR APPROVAL AND ARE LIMITED TO EVENTS WHERE BOARD MEMBERS AND SENIOR EXECUTIVES ATTEND REIMBURSEMENT SHALL BE LIMITED TO TRANSPORTATION EXPENSE NOT TO EXCEED THE AIR TRAVEL RATE IN COACH CLASS AND OUT-OF-POCKET EXPENSES WITH RESPECT TO LODGING AND FOOD REIMBURSEMENT SHALL BE LIMITED TO LODGING BASED ON DOUBLE ACCOMMODATIONS FLOYD HEALTHCARE MANAGEMENT, INC ("FHMI") PROVIDES THE CEO WITH A MONTHLY AUTO ALLOWANCE EACH YEAR THE AMOUNT THAT IS NONBUSINESS RELATED IS INCLUDED IN TAXABLE INCOME FHMI PROVIDES A MEMBERSHIP TO THE LOCAL COUNTRY CLUB FOR THE CEO AND CMO ANY AMOUNT CONSIDERED NONBUSINESS IS INCLUDED IN THE RECIPIENT'S TAXABLE INCOME
SCHEDULE J, PAGE 1, PART I, LINE 4	KURT STUENKEL 0 400,449 0
SCHEDULE J, PART III	THE CEO PARTICIPATES IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) WHICH IS FUNDED ANNUALLY IN AN AMOUNT WHICH, WHEN ADDED TO OTHER SOURCES OF RETIREMENT INCOME, WILL AFFORD A RETIREMENT INCOME AT A TARGETED PERCENTAGE OF PRE-RETIREMENT COMPENSATION THE SERP IS A NON-QUALIFIED RETIREMENT PLAN, AND AS SUCH THE ANNUAL FUNDING PAYMENTS PAID INTO IT ARE TAXABLE TO THE PARTICIPANT IN THE YEAR IN WHICH MADE EFFECTIVE WITH CALENDAR YEAR 2009, MR STUENKEL'S SERP IS A CASH-BASED PROGRAM ADDITIONALLY, OF THE 1,027,247 LISTED AS W-2 COMPENSATION FOR MR KURT STUENKEL ON PART VII SECTION A COLUMN (D), 400,449 REPRESENTS THE NONQUALIFIED SERP PLAN ACCORDINGLY, MR STUENKEL'S SALARY FOR 2013 WOULD HAVE BEEN 626,798 EXCLUDING THE 2013 SERP PLAN AMOUNT

Additional Data

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
KURT STUENKEL PRES/SECRE/CEO	(I) (II)	617,023		410,224	44,572	20,650	1,092,469	
ROBERT HOLCOMBE JR MD DIRECTOR	(I) (II)	340,719		3,543		20,697	364,959	
BRAD WARD MD DIRECTOR	(I) (II)	186,943		3,464		11,024	201,431	
JAMES COLLINS JR MD DIRECTOR	(I) (II)	185,243		3,784			189,027	
RICHARD T SHEERIN CFO	(I) (II)	335,287		3,251	33,597	14,436	386,571	
WARREN RIGAS SVP COO	(I) (II)	335,462		3,251	32,644	19,684	391,041	
JOSEPH BIUSO MD VP & CMO	(I) (II)	332,022		3,190	43,488	12,626	391,326	
C WADE MONK GENERAL COUNSEL	(I) (II)	286,243		4,277	45,727	21,430	357,677	
SHEILA HORNER VP & CNO	(I) (II)	242,399		2,270		6,588	251,257	
REBEKAH LOWREY MD SURGICAL DIRECTOR	(I) (II)	215,007		3,033		8,938	226,978	
GREG POLLEY VICE PRESIDENT	(I) (II)	205,554		3,010	41,244	24,351	274,159	
DAN SWEITZER VP MARKET DEVELOP	(I) (II)	187,893		5,029	26,087	13,346	232,355	
JEFFERY D BUDA CHF INFORMATION OFCR	(I) (II)	187,383		898		4,917	193,198	
ALISON LAND VICE PRESIDENT	(I) (II)	182,806		594	21,862	18,926	224,188	
ROBERT PURCELL PHARMACY DIRECTOR	(I) (II)	178,422		847	23,733	6,141	209,143	
BETH BRADFORD CHIEF HR OFFICER	(I) (II)	156,561		1,161		6,391	164,113	
KIMBERLY SCOGGINS ADMINISTRATOR	(I) (II)	155,098		745		13,233	169,076	
DAVID EARLY DIRECTOR SUPPORT SVC	(I) (II)	155,179		473		18,488	174,140	
JOHN HARDWELL MD PHYSICIAN	(I) (II)	794,987		739		11,376	807,102	
MOLLY VICCHRILLI MD PHYSICIAN	(I) (II)	539,230		720		17,516	557,466	

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
LOUIS A SPENCER MD PHYSICIAN	(I) (II)	520,453		1,710		9,525	531,688	
SMITA VARSHNEYMD HOSPITALIST	(I) (II)	493,061		776		21,183	515,020	
MATTHEW T CORNFORTH MD PHYSICIAN	(I) (II)	448,941		320		8,996	458,257	

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSPITAL AUTHORITY OF FLOYD COUNTY REVENUE CERTIFICATES 2003	58-6001973	343575ER3	12-17-2003	40,000,000	HOSPITAL IMPROVEMENTS		X		X		X
B	HOSPITAL AUTHORITY OF FLOYD COUNTY 2009 REVENUE ANTICIPATION BONDS	58-6001973	343575FQ4	06-30-2009	40,000,000	IMPROVEMENTS/DEFEASE 2005-2006 BONDS		X		X		X
C	HOSPITAL AUTHORITY OF FLOYD COUNTY REVENUE BOND SERIES 2012 A	58-6001173	343575GH3	06-27-2012	20,000,000	CAPITAL IMPROVEMENTS		X		X		X
D	HOSPITAL AUTHORITY OF FLOYD COUNTY REVENUE BONDS SERIES 2012B	58-6001173	343575GY6	06-27-2012	31,885,000	DEFEASE 2003 REVENUE SERIES BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	13,160,000		370,000	1,075,000
2	Amount of bonds legally defeased				
3	Total proceeds of issue	40,710,583	40,232,146	20,074,922	34,970,725
4	Gross proceeds in reserve funds	1,572,553	1,332,751	279,011	444,814
5	Capitalized interest from proceeds		18,595,720		
6	Proceeds in refunding escrows	25,989,711			36,387,986
7	Issuance costs from proceeds	576,451	588,380	243,560	388,296
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	12,571,868	18,170,340	19,552,351	
11	Other spent proceeds				1,777
12	Other unspent proceeds				
13	Year of substantial completion	2004	2010	2013	2013

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		X

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?								

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

Return Reference	Explanation
SCHEDULE K - DIFFERENCES IN ISSUE PRICE EXPLANATION	HOSPITAL AUTHORITY OF FLOYD COUNTY THE DIFFERENCE IN THE ISSUE PRICE REPORTED IN SCHEDULE K PART I AND TOTAL PROCEEDS OF ISSUE REPORTED IN SCHEDULE K, PART II IS A PREMIUM ASSOCIATED WITH THE 2003 ISSUE HOSPITAL AUTHORITY OF FLOYD COUNTY THE DIFFERENCE IN THE ISSUE PRICE REPORTED IN SCHEDULE K PART I AND TOTAL PROCEEDS OF ISSUE REPORTED IN SCHEDULE K, PART II IS A PREMIUM ASSOCIATED WITH THE 2009 ISSUE HOSPITAL AUTHORITY OF FLOYD COUNTY THE DIFFERENCE IN THE ISSUE PRICE REPORTED IN SCHEDULE K PART I AND TOTAL PROCEEDS OF ISSUE REPORTED IN SCHEDULE K, PART II IS A PREMIUM ASSOCIATED WITH THE 2012A ISSUE HOSPITAL AUTHORITY OF FLOYD COUNTY THE DIFFERENCE IN THE ISSUE PRICE REPORTED IN SCHEDULE K PART I AND TOTAL PROCEEDS OF ISSUE REPORTED IN SCHEDULE K, PART II IS A PREMIUM ASSOCIATED WITH THE 2012B ISSUE

Return Reference	Explanation
SCHEDULE K - ADDITIONAL INFORMATION	HOSPITAL AUTHORITY OF FLOYD COUNTY EXPENDITURES INCLUDE 2,252,148 IN FUNDS FROM THE SERIES 2002 DEBT SERVICE RESERVE FUNDS

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) BRAD WARD MD	BOARD MEMBER	PROFESSIONAL OFFICE RENTAL		X	150,285	72,871		No	Yes		Yes	
Total		▶ $				72,871						

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1) SHEILA B HORNER	VP OF NURSING	10,670	GRANT	TUITION

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JOSHUA POLLEY	FAMILY-KEY EMP	60,896	EMPLOYEE WAGES		No
(2) ROXANNE NORMAN	FAMILY-BD MBR	32,980	EMPLOYEE WAGES		No
(3) BEN RIGAS	FAMILY-KEY EMP	28,892	EMPLOYEE WAGES		No
(4) DAVID JOHNSON	BOARD MEMBER		BANKING SERVICES		No
(5) ANTHONY MCDADE	FAMILY-OFFICER	11,423	EMPLOYEE WAGES		No

Part V Supplemental Information

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

Return Reference	Explanation
SCHEDULE L, PART V	LISTED ABOVE ARE THE FAMILY MEMBERS OF CORPORATE OFFICERS/KEY EMPLOYEES AND BOARD MEMBERS WHO ARE ACTIVELY EMPLOYED AND COMPENSATED BY FHMI THE ORGANIZATION MAINTAINS A BANK ACCOUNT FOR MALPRACTICE SELF INSURANCE FUND ACTIVITY AT UNITED COMMUNITY BANK DIRECTOR DAVID JOHNSON IS AN OFFICER AT UNITED COMMUNITY BANK

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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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 4	IN MARCH 2014, THE ORGANIZATION REVISED THE ORGANIZATIONAL DOCUMENTS TO PROVIDE THE CEO WITH AUTHORITY TO AUTHORIZE PAYMENTS FROM THE HOSPITAL'S DESIGNATED SELF-INSURANCE FUND TO PAY MALPRACTICE AND GENERAL LIABILITY SETTLEMENTS, LOSSES AND EXPENSES PROVIDED THE BOARD IS NOTIFIED PRIOR TO THE EXPENDITURE

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 7A	THE ORGANIZATION'S BOARD MAKES ALL DECISIONS RELATED TO APPOINTMENT OF MEMBERS OF THE BOARD THE CEO IS AUTOMATICALLY A MEMBER OF THE BOARD BY VIRTUE OF HIS POSITION IN THE ORGANIZATION FLOYD HEALTHCARE RESOURCES' BOARD CHAIRMAN IS AUTOMATICALLY A MEMBER OF THE FHMI'S BOARD BY VIRTUE OF HIS POSITION IN THE ORGANIZATION BY CONTRACT, THE ORGANIZATION AGREES TO HAVE TWO OF THE FLOYD COUNTY BOARD COMMISSIONERS ON THE BOARD

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

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

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

Return Reference	Explanation
FORM 990, PAGE 6, PART VI, LINE 15B	SEE NARRATIVE UNDER PART VI, LINE 15A

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

Return Reference	Explanation
FORM 990, PAGE 7, PART VII	FORM 990, PART VII SECTION A - COMPENSATION FROM RELATED ORGANIZATIONS MEMBERS OF THE BOARD OF DIRECTORS FOR FLOYD HEALTHCARE RESOURCES, INC , A RELATED PARTY OF FLOYD HEALTHCARE MANAGEMENT, INC , RECEIVE A STIPEND FOR EACH BOARD MEETING ATTENDED FOR THE 2013 TAXABLE YEAR, DIRECTORS MANIS, BOSWORTH, CHUMBLER, AND SUMNER ALSO SERVED ON THE BOARD OF FLOYD HEALTHCARE RESOURCES, INC THREE BOARD MEMBERS (COLLINS, HOLCOMBE, AND WARD) ARE PHYSICIANS WHO ARE EMPLOYED AND COMPENSATED BY FHMI DIRECTOR DAVID JOHNSON IS A SENIOR OFFICER OF UNITED COMMUNITY BANK FHMI MAINTAINS AN ACCOUNT FOR MALPRACTICE SELF-INSURANCE ACTIVITY AT UNITED COMMUNITY BANK FORM 990, PART VII SECTION A - COMPENSATION DR CARL HERRING BOARD MEMBER CARL HERRING, MD IS A PRACTICING NEUROSURGEON WHO HAS CLINICAL PRIVILEGES AT FLOYD MEDICAL CENTER (FMC) AS SUCH, HE IS A PARTY TO A CONTRACT UNDER WHICH FMC PAYS THE NEUROSURGEONS ON ITS MEDICAL STAFF A PER DIEM FOR COVERING TRAUMA CALL IN THE EMERGENCY ROOM UNDER THIS CONTRACT, THE NEUROSURGEON COVERING CALL FOR THE DAY DURING CALENDAR YEAR 2013 WAS PAID A PER DIEM OF 2,000 FMC HAS DETERMINED WITH THE ASSISTANCE OF OUTSIDE EXPERT VALUATION CONSULTANTS THAT THIS AMOUNT IS CONSISTENT WITH FAIR MARKET VALUE ADDITIONALLY, DR HERRING IS AN EMPLOYEE AND SHAREHOLDER IN THE HARBIN CLINIC, LLC, A 140+ DOCTOR MULTI-SPECIALTY GROUP MEDICAL PRACTICE FMC HAS NUMEROUS CONTRACTS WITH HARBIN CLINIC UNDER WHICH HARBIN SUPPLIES ITS PHYSICIANS TO SERVE AS MEDICAL DIRECTORS OF VARIOUS DEPARTMENTS AND SERVICE LINES AT FMC, INCLUDING RESPIRATORY THERAPY, BARIATRICS, NEUROLOGY, VASCULAR LAB, HOSPICE, BREAST CENTER, INPATIENT REHAB , INFECTIOUS DISEASE, ETC UNDER THESE CONTRACTS HARBIN CLINIC IS PAID FAIR MARKET COMPENSATION BASED ON AN HOURLY RATE FOR THE ACTUAL TIME EXPENDED BY ITS PHYSICIANS IN THE PERFORMANCE OF THE DUTIES CALLED FOR IN THESE CONTRACTS OTHER COMMENTS AND DISCLOSURES FLOYD MEDICAL CENTER IS A 300+ BED GENERAL ACUTE-CARE HEALTH INSTITUTION, OFFERING A WIDE RANGE OF SPECIALIZED SERVICES AND PROGRAMS SUCH SERVICES AND PROGRAMS INCLUDE ACUTE, MEDICAL/SURGICAL CARE, AMBULANCE SERVICE, BLOOD BANK, CANCER CARE UNIT, CARDIOVASCULAR LABORATORY, CORONARY CARE UNIT, CHAPLAIN SERVICE, CHEMICAL DEPENDENCY UNIT, CRISIS INTERVENTION, CT SCANNER, DIABETES CARE UNIT, LITHOTRIPSY, MEDICAL/SURGICAL INTENSIVE CARE, MAGNETIC RESONANCE IMAGING, NEUROLOGY, LEVEL III NEWBORN NURSERY/NEONATAL INTENSIVE CARE UNIT, OB/GYN, ORTHOPEDIC SURGERY, OUTPATIENT SURGERY CENTER, PATIENT REPRESENTATIVES, PEDIATRIC CARE, PHARMACY, DIAGNOSTIC RADIOLOGY, A 24-HOUR EMERGENCY SERVICE, ENDOSCOPIC LABORATORY, FAMILY PRACTICE RESIDENCY PROGRAM, PRIMARY CARE PHYSICIAN NETWORK, HEALTH EDUCATION AND PROMOTION, HOSPITAL AUXILIARY, INDUSTRIAL MEDICINE PROGRAM, INPATIENT REHABILITATION UNIT, LAPAROSCOPIC CHOLECYSTECTOMY SURGERY, LASER SURGERY, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH THERAPY, POISON CONTROL CENTER, POST-OPERATIVE RECOVERY ROOM, PROGRESSIVE INTENSIVE CARE UNIT, RESPIRATORY CARE SERVICES, SOCIAL WORK SERVICES, ULTRASOUND, CONGESTIVE HEART FAILURE CLINIC, WOUND OSTOMY CLINIC, BREAST CENTER, MOBILE MAMMOGRAPHY DURING FISCAL YEAR 2014, PATIENT DAYS AT FLOYD MEDICAL CENTER TOTALED 79,004 AND DISCHARGES TOTALED 12,847 FLOYD MEDICAL CENTER PROVIDED APPROXIMATELY 74,000,000 IN DIRECT CHARITY AND INDIGENT CARE, AND IT INCURRED UNREIMBURSED MEDICARE AND MEDICAID ADJUSTMENTS OF 321,474,000 AND 159,892,000 RESPECTIVELY A COPY OF THE REPORT TO THE COMMUNITY FOR FLOYD MEDICAL CENTER CAN BE FOUND AT WWW FLOYD ORG/ABOUT/INDEX HTM

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	CONTRACT SERVICES 9,563,497 1,065,591 0 PURCHASED SERVICES 12,945,107 3,145,436 0 CONSULTING FEES 143,636 893,922 0 BILLING AND COLLECTIONS 5,311,664 600,700 0 FPC MANAGEMENT FEES 176,880 0 0

Return Reference	Explanation
FORM 990, PART XI, LINE 9	RENTAL EXPENSES 237,654 INTERCOMPANY CONTRACTUALS 8,483,244 VENDOR REVENUE 306 GAIN ON SALE/LEASEBACK MOB -86,215 CAPITAL CONTRIBUTIONS -420,000 INTERCOMPANY PATIENT SERVICE REVENUES -12,153,344 RENTAL EXPENSES -237,654 VENDOR REVENUE -306 PMCI EXPENSES NOT INCLUDED ON THE 990 -24,000 INTERCOMPANY CONTRACTUALS -8,483,244 GAIN ON SALE/LEASEBACK MOB 86,215 EQUITY TRANSFER 1,394,690 INTERCOMPANY PATIENT SERVICE REVENUES 12,153,344

Return Reference	Explanation
FORM 990, PART XI, LINE 9	AMORTIZATION OF ACTUARIAL LOSS 795,756 AMORTIZATION OF PRIOR SERVICE CREDIT 201,849 CURRENT YEAR ACTUARIAL LOSS 1,718,017 ROUNDING 2 CAPITAL CONTRIBUTIONS 420,000 PMCI EXPENSES NOT ON FORM 990 24,000 EQUITY TRANSFER -1,394,690 NET INCREASE IN NET ASSETS 2,715,624

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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
FLOYD HEALTHCARE MANAGEMENT INC

Employer identification number
58-1973570

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) FLOYD EMERGENCY PHYSICIANS LLC 304 TURNER MCCALL BLVD ROME, GA 301620233 05-0608795	ER SVC	GA	7,699,018	3,756,575	FHMI
(2) FLOYD PHYSICIANS LLC 304 TURNER MCCALL BLVD ROME, GA 301620233 20-5415285	SPEC PHYS	GA	2,355,397	566,999	FHMI

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) HOSPITAL AUTHORITY OF FLOYD COUNTY 304 TURNER MCCALL BLVD ROME, GA 301620233 58-6001173	HEALTHCARE	GA	501C3	3	NA		No
(2) FLOYD HEALTHCARE RESOURCES INC 304 TURNER MCCALL BLVD ROME, GA 301620233 58-2010524	HEALTHCARE	GA	501C3	9	NA		No
(3) HOSP AUTH OF FLOYD CO SELF INSUR TR 304 TURNER MCCALL BLVD ROME, GA 301620233 58-6140617	TRUST	GA	501C4		FHMI FLOYD HEALTHCARE MANAGEMENT INC	Yes	
(4) FLOYD HEALTH CARE FOUNDATION INC PO BOX 233 ROME, GA 301620233 58-1375074	FOUNDATION	GA	501C3	11A	FHMI FLOYD HEALTHCARE MANAGEMENT INC	Yes	
(5) POLK MEDICAL CENTER INC 420 E SECOND AVENUE STE 102 ROME, GA 301613210 45-3957368	HOSPITAL	GA	501C3	3	FHMI FLOYD HEALTHCARE MANAGEMENT INC	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) FLOYD HEALTH VENTURES INC 304 TURNER MCCALL BLVD ROME, GA 30162 58-1925982	MED SVCS	GA	FHMI FLOYD HEALTHCARE MANAGEMENT INC	C CORP			100 000 %	Yes	

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		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
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	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
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	Yes	
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
See Additional Data Table			

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
SCHEDULE R	PART I - DISREGARDED ENTITIES IN SEPTEMBER 2004, FLOYD HEALTHCARE MANAGEMENT, INC (FHMI) SPONSORED THE CREATION OF FLOYD EMERGENCY PHYSICIANS, LLP (FEP), A GEORGIA LIMITED LIABILITY COMPANY FHMI IS THE SOLE MEMBER/OWNER OF FEP AND HAS THE SOLE AUTHORITY TO APPOINT FEP'S FIVE-PERSON BOARD OF DIRECTORS FEP WAS FORMED FOR THE PURPOSE OF HIRING OR OTHERWISE ENGAGING EMERGENCY PHYSICIANS TO PROVIDE PROFESSIONAL MEDICAL SERVICES TO PATIENTS PRESENTING TO FLOYD MEDICAL CENTER'S EMERGENCY CARE CENTER FEP ALSO PROVIDES EMERGENCY PHYSICIAN STAFFING TO POLK MEDICAL CENTER IN AUGUST 2006, FHMI SPONSORED THE CREATION OF FLOYD PHYSICIANS, LLC (FP), A GEORGIA LIMITED LIABILITY COMPANY FHMI IS THE SOLE MEMBER/OWNER OF FP AND HAS THE SOLE AUTHORITY TO APPOINT FP'S FIVE-PERSON BOARD OF DIRECTORS FP WAS FORMED FOR THE PURPOSE OF HIRING OR OTHERWISE ENGAGING PHYSICIANS TO PROVIDE PROFESSIONAL MEDICAL SERVICES TO PATIENTS PART IV, TAXABLE SUBSIDIARIES FLOYD HEALTH VENTURES I, INC , A SUBSIDIARY CORPORATION WHICH HAS BEEN INACTIVE FOR MORE THAN 15 YEARS, WAS LEGALLY DISSOLVED, AND ITS SOLE REMAINING ASSET (A BANK ACCOUNT BALANCE OF 188 00) WAS TRANSFERRED TO FHMI

Additional Data

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

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
ALL ENTITIES	N		AMOUNT INDETERMINABLE
ALL ENTITIES	O		AMOUNT INDETERMINABLE
ALL ENTITIES	Q		AMOUNT INDETERMINABLE
FLOYD HEALTH CARE FOUNDATION INC	C	420,000	CASH
POLK MEDICAL CENTER INC	D	2,504,774	GENERAL LEDGER BALANCE
FLOYD HEALTH CARE FOUNDATION INC	M		AMOUNTS INDETERMINABLE
ALL OTHER ENTITIES	M		AMOUNTS INDETERMINABLE
ALL ENTITIES	L		AMOUNT INDETERMINABLE

FLOYD HEALTHCARE MANAGEMENT, INC.
ROME, GEORGIA

COMBINED FINANCIAL STATEMENTS

for the years ended June 30, 2014 and 2013

CONTENTS

Draffin & Tucker, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Member
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying combined financial statements of Floyd Healthcare Management, Inc , which comprise the combined balance sheets as of June 30, 2014 and 2013, and the related combined statements of operations and changes in net assets, 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.

Auditor's 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 audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

Continued

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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 auditor's 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 Corporation'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 Corporation's internal control. Accordingly, we express no such opinion An audit 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 Floyd Healthcare Management, Inc as of June 30, 2014 and 2013, and the results of its operations and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Draffin & Tucker, LLP

Albany, Georgia
October 27, 2014

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED BALANCE SHEETS, June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 47,909,199	$ 39,389,003
Assets limited as to use, current	5,093,887	5,035,431
Current investments	-	2,493,995
Patient accounts receivable, net of estimated uncollectibles of $227,000,000 in 2014 and $170,000,000 in 2013	65,024,825	50,948,614
Inventories	9,727,134	10,017,185
Other current assets	7,806,403	13,032,545
Total current assets	135,561,448	120,916,773
Assets limited as to use:		
By board for capital improvements	51,352,665	36,852,874
Under indenture agreement - held by trustee	9,283,867	9,249,796
Total assets limited as to use	60,636,532	46,102,670
Less amount required to meet current obligations	5,093,887	5,035,431
Noncurrent assets limited as to use	55,542,645	41,067,239
Property, plant and equipment, net	189,891,080	176,510,803
Other assets:		
Unamortized bond issue costs	1,896,085	1,993,427
Due from the Hospital Authority of Floyd County	-	4,495,598
Other	4,333,738	5,465,504
Total other assets	6,229,823	11,954,529
Total assets	$ 387,224,996	$ 350,449,344

	2014	2013
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	$ 2,751,058	$ 3,197,206
Accounts payable	14,146,073	12,583,583
Short-term notes payable	5,898,643	3,336,184
Estimated third-party payor settlements	2,193,351	1,510,477
Accrued expenses:		
Salaries and compensation	9,268,551	6,687,417
Employee benefits	12,455,626	10,739,201
Other	10,736,970	10,164,687
Total current liabilities	57,450,272	48,218,755
Long-term debt, net of current portion	165,436,636	151,984,453
Noncurrent pension liability	16,588,495	19,510,756
Due to the Hospital Authority of Floyd County	2,140,089	-
Total liabilities	241,615,492	219,713,964
Net assets – unrestricted	145,609,504	130,735,380
Total liabilities and net assets	$ 387,224,996	$ 350,449,344

See auditor's report and notes to financial statements.

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS
for the years ended June 30, 2014 and 2013

	2014	2013
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	$ 365,524,668	$ 357,384,308
Provision for bad debts	(39,998,496)	(38,063,455)
Net patient service revenue	325,526,172	319,320,853
Other operating revenue	9,252,464	8,556,904
Total revenues, gains and other support	334,778,636	327,877,757
Expenses:		
Operating expenses	297,235,312	297,080,933
Depreciation and amortization	22,897,041	22,552,534
Interest	6,347,969	6,232,269
Total expenses	326,480,322	325,865,736
Operating income	8,298,314	2,012,021
Nonoperating income (expense):		
Investment income	4,802,008	2,692,992
Contributions	32,870	2,025,439
Total nonoperating income	4,834,878	4,718,431
Excess of revenues over expenses	13,133,192	6,730,452

Continued

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS, Continued
for the years ended June 30, 2014 and 2013

	2014	2013
Contributions for capital improvement and expansion	$ 420,000	$ 460,000
Defined benefit pension plan:		
Current year actuarial gain	1,718,017	13,704,095
Amortization of actuarial loss	795,756	3,239,574
Amortization of prior service credit	201,849	29,062
Equity transfer to fund Hospital Authority of Floyd County Pension Plan	(1,394,690)	(1,655,913)
Increase in net assets – unrestricted	14,874,124	22,507,270
Net assets – unrestricted, beginning of year	130,735,380	108,228,110
Net assets – unrestricted, end of year	$ 145,609,504	$ 130,735,380

See auditor's report and notes to financial statements.

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED STATEMENTS OF CASH FLOWS
for the years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	$ 14,874,124	$ 22,507,270
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Proceeds from contributions for capital improvements and expansion	(420,000)	(460,000)
Depreciation and amortization	22,897,041	22,552,534
Provision for bad debts	39,998,496	38,063,455
Realized and unrealized loss on investments	(3,258,958)	(1,159,397)
Changes in:		
Patient accounts receivable	(54,074,707)	(40,360,084)
Inventories and other assets	6,647,961	(3,465,802)
Accounts payable, accrued expenses, and other current liabilities	3,447,383	(944,720)
Estimated third-party payor settlements	682,874	(1,045,582)
Due to the Hospital Authority of Floyd County	6,635,687	(3,896,174)
Noncurrent pension liability	(2,922,261)	(12,887,835)
Net cash provided by operating activities	34,507,640	18,903,665
Cash flows from investing activities:		
Purchase of property and equipment	(33,454,463)	(27,412,618)
Proceeds from sale of investments	69,698,687	52,563,059
Purchase of investments	(78,479,596)	(44,357,996)
Net cash used by investing activities	(42,235,372)	(19,207,555)

Continued

FLOYD HEALTHCARE MANAGEMENT, INC.

COMBINED STATEMENTS OF CASH FLOWS, Continued
for the years ended June 30, 2014 and 2013

	2014	2013
Cash flows from financing activities:		
Proceeds from short-term debt	$ 23,444,178	$ 17,498,591
Payment on short-term debt	(20,881,719)	(21,956,077)
Payment on long-term debt	(13,294,059)	(1,690,390)
Proceeds from issuance of long-term debt	26,559,528	25,000,000
Proceeds from contributions for capital improvements and expansion	420,000	460,000
Payment for issuance of long-term debt	-	(836,216)
Net cash provided by financing activities	16,247,928	18,475,908
Net increase in cash and cash equivalents	8,520,196	18,172,018
Cash and cash equivalents, beginning of year	39,389,003	21,216,985
Cash and cash equivalents, end of year	$ 47,909,199	$ 39,389,003

Supplemental disclosures of cash flow information:

- Cash paid for interest in 2014 and 2013 was $6,400,000 and $5,200,000, respectively.
- Property and equipment in accounts payable as of June 30, 2014 and 2013 was $3,000,000 and $600,000.

See auditor's report and notes to financial statements.

1. Summary of Significant Accounting Policies

Organization

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

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

The Authority entered into a lease agreement with Cedartown-Polk County Hospital Authority (Cedartown-Polk Authority) to lease all of the assets associated with Polk Medical Center, a Critical Access Hospital providing inpatient and outpatient services. The lease had an effective date of April 1, 2012, at which time the assets and operations of Polk Medical Center transferred to the Authority. Upon signing the lease, the Corporation created a Georgia nonprofit corporation called Polk Medical Center, Inc. (PMCI) to manage the day to day operations of Polk Medical Center through a management agreement. The Corporation is the sole member of PMCI. Pursuant to the lease and related agreements, PMCI applied for and was granted a Certificate of Need to build a new hospital to be owned by Cedartown-Polk Authority to replace the current facilities at Polk Medical Center at no cost to Cedartown-Polk Authority. When construction of the new hospital is completed, PMCI will operate the new facility pursuant to a 35 year lease with the Cedartown-Polk Authority.

Continued

1. Summary of Significant Accounting Policies, Continued

Organization, Continued

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

Use of Estimates

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

Cash and Cash Equivalents

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

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

Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Corporation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts, service dates, and service type and provides an allowance for doubtful accounts and a provision for bad debts, if necessary, based on the anticipated reimbursement. Management also reviews subsequent collection activity to assess the accuracy of the allowance estimated. For receivables

Continued

1. Summary of Significant Accounting Policies, Continued

Allowance for Doubtful Accounts, Continued

associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Corporation records a significant provision for bad debts in the period of service on the basis of prior payments, service date, service type, and its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's allowance for doubtful accounts for self-pay patients was 97% and 96% of self-pay accounts receivable at June 30, 2014 and 2013, respectively. In addition, the Hospital's self-pay write offs, including write offs for charity and indigent patients, increased approximately $14,000,000 from $105,000,000 for fiscal year 2013 to $119,000,000 for fiscal year 2014. The increase in write offs was mostly attributed to the Hospital processing more self-pay claims, which resulted in more claims being sent through the collections process and written off. The Hospital changed its charity care and uninsured discount policies during fiscal year 2013 to comply with IRS Regulation 501(r).

Investments

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

Inventory

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

Continued

1. Summary of Significant Accounting Policies, Continued

Assets Limited As To Use

Assets limited as to use include assets set aside by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets held by trustees under indenture agreements. Amounts required to meet current liabilities of the Corporation have been reclassified in the balance sheet at June 30, 2014 and 2013.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the combined financial statements.

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

Costs of Borrowing

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Continued

1. Summary of Significant Accounting Policies, Continued

Impairment of Long-Lived Assets

The Corporation evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounted estimated future cash flows using an appropriate interest rate. The Corporation has not recorded any impairment charges in the accompanying combined statements of operations and changes in net assets for the years ended June 30, 2014 and 2013.

Deferred Financing Cost

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

Excess of Revenues over Expenses

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

Continued

1. Summary of Significant Accounting Policies, Continued

Net Patient Service Revenue

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

Charity Care

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

Donor-Restricted Gifts

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

Continued

1. Summary of Significant Accounting Policies, Continued

Risk Management

The Corporation is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. The Corporation is self-insured for employee health and accident benefits and medical malpractice claims and judgments, as discussed in Note 9. The provisions for estimated claims under self-insurance plans include estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Income Taxes

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

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

Based on the results of management's evaluation, no liability is recognized in the accompanying balance sheet for unrecognized income tax positions. Further, no interest or penalties have been accrued or charged to expense as of June 30, 2014 and 2013 or for the years then ended. The Corporation's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Continued

1. Summary of Significant Accounting Policies, Continued

Fair Value Measurements

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

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

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

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

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

Subsequent Event

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through October 27, 2014, the date the combined financial statements were issued.

Prior Year Reclassifications

Certain reclassifications have been made to the fiscal year 2013 combined financial statements to conform to the fiscal year 2014 presentation. These reclassifications had no impact on the change in net assets in the accompanying combined financial statements.

Continued

2. Net Patient Service Revenue

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

The Corporation recognizes patient service revenue associated with services provided to patients who have third-party coverage on the basis of anticipated collections and dates of service for services rendered. For uninsured patients that do not qualify for charity care, the Corporation recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Corporation records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), from these major payor sources as of June 30, is as follows:

	Patient Service Revenue (Net of Contractual Allowances and Discounts)	
	2014	2013
Medicare	$ 120,591,626	$ 114,120,487
Medicaid	60,805,364	57,280,501
Third-party payors	148,653,303	152,072,938
Self-pay	35,474,375	33,910,382
Total	$ 365,524,668	$ 357,384,308

Revenue from the Medicare and Medicaid programs accounted for approximately 37% and 19%, respectively, of the Corporation's net patient revenue for the year ended June 30, 2014, and 36% and 18%, respectively, of the Corporation's net patient revenue for the year ended June 30, 2013. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a possibility that recorded estimates will change by a material amount in the near term.

Continued

2. Net Patient Service Revenue, Continued

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

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

- Medicare

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

  The Corporation is reimbursed for certain reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare Administrative Contractor (MAC). The Corporation's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Corporation. All Medicare cost reports have been audited by the MAC through June 30, 2009.

Continued

2. Net Patient Service Revenue, Continued

- Medicaid

Inpatient acute care services rendered to Medicaid program beneficiaries are paid at a prospectively determined rate per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services rendered to the Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Corporation is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicaid fiscal intermediary. Medicaid cost reports have been audited by the Medicaid fiscal intermediary through June 30, 2010.

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

The Corporation qualified as a Medicaid disproportionate share hospital for the years 2014 and 2013 and received increased payment adjustments reflected in net patient service revenue. It is uncertain if the payment adjustments will continue in future periods. The combined financial statements include payment adjustments for the years ended June 30, 2014 and 2013 of approximately $6,900,000 and $5,700,000, respectively.

The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) provides for enhanced payments to Medicaid providers under the Upper Payment Limit (UPL) methodology. Subsequent to the implementation of the UPL methodology, federal budget concerns have led to reconsideration of the BIPA legislation with possible elimination of enhanced Medicaid payments. The financial statements include enhanced payments for the years ended June 30, 2014 and 2013 of approximately $800,000 and $1,500,000, respectively.

Continued

2. Net Patient Service Revenue, Continued

- Medicaid, Continued

  During 2010, the state of Georgia enacted legislation known as the Provider Payment Agreement Act (Act) whereby hospitals in the state of Georgia are assessed a "provider payment" in the amount of 1.45% of their net patient revenue. The Act became effective July 1, 2010, the beginning of state fiscal year 2011. The provider payments are due on a quarterly basis to the Department of Community Health. The payments are to be used for the sole purpose of obtaining federal financial participation for medical assistance payments to providers on behalf of Medicaid recipients. The provider payment will result in an increase in hospital payments on Medicaid services of approximately 11.88%. Approximately $3,500,000 and $3,100,000 relating to the Act is included in operating expenses in the accompanying statement of operations for the years ended 2014 and 2013, respectively.

- Other Arrangements

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

3. Uncompensated Charges

The Corporation was compensated for services at amounts less than its established rates. Charges foregone related to contractual agreements and provision for bad debts for 2014 and 2013 were approximately $822,200,000 and $742,900,000, respectively.

Uncompensated charges include charity and indigent care services of approximately $74,000,000 and $73,300,000 in 2014 and 2013, respectively. Charity and indigent care services provided to Floyd County residents in 2014 and 2013 were approximately $42,300,000 and $43,600,000, respectively. Charity and indigent care services provided to Polk County residents in 2014 and 2013 were approximately $10,900,000 and $12,400,000, respectively. The cost of charity and indigent care services provided during 2014 and 2013 was approximately $21,000,000 and $22,500,000, respectively computed by applying a total cost factor to the charges foregone.

Continued

3. Uncompensated Charges, Continued

The following is a summary of uncompensated charges and a reconciliation of gross patient charges to net patient service revenue for 2014 and 2013.

	2014	2013
Gross patient charges	$ 1,147,778,173	$ 1,062,265,218
Uncompensated charges:		
Charity and indigent care	74,000,050	73,302,730
Medicare	321,473,756	292,751,995
Medicaid	159,892,205	144,131,759
Other allowances	226,887,494	194,694,426
Bad debts	39,998,496	38,063,455
Total uncompensated charges	822,252,001	742,944,365
Net patient service revenue	$ 325,526,172	$ 319,320,853

4. Concentrations of Credit Risk

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

	2014	2013
Medicare	22%	27%
Medicaid	17%	16%
Other	61%	57%
Total	100%	100%

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

Continued

4. Concentrations of Credit Risk, Continued

The Corporation maintains deposits with financial institutions which exceed the Federal Depository insurance limits. At June 30, 2014, management believes the credit risk associated with these deposits is minimal.

5. Investments and Assets Limited as to Use

All investments and assets limited as to use are classified as trading securities.

The composition of investments as of June 30, 2014 and 2013 is set forth in the following table. Investments are stated at fair value.

	2014	2013
Current investments:		
Certificates of deposit	$ -	$ 2,493,995

Assets limited as to use are stated at fair value. The composition of assets limited as to use at June 30, 2014 and 2013 is set forth in the following table.

	2014	2013
Assets limited as to use:		
By board for capital improvements:		
Cash and cash equivalents	$ 1,527,045	$ 457,432
CMO and asset backed securities	369,559	445,815
Mutual funds - equity	18,279,715	11,467,333
Mutual funds – corporate bonds	5,467,719	-
Corporate bonds	10,663,430	10,849,726
Municipal bonds	-	1,005,460
Mortgage backed securities	5,898,620	3,770,580
Federal agency bonds	1,204,515	1,161,650
U.S. Treasury obligations	5,315,244	5,482,861
Investment in Babson Partnership	2,626,818	2,212,017
	51,352,665	36,852,874

Continued

5. Investments and Assets Limited as to Use, Continued

	2014	2013
Under indenture agreement – held by trustee:		
Cash and cash equivalents	$ 3,263,542	$ 3,253,272
U.S. Treasury obligations	6,020,325	5,996,524
	9,283,867	9,249,796
Total assets limited as to use	$ 60,636,532	$ 46,102,670

On May 20, 2013, the Board of the Corporation voted to dissolve the Self Insurance Trust created to administer investments reserved for payment of malpractice claims. As such, the assets are no longer restricted.

Interest income, losses, and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ending June 30, 2014 and 2013:

	2014	2013
Income:		
Interest and dividend income	$ 1,543,050	$ 1,533,595
Realized gain on trading securities	4,222,829	142,713
Unrealized gain (loss) on trading securities	(963,871)	1,016,684
Total	$ 4,802,008	$ 2,692,992

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

Continued

6. Property, Plant and Equipment

A summary of property, plant and equipment at June 30, 2014 and 2013 follows:

	2014	2013
Land	$ 12,929,005	$ 12,929,005
Land improvements	5,189,705	5,172,281
Buildings	110,535,432	106,574,500
Fixed equipment	60,557,785	59,430,498
Major movable equipment	123,001,207	110,565,304
Leasehold improvements	9,696,822	9,303,574
Building under capital lease	11,474,848	11,474,848
Equipment under capital lease	274,527	274,527
	333,659,331	315,724,537
Less accumulated depreciation	178,911,597	157,342,901
	154,747,734	158,381,636
Construction in progress	35,143,346	18,129,167
Property, plant and equipment, net	$ 189,891,080	$ 176,510,803

Depreciation expense for the years ended June 30, 2014 and 2013 amounted to approximately $23,000,000 and $22,600,000, respectively. Accumulated amortization for building and equipment under capital lease obligations was $6,300,000 and $5,400,000 at June 30, 2014 and 2013, respectively. Construction contracts of approximately $30,000,000 exist at year end for the remodeling of Hospital facilities and the construction of the new Polk Medical Center. At June 30, 2014, the remaining commitment on these contracts approximated $8,000,000.

Continued

7. Long-Term Debt

Long-term debt for the years ended June 30, 2014 and 2013 follows:

	2014	2013
Revenue Certificates, Series 2003 payable in installments of $850,000 to $1,990,000 each July 1, until 2033. The certificates are guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority. The certificates bear interest at rates per annum ranging from 4.00% to 5.00%.	$ 26,840,000	$ 27,650,000
Revenue Certificates, Series 2009 payable in installments of $560,000 to $6,220,000 each July 1, beginning in 2015 and continuing until 2039. The certificates are guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority. The certificates bear interest rates per annum ranging from 5.25% to 5.50%.	40,000,000	40,000,000
Revenue Certificates, Series 2012A payable in installments of $380,000 to $585,000 each July 1, until 2026 with a balloon payment of $13,380,000 on July 1, 2042. The certificates are guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority. The certificates bear interest rates per annum ranging from 2.00% to 5.00%.	19,630,000	20,000,000
Revenue Certificates, Series 2012B payable in installments of $1,090,000 to $1,725,000 each July 1, until 2025 with an additional payment of $3,725,000 on July 1, 2027 and with a balloon payment of $10,915,000 on July 1, 2032. The certificates are guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority. The certificates bear interest rates per annum ranging from 3.00% to 5.00%.	30,810,000	31,885,000

Continued

7. Long-Term Debt, Continued

	2014	2013
Note payable secured by equipment.	$ -	$ 140,490
Note payable with monthly payments of $ 30,358, with an interest rate of 3.99%, maturing June 15, 2034. The note is guaranteed by the gross revenues of Floyd Healthcare Management, Inc.	5,000,000	-
Note payable with interest payments due quarterly, maturing December 3, 2016. Full principal amount is due at maturity. The note bears a variable interest rate of LIBOR plus 1.50%. The note is guaranteed by the gross revenues of Floyd Healthcare Management, Inc.	21,559,528	-
Capital lease obligations, collateralized by building, with interest rates from 5.25% to 5.37% and monthly payments ranging from $14,304 to $34,172.	6,327,126	7,225,695
Revolving line of credit guaranteed by the gross revenues of Floyd Healthcare Management, Inc. and the Authority, interest rates vary on a weekly basis. Interest is paid monthly.	15,000,000	25,000,000
Total long-term debt	165,166,654	151,901,185
Unamortized bond premium	3,021,040	3,280,474
Less current maturities of long-term debt	2,751,058	3,197,206
Long-term debt, net of current maturities	$ 165,436,636	$ 151,984,453

Continued

7. Long-Term Debt, Continued

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

	Long-Term Debt	Capital Lease Obligation
2015	$ 2,493,189	$ 585,912
2016	19,749,889	599,368
2017	4,881,996	613,145
2018	5,029,392	627,252
2019	5,202,088	641,696
Thereafter	121,482,974	6,010,467
Less amount representing interest under capital lease obligation	-	2,750,714
Total	$ 158,839,528	$ 6,327,126

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

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

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

Continued

7. Long-Term Debt, Continued

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

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

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

Continued

7. Long-Term Debt, Continued

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

In 2013, the Corporation obtained a delayed draw term note with a credit line of $40,000,000. The loan has a stated interest rate of LIBOR plus 1.5%. As of June 30, 2014, approximately $18,500,000 of unused borrowing remains. The note matures on December 3, 2016, but can be extended up to seventeen periods of twelve months each.

In 2014, PMCI obtained a note for $5,000,000 for the construction of the Polk Medical Center medical office building. The note has a stated interest rate of 3.99%. The monthly payments on the note are $30,358 for twenty years.

Capital Lease Obligation

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

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

Continued

7. Long-Term Debt, Continued

Line of Credit

The Corporation has a revolving line of credit agreement for a maximum amount of $10,000,000 bearing interest of 1.90% as of June 30, 2014. If default occurs, the lender has the right to place a lien against the Corporation's deposit accounts also held by the bank. At June 30, 2014, approximately $4,101,000 of unused borrowing remains on the line of credit.

In 2013, the Corporation signed promissory notes for revolving lines of credit totaling $25,000,000. The loans have a stated interest rate of LIBOR plus 1.3%. The notes mature no sooner than twelve months and five days from the date the lender informs the Corporation that the lines of credit will no longer automatically renew. The lender has not informed the Corporation of their intent to remove the automatic renewal. At June 30, 2014, approximately $10,000,000 of unused borrowing remains on the lines of credit.

8. Employee Benefit Plans

At January 1, 1998, the Corporation implemented a defined benefit pension plan (Plan) covering substantially all of its employees. The benefits are based on 1.75% of earnings for each year after January 1, 1998, with the total benefit subject to thirty-five years of benefit service maximum. The Corporation's funding policy is to contribute annually an amount intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Benefit accruals for active participants within the Corporation's retirement plan were effectively frozen on March 31, 2014.

The following table sets forth the Plan's funded status, the related changes in the defined benefit plan, and amounts recognized in the financial statements at June 30, 2014 and 2013:

	2014	2013
Plan assets at fair value	$ 82,370,095	$ 70,037,395
Projected benefit obligation	(98,958,590)	(89,548,151)
Funded status	$(16,588,495)	$(19,510,756)
Amounts recognized in the balance sheet consist of:		
Noncurrent liability	$(16,588,495)	$(19,510,756)

Continued

8. Employee Benefit Plans, Continued

	2014	2013
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 89,548,151	$ 94,067,294
Interest cost	4,672,368	4,428,339
Actuarial loss (gain)	4,570,820	(10,735,935)
Current year prior service cost	158,617	-
Benefits paid	(2,357,434)	(1,939,529)
Service cost	2,366,068	3,727,982
Benefit obligation at end of year	$ 98,958,590	$ 89,548,151
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 70,037,395	$ 61,668,703
Actuarial gain	6,288,837	2,968,160
Employer contribution	3,000,000	2,668,000
Benefits paid	(2,357,434)	(1,939,529)
Return on plan assets	5,401,297	4,672,061
Fair value of plan assets at end of year	$ 82,370,095	$ 70,037,395
Cumulative amounts recognized in unrestricted net assets consist of:		
Net actuarial loss	$ 16,740,568	$ 19,254,341
Prior service cost	-	201,849
	$ 16,740,568	$ 19,456,190

The accumulated benefit obligation for the defined benefit pension plan was $98,959,000 and $85,374,000 at June 30, 2014 and 2013, respectively. The Corporation uses a June 30th measurement date.

Continued

8. Employee Benefit Plans, Continued

	2014	2013
Components of net periodic benefit cost:		
Service cost	$ 2,366,068	$ 3,727,982
Interest cost	4,672,368	4,428,339
Expected return on plan assets	(5,401,297)	(4,672,061)
Amortization of unrecognized net loss	795,756	3,239,574
Amortization of unrecognized prior service cost	360,466	29,062
Net periodic benefit cost	2,793,361	6,752,896
Other changes in plan assets and benefit obligations recognized in the statement of operations and changes in net assets:		
Current year actuarial (gain)/loss	(1,718,017)	(13,704,095)
Amortization of actuarial gain/(loss)	(795,756)	(3,239,574)
Amortization of prior service credit/(cost)	(201,849)	(29,062)
Total other changes	(2,715,622)	(16,972,731)
Total recognized in statement of operations and changes in net assets	$ 77,739	$(10,219,835)
Assumptions:		
Weighted-average assumptions used to determine benefit obligations at June 30:		
Discount rate	4.60%	5.20%
Rate of compensation increase	N/A	2.30%
Weighted-average assumptions used to determine net periodic benefit cost for years ended June 30:		
Discount rate	5.20%	4.57%
Expected long-term return on plan assets	7.50%	7.50%
Rate of compensation increase	2.30%	3.00%

Continued

8. Employee Benefit Plans, Continued

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

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

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

The gain/loss, and prior service cost/credit amount expected to be recognized in net periodic benefit cost for the 12 months beginning July 1, 2014 are as follows:

Actuarial loss	$ 222,665
Prior service cost	-
Total	$ 222,665

Plan Assets

The composition of plan assets at June 30, 2014 and 2013 is as follows:

	2014	2013
Mutual funds:		
Money market	$ 1,953,867	$ 3,611,711
Equity index fund	52,654,563	43,948,476
Corporate bond fund	23,750,652	20,265,191
Corporate bonds	4,011,013	2,212,017
Total	$ 82,370,095	$ 70,037,395

Continued

8. Employee Benefit Plans, Continued

The asset allocation at the end of 2014 and 2013, and the target allocation for 2015, by asset category:

	Target Allocation	Actual Allocation, End of Year	
Asset Category	2015	2014	2013
Index funds	65%	63.9%	62.8%
Broad fixed income	35%	28.8%	28.9%
Other	0%	7.3%	8.3%
Total		100.0%	100.0%

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

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

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

Continued

8. Employee Benefit Plans, Continued

The fair values of the Corporation's pension plan assets at June 30, 2014 and 2013, by asset category are as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2014				
Mutual funds:				
Money market	$ 1,953,867	$ 1,953,867	$ -	$ -
Equity index funds	52,654,563	52,654,563	-	-
Corporate bond fund	23,750,652	23,750,652	-	-
Corporate bonds	4,011,013	-	4,011,013	-
Total	$ 82,370,095	$ 78,359,082	$ 4,011,013	$ -
June 30, 2013				
Mutual funds:				
Money market	$ 3,611,711	$ 3,611,711	$ -	$ -
Equity index funds	43,948,476	43,948,476	-	-
Corporate bond fund	20,265,191	20,265,191	-	-
Corporate bonds	2,212,017	-	2,212,017	-
Total	$ 70,037,395	$ 67,825,378	$ 2,212,017	$ -

All assets have been valued using a market approach.

Contributions

The Corporation does not expect to make any contributions to the pension plan in 2015.

Continued

8. Employee Benefit Plans, Continued

Estimated Future Benefit Payments

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

Year Ended	Pension Benefits
2015	$ 2,521,550
2016	2,815,786
2017	3,155,322
2018	3,609,378
2019	4,086,060
Years 2020-2024	26,301,670

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

Defined Contribution Plan

Floyd Healthcare Management, Inc. established a 401(k) retirement plan effective January 1, 2006. The plan is a defined contribution 401(k) profit sharing plan covering full-time employees over the age of eighteen who are not participating in the defined benefit pension plan. Employees may immediately contribute between 1% and 25% of their salary, subject to the maximum dollar limit allowed by the IRS. The Corporation will match 100% of the employee's contributions up to 3% of their salary plus 50% of the next 2% of the employee's contributions for all participating employees with at least one year of service and over 1,000 hours worked in a calendar year. The employer contributions during the fiscal years ending June 30, 2014 and 2013 were approximately $2,200,000 and $2,100,000, respectively.

Continued

9. Self-Insurance

Malpractice

Losses from asserted and unasserted claims are accrued by the Corporation based on claims reported and estimated claims incurred but not reported as derived from the Authority's or the Corporation's risk management program. Also, the Corporation has employed outside consultants to estimate the annual contribution to the fund, discounted to the 75th percentile or the expected liability.

The professional liability self-insurance retention limits are $2 million per occurrence and $4 million in aggregate. Malpractice claims in excess of the self-insurance retention limits are insured with commercial insurance carriers on a claims-made basis. The policy covers malpractice claims up to $20 million in aggregate.

Employee Hospitalization

The Corporation has a self-insurance program for employee health insurance under which a third-party administrator processes and pays claims. The Corporation reimburses the third-party administrator monthly for claims incurred and paid to other providers. The charges, less any deductibles and coinsurance for covered services provided to employees by the Corporation, are written off against gross patient service revenue. In addition, the Corporation has entered into a loss financing agreement with ten Georgia hospitals through a program developed by Georgia ADS, LLC. The program is designed to provide for the financing and payment of covered claims between $150 thousand and $500 thousand. The program also buys a reinsurance policy to cover claims reaching $1 million. Further, the Corporation purchased additional insurance to cover claims up to $2 million. Payments received from the program must be repaid over a specified period of time with interest. Under this self-insurance program, the Corporation paid or accrued and expensed approximately $10,200,000 and $4,500,000 during the years ended June 30, 2014 and 2013, respectively. The Corporation wrote off services to employees net of deductible and coinsurance of approximately $12,500,000 and $12,800,000 during the years ended June 30, 2014 and 2013, respectively.

Continued

10. Functional Expenses

The Corporation provides general health care services to residents in Northwest Georgia. Expenses related to providing these services, at June 30, 2014 and 2013, are as follows:

	2014	2013
Health care services	$ 252,308,683	$ 254,366,538
General and administrative services	74,171,639	71,499,198
Total	$ 326,480,322	$ 325,865,736

11. Fair Value of Financial Instruments

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

- *Cash and cash equivalents, accounts payable, accrued expenses, short-term notes payable, and estimated third-party payor settlements*: The carrying amount reported in the balance sheet approximates its fair value due to the short term nature of these instruments.

- *Assets limited as to use, investments and cash surrender value of life insurance policy*: Amounts reported in the balance sheet are at fair value. See Note 12 for fair value measurement disclosures.

- *Long-term debt*: The fair value of the Corporation's long-term debt is estimated based on the quoted market value for same or similar debt instruments. The carrying amounts for the lines of credit approximate its fair value. Based on inputs used in determining the estimated fair value, the Corporation's long-term debt would be classified as Level 2 in the fair value hierarchy.

The carrying amounts and fair values of the Corporation's long-term debt at June 30, 2014 and 2013 are as follows:

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 161,860,568	$ 165,682,465	$ 147,955,964	$ 147,304,320

Continued

12. Fair Value Measurement

Fair values of assets measured on a recurring basis at June 30, 2014 and 2013 are as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2014				
Assets:				
Capital improvements:				
Cash and cash equivalents	$ 1,527,045	$ 1,527,045	$ -	$ -
CMO and asset backed securities	369,559	-	369,559	-
Mutual funds - equity	18,279,715	18,279,715	-	-
Mutual funds - corporate bonds	5,467,719	5,467,719	-	-
Corporate bonds	10,663,430	10,663,430	-	-
Mortgage backed securities	5,898,620	-	5,898,620	-
Federal agency bonds	1,204,515	1,204,515	-	-
U.S. Treasury obligations	5,315,244	5,315,244	-	-
Investment in Babson Partnership	2,626,818	-	2,626,818	-
Sinking fund:				
Cash and cash equivalents	3,263,542	3,263,542	-	-
U.S. Treasury obligations	6,020,325	6,020,325	-	-
Cash surrender value of life insurance policy	1,566,322	-	1,566,322	-
Total assets	$ 62,202,854	$ 51,741,535	$ 10,461,319	$ -

Continued

12. Fair Value Measurement, Continued

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2013				
Assets:				
Capital improvements:				
Cash and cash equivalents	$ 457,432	$ 457,432	$ -	$ -
CMO and asset backed securities	445,815	-	445,815	-
Mutual funds - index	11,467,333	11,467,333	-	-
Corporate bonds	10,849,726	10,323,839	525,887	-
Municipal bonds	1,005,460	-	1,005,460	-
Mortgage backed securities	3,770,580	-	3,770,580	-
Federal agency bonds	1,161,650	1,161,650	-	-
U.S. Treasury obligations	5,482,861	5,482,861	-	-
Investment in Babson Partnership	2,212,017	-	2,212,017	-
Sinking fund:				
Cash and cash equivalents	3,253,272	3,253,272	-	-
U.S. Treasury obligations	5,996,524	5,996,524	-	-
Investments:				
Certificates of deposit	2,493,995	-	2,493,995	-
Cash surrender value of life insurance policy	1,566,322	-	1,566,322	-
Total assets	$ 50,162,987	$ 38,142,911	$ 12,020,076	$ -

Continued

12. Fair Value Measurement, Continued

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

The cash surrender value of life insurance policy represents the fair market value less surrender charges for life insurance policies held by the Corporation.

The mortgage backed securities are primarily invested in Ginnie Mae loan mortgages and Fannie Mae papers. The Babson Limited Partnership invests in senior secured loans, other high yield loans, high yield bonds, non-investment grade fixed income or debt securities and other debt instruments as decided by the partnership's investment management. The Babson Partnership values the underlying investments each month and updates the partnership's net assets accordingly. The majority of the partnership's investments are senior secured loans and utilize private secondary markets to value the investment. There is no penalty or fee for a partner to redeem their share of the partnership. There are no unfunded commitments. Any distributions can be accessed monthly.

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

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

Continued

13. Commitments and Contingencies

Operating Leases: The Corporation leases various equipment and facilities under operating leases. Total rental expense in 2014 and 2013 for all operating leases was $3,900,000 and $4,500,000, respectively.

The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2014, that have initial or remaining lease terms in excess of one year.

Year Ending	Amount at June 30
2015	$ 431,000
2016	106,000
Total	$ 537,000

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

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

Hospital Authority of Floyd County Pension Plan: Pursuant to the Lease described in Note 1, the Corporation agreed to make an annual payment equal to the contribution which the Authority is required to make to satisfy minimum funding obligations under the Authority's Pension Plan with respect to benefits which had accrued under such plan, prior to the Lease. The pension liability as actuarially determined was approximately $6,400,000 and $7,500,000 at June 30, 2014 and 2013, respectively. The liability is included in due to/from the Hospital Authority of Floyd County.

Continued

14. Health Care Reform

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

15. Electronic Health Record Incentive Payments

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

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

The Corporation recognizes income related to Medicare and Medicaid incentive payments using a grant model based upon when it has determined that it is reasonably assured that the Corporation will be using EHR technology in a meaningful way for the applicable period and the cost report information is reasonably estimable.

Continued

15. Electronic Health Record Incentive Payments, Continued

The Corporation successfully demonstrated meeting meaningful use of its certified EHR technology prior to June 30, 2014. The Corporation qualified for approximately $1.6 million from the Medicare and Medicaid programs. The portion of these funds related to the Corporation's fiscal year end were accrued and are reported in other current assets on the balance sheet and other revenues on the income statement.

16. Contribution from Floyd Healthcare Resources, Inc.

Floyd Healthcare Resources, Inc., a Georgia not-for-profit organization, was organized for the purpose of benefiting the healthcare needs of the citizens of Floyd County and the northwest Georgia region. Floyd Healthcare Resources, Inc. made a contribution to the Corporation of $2,000,000 for 2013, to be used at the discretion of the Corporation. The contribution is included as nonoperating income.

Draffin & Tucker, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Member
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Floyd Healthcare Management, Inc
Rome, Georgia

We have audited the combined financial statements of Floyd Healthcare Management, Inc. as of and for the years ended June 30, 2014 and 2013, and our report thereon dated October 27, 2014, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The information included in this report on pages 46 to 57, inclusive, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the combined financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Draffin & Tucker, LLP

Albany, Georgia
October 27, 2014

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Medical Center

FLOYD HEALTHCARE MANAGEMENT, INC
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS, Continued
Fiscal Year Ended June 30, 2014

Summary of Financial Condition and Results of Operations

The financial results for Floyd Healthcare Management, Inc. for the fiscal year ended June 30, 2014 reflect several events. These events helped produce excess of revenues over expenses in the amount of $13.1 million on total revenues, gains and other support of $335 million. Management's Discussion and Analysis of Financial Condition and Results of Operations will review the financial results for fiscal year 2014, the significant events impacting financial performance and management's outlook

Floyd Healthcare Management, Inc recorded gross patient revenues during fiscal year 2014 of $1,148 million up 8.1% over the previous year Revenue deductions (including contractual adjustments for Medicare, Medicaid and managed care plus provisions for indigent and charity care) and bad debt expenses for the fiscal year totaled $822 million, an increase of 10 7% or 71 6% of gross patient revenues. Operating expenses for the fiscal year were $297.2 million, an increase of 0.1% over the previous year, a result of increased payroll and surgical supplies, offset by decreased pension costs Operating expenses as a percent of total revenues, gains and other support decreased slightly from 90.6% to 88.8% in fiscal year 2014

The operating gain on earnings before interest, depreciation and amortization (EBIDA) increased to $37.5 million in fiscal year 2014 from $30.8 million in the prior year The EBIDA margin for fiscal year 2014 was 11.2% compared to 9 4% in the previous year Capital expenses, including depreciation, amortization and interest were up 1.6% to $29.2 million. Total expenses for fiscal year 2014 were $326 5 million, an increase of 0.2% over fiscal year 2013 Non-operating income and expenses included investment gains of $4.8 million

The financial performance during the fiscal year continued to be strongly influenced by uncontrollable external and internal issues. Unreasonably low Medicare payments for inpatient and outpatient services continued to impact Floyd Healthcare Management, Inc. during fiscal year 2014 Additionally, the State of Georgia's managed care program continued to reimburse Floyd at below cost Medicare and Medicaid patients make up approximately 58% of Floyd Healthcare Management, Inc 's patient base.

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on supplemental information

Summary of Financial Condition and Results of Operations, Continued

Floyd's surgical cases increased 1.2% in fiscal year 2014 to 10,785 cases from 10,662. Floyd also saw its commercial insurance increase from 30% of gross revenue in fiscal year 2013 to 31% in fiscal year 2014. Floyd Healthcare Management, Inc.'s positive financial performance for fiscal year 2014 is the result of continued process improvements and market share increase.

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

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

Patient Volume, Gross Revenue and Net Revenue

During fiscal year 2014, Floyd Healthcare Management, Inc. recorded total inpatient admissions of approximately 16,056, an increase of 129 admissions over the previous year. The total is comprised of 14,080 patients admitted to the main campus facility and 1,976 admitted to Floyd Behavioral Health Center. Total inpatient days for fiscal year 2014 increased 1,562 days or 2.1% to 75,328. The average length of stay increased 0.6 days to 5.5 days from 2013. Overall outpatient volumes of 426,017 for the System showed a decrease of 19,372 or 4.3% when compared to the prior year. Included in the total is Floyd outpatient services with 170,733 visits down from 174,096 and Floyd Primary Care with 224,433 visits during fiscal year 2014 down from 235,426.

Gross patient revenues by major payer sources included Medicare, commercial insurance and Medicaid representing 39%, 31% and 19% respectively, for fiscal year 2014. Medicare and Medicaid revenues combined for 58% of gross patient revenue, which is up slightly from the prior year. Revenue deductions and bad debt expense combined to account for over $822 million in reductions from gross patient revenues during fiscal year 2014 compared to $743 million in fiscal year 2013. Expressed as a percent of gross patient revenue, total revenue deductions and bad debt expense for fiscal year 2014 consumed 71.6% of each gross patient revenue dollar, up from 69.9% in the prior year. Net patient service revenue increased 1.9% to $325.5 million.

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Expenses

Operating expense increased 0.1% to $297.2 million in fiscal year 2014 from $297.1 million in the prior year. The ratio of operating expense to total operating revenue decreased slightly to 88.8% during fiscal 2014 from 90.6% in the prior year. Staffing expense, including salary, wages and employee benefit programs, increased 3.2% to $181.4 million. Staffing expenses represent 53.8% of the operating expenses, up from 52.5% in the prior year. Staffing expense continues to reflect sustained or growing service needs for patient care; growing pressures on the availability and costs of selected technical personnel; and overall upward market pressures on wages and employee benefit levels. Operating expenses less staffing expenses for fiscal year 2014 account for approximately $155.8 million. Total capital expenses for fiscal year 2014 were $29.2 million, up 1.6% from the prior year. The ratio of capital expense to total revenue decreased to 8.7% down from 8.8% in the prior year.

Liquidity, Investment and Debt

Unrestricted cash resources consisted of approximately $51.4 million in short and intermediate term investments and $47.9 million in operating cash for a total of $99.3 million. For fiscal year 2014, Floyd Healthcare Management, Inc. recognized investment income in the amount of $4.8 million. Operating cash as of June 30, 2014 was $47.9 million, an increase of $8.5 million over the prior year. The number of days cash on hand, measuring the equivalent days of operating expenses contained in Floyd Healthcare Management, Inc.'s unrestricted cash resources, including cash, cash equivalents, temporary investments and funded depreciation were 119.3 days as of June 30, 2014 compared to 91.7 days as of June 30, 2013.

The cumulative investment in property, plant and equipment, based on acquisition cost, was $368.8 million at June 30, 2014. Accumulated depreciation for these assets at the end of fiscal year 2014 is $179 million, yielding net property, plant and equipment of $189.9 million. The average age of plant, an accounting measurement of overall plant and equipment age increased to 7.81 years at June 30, 2014 from 6.98 years at the end of fiscal year 2013. As of June 30, 2014, Floyd Healthcare Management, Inc. was responsible for $165 million in long-term debt, which includes $50.4 million for the 2012 revenue certificates, $40 million for the 2009 revenue certificates, and $26.8 million for the 2003 certificates. The debt service coverage ratio for fiscal year 2014 was 3.1 calculated in accordance with the revenue certificate covenant requirements.

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Mission

Since July 4, 1942, Floyd Medical Center has provided high quality, cost-effective healthcare to the citizens of northwest Georgia. Through the years Floyd has responded to the changing needs of its growing communities by increasing capacity, updating facilities, obtaining state-of-the-art technologies and developing new services. In FY 2014 Floyd continued this effort. Floyd Medical Center further implemented a Care Coordination hub to centralize patient care processes. In addition, Floyd Primary Care continued work to implement the Patient-Centered Medical Home model and several new primary care and urgent care physicians were added to the physician network.

Community Initiatives

During 2014 Floyd continued its support of several initiatives aimed at improving the health care status of low-income patients and to address the growing burden and cost of uncompensated care.

Floyd County Clinic and We Care Program

The Floyd County Clinic, which Floyd Medical Center operates through the Family Medicine Residency program, had 2,218 outpatient visits in FY 2014. The Clinic provides assistance to financially and medically indigent patients in an effort to reduce their need for emergency and inpatient hospital care. During fiscal year 2014 there were 383 outpatient visits through Floyd's We Care program. We Care, which is aimed at controlling and improving chronic conditions with preventive care, assists low-income patients without health insurance or governmental benefits.

Indigent Outpatient Pharmacy Program

Floyd provides maintenance prescription pharmaceuticals to low income uninsured outpatients at no cost to the patient through its hospital pharmacy. Any qualifying low-income patients under the care of any Floyd physician, including the Family Medicine residents, Emergency Care Center physicians or Floyd Primary Care physicians are eligible to receive the prescribed medications. In FY2014, Floyd provided over $266,000 in prescription pharmaceuticals to low income uninsured outpatients.

Financial Counseling

Financial Counselors in the Emergency Care Center and outpatient services departments assisted over 1,647 low-income patients seeking eligibility for Medicaid, PeachCare and other programs. In total 19,638 individual Medicaid and PeachCare patients were treated during the year for a total of 43,250 encounters.

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Free Clinic of Rome

Floyd helped to create, contributed supplies and provided seed money to fund the Free Clinic of Rome, a local organization that provides free primary medical care to low income, uninsured patients in our community. The Free Clinic traces its roots to a volunteer mission effort to provide basic medical care services to Floyd County's homeless community. Now housed at the Floyd County Health Department, patients schedule appointments with volunteer physicians, dentists and nurses and receive free lab tests (via the Floyd Medical Center laboratory) and assistance with prescription medications. During FY 2014, physicians from the Floyd Family Medicine Residency program provided 67 hours of volunteer care to 248 Free Clinic patients at a cost to the organization of $2,133.

Northwest Georgia Dental Clinic

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

Mobile Mammography

Floyd's Mobile Mammography Coach, equipped with state-of-the-art digital mammography equipment, seeks to reach out to the mostly rural and underserved areas around Rome. This outreach program, which began service in November 2008, provided 2,482 mammograms to women in our service area in fiscal year 2014. Of those, 654 patients were past due for a mammogram, 221 women had never had a mammogram before and 299 screenings revealed an abnormality that required further testing. Nine women were diagnosed with cancer as a result of their visit to the mobile mammography coach. The goal of this program is to reach women who have never had a mammogram, in hope of reducing the breast cancer mortality rate in our region, which is among the highest in the nation. The coach traveled 8,241 miles in FY2014 to women in six Georgia counties and two Alabama counties to make mammography and clinical breast exams convenient for them. This program seeks to provide services and education to these women with the goal of reducing that mortality rate and improving the lives of these women and their families.

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Community Benefit

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

The Georgia Hospital Association estimates that Floyd generates more than $620.2 million in economic activity in the state, including a $146.2 million annual payroll and benefits, as well as purchases and other business relationships. The organization also is Floyd County's largest employer, with approximately 2,800 employees. Polk Medical Center generates more than $41.9 million in economic activity in the state, including $9 million annual payroll and benefits. Polk has approximately 100 full and part-time employees.

Services

Floyd's healthcare system provides a complete continuum of medical care to serve the healthcare needs of individuals in northwest Georgia and northeast Alabama. Our Primary Care network includes 49 physicians and 14 mid-level providers at 26 Primary Care and Urgent Care locations. Floyd also provides inpatient and outpatient diagnostic, hospice, behavioral health and hospital services.

At the hub is Floyd Medical Center, a 304-bed, full-service acute care hospital and regional referral center that includes Joint Commission-certified specialty programs in stroke care, hip replacement surgery, knee replacement surgery, spinal surgery, inpatient diabetes care and palliative care. In addition, Floyd is a designated Bariatric Surgery Center of Excellence and The Breast Center at Floyd is a Breast Imaging Center of Excellence and a Quality Breast Center of Excellence. In addition, Floyd is a state-designated level II Trauma Center, a level III Neonatal Intensive Care Unit and has specialty centers for Pediatrics and Wound Care and Hyperbarics. Polk Medical Center is a critical access hospital primarily serving Polk County, Georgia residents. Floyd is uniquely positioned to provide the full circle of care, including the following medical specialties:

- Alcohol and Chemical Dependency Services
- Bariatric Medicine, Surgery and Aftercare
- Behavioral Health
- Cardiac Catheterization
- Cardiology
- Cardiac Rehabilitation
- Diabetes Care

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Services, Continued

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

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Industry Leader

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

Recognition

Over the past fiscal year, Floyd Medical Center and its affiliates received state, national and international recognition:

- Floyd was recognized by Becker's Hospital Review as a Top 100 Hospital for Patient Engagement. Floyd ranked 64th of 3,077 U.S. hospitals. The ranking is based on CMS scores for quality and patient satisfaction as well as social media and engagement over the internet.
- Advanced Inpatient Diabetes program received Joint Commission Re-certification for Disease Specific Care
- Primary Stroke program received Joint Commission Re-certification for Disease Specific Care
- Total Hip Replacement program received Joint Commission Re-certification for Disease Specific Care
- Total Knee Replacement program received Joint Commission Re-certification for Disease Specific Care
- Spinal Surgery program received Joint Commission Re-certification for Disease Specific Care
- Floyd Public Relations Department received Target Awards from the Georgia Society of Healthcare Marketing and Public Relations for writing, websites, audiovisuals, total integrated campaigns, print advertising, total advertising campaign
- Second Place, VHA Leadership Award for the Non-Acute Care Limb Preservation presentation
- First place, VHA Leadership Award for the Sepsis presentation
- VHA Leadership Recognition for 120-Day Workout presentation
- Robin Cater, Critical Care Nurse Educator, was selected as Georgia Hospital Association GREAT (Giving Recognition for Excellence, Advocacy and Teamwork) Ambassador for healthcare careers
- Floyd Medical Center received a Livestrong™ Foundation Community Impact Project grant for the implementation of a VitalHearts: Secondary Trauma Resiliency Training program to help cancer treatment providers find better ways to process the trauma they often encounter in their work

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Recognition, Continued

Community Service

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

In FY2014, the organization's outreach into the community, along with the provision of trauma and neonatal intensive care services touched more than 199,597 people through educational programs and screenings, physical examinations for athletes, childbirth classes, support groups and publications. Floyd co-workers and volunteers contributed 140,860 hours to community endeavors at an expense of $1,054,695:

- 2,670 individuals learned about cancer prevention, risk and treatment through The Breast Center at Floyd's programs at a cost to the organization of $5,434
- 82 individuals learned about childbirth, breastfeeding and newborn care through childbirth education classes at a cost to the organization of $4,209
- 85 individuals received cardiopulmonary resuscitation (CPR) training through Floyd at a cost to the organization of $1,489
- 2,278 indigent or charity individuals received free or reduced cost prescriptions at a cost to the organization of $100,755
- Working with 858 nursing students, Floyd staff members provided 77,683 hours of clinical education at a cost of $459,236 to the organization. Many of these students eventually accept jobs in our service area, providing much-needed medical expertise in our primary and secondary service areas.
- Working with 253 clinical students in such areas as physical therapy, nutrition services and the pharmacy, Floyd staff members provided 43,449 hours of clinical education at a cost of $256,703
- Working with 90 medical students studying to become physicians, Floyd staff members provided 14,654 hours of clinical education at a cost of $86,532.
- 3,865 individuals received health screenings and health information at health fairs at a cost to the organization of $6,218
- 174,325 individuals benefitted from the presence of Floyd Emergency Medical Services at community events at a cost to the organization of $95,454.
- 4,934 students learned about safety and health education in school-based health education programs at a cost of $15,760
- 397 student athletes received free sports physicals at a cost to the organization of $1,274

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Outreach

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

Members of the Floyd team are committed to the community in many ways. In fiscal year 2014 Floyd co-workers loaned their talents and leadership skills to school, civic and professional organizations. A partial list of the leadership roles Floyd and our employees held during 2014 includes:

- Member, Cancer Navigators Board of Directors
- Secretary, Northwest Georgia Cancer Coalition Board of Directors
- Chairperson, March of Dimes, Floyd County Chapter
- Vice Chairman, Distribution Cooperative Inc., Board of Directors
- Fellow, Association for Healthcare Resource and Materials Management
- President, Georgia Hospital Association's Georgia Society for Managed Care
- Chairman, VHA Revenue Cycle Council
- Board Member and Education Committee Chairman, Georgia Faith Community Nurse Association
- Representative, Northwest Georgia Hospice and Palliative Care Organization, Palliative Care Committee
- Vice President and Membership Committee Chairman, Northwest Georgia Hospice and Palliative Nurses Association
- Chairman, Georgia Emergency Medical Services Council
- Board of Directors, Coosa Valley Fair Association
- President, Northwest Georgia Fair Association
- Board of Directors, Development Authority of Gordon County
- Executive Committee, Northwest Georgia Chapter American Red Cross
- Executive Committee, Northwest Georgia Emergency Medical Services Council
- Executive Committee, Northwest Georgia Trauma Advisory Council
- Board of Directors, Northwest Georgia Emergency Medical Services Systems Inc.
- Board of Directors, Georgia Association of Fairs
- Board of Directors, Georgia Association of Development Professionals
- President, Phlebotomy Advisory Committee, Georgia Northwestern Technical College
- Member, Medical Testing Technical Advisory Committee, American Association for Laboratory Accreditation
- Board Member, Coosa Valley Tennis Association

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Outreach, Continued

- Board Member and Public Relations Chairperson, Challenger Sports Spring Formal
- Board Member and Coach, Rome-Floyd Parks and Recreation Authority and Challenger Sports
- Professional Advisor, Berry College Public Relations Student Society of America
- Board of Directors, Northwest Georgia Chapter American Red Cross
- President-Elect, Board of Directors, and Finance Committee Chairman, Georgia Society for Respiratory Care
- Community Representative, Pepperell Middle School Governance Team
- Chairman, VHA Respiratory/Critical Care Committee
- Georgia Representative, Southeastern Healthcare Volunteer Leaders
- Board Member and Target Awards Chairman, Georgia Hospital Association Georgia Society for Healthcare Marketing and Public Relations
- Board of Directors and Membership Committee, Georgia Hospice and Palliative Care
- Board Member, Georgia Organization of Nurse Leaders
- Secretary/Treasurer, Northwest Georgia District, Georgia Organization of Nurse Leaders
- President, Rome High School Parent Teacher Student Organization
- Board Member, Action Ministries Rome
- Board Member, Rome-Floyd County Communities in Schools
- Member, Georgia State University Institute for Health Administration Alumni Board
- Board Member, Greater Rome Chamber of Commerce
- Chairman, Partner's Cooperative Group Purchasing Organization
- Board of Directors, Georgia Hospital Health Services
- Board, HSI, Inc.
- Member, Georgia Hospital Association Wage Index Committee
- Member, Georgia Hospital Association Finance Communication Committee
- Member, VHA Georgia CFO Council
- Member, Georgia Safety Net Alliance
- Member, Blood Assurance Rome Advisory Board
- Member, Georgia Northwestern Technical College Phlebotomy Advisory Board
- Member, Dalton College, Medical Laboratory Technology Advisory Board
- Board of Directors, Free Clinic of Rome
- Member, Georgia Hospital Association's Data and Technology Committee
- Member, Georgia Hospital Association's Hospital Engagement Network
- Member, VHA Performance Improvement Council
- Member, VHA Case Management Council
- Member, Georgia Department of Behavioral Health and Developmental Disabilities Region One System of Care Council

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Outreach, Continued

Perhaps most significant is the continuing commitment of Floyd to provide comprehensive health care services to all individuals regardless of ability to pay. In fiscal year 2014, $64.9 million in unreimbursed care was delivered to individuals in the form of traditional charity care and through public programs and services. The value of all community benefit activities combined totaled $69.3 million.

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

Fiscal year 2015 begins with Floyd's continued commitment to provide the highest standards of patient care and employee satisfaction; a commitment that enables a culture of high performance and high expectations.

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