

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2015
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2015 calendar year, or tax year beginning **JUL 1, 2015** and ending **JUN 30, 2016**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization FULTON COUNTY MEDICAL CENTER		D Employer identification number 23-1401561	
	Doing business as		E Telephone number 717-485-3155	
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 214 PEACH ORCHARD ROAD		G Gross receipts \$ 50,199,199.	
	City or town, state or province, country, and ZIP or foreign postal code MCCONNELLSBURG, PA 17233		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	F Name and address of principal officer: JASON HAWKINS SAME AS C ABOVE		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: ▶ **WWW.FCMCPA.ORG**

K Form of organization: Corporation Trust Association Other ▶ **L** Year of formation: **1947** **M** State of legal domicile: **PA**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: HEALTHCARE SERVICES		
	2 Check this box <input type="checkbox"/> 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	13
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	587
	6 Total number of volunteers (estimate if necessary)	6	47
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	303,440.	233,675.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	42,880,354.	46,904,710.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	641,972.	-477,112.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	680,120.	2,237,030.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	44,505,886.	48,898,303.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	386,151.	352,301.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	27,268,327.	30,071,991.
	b Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	18,318,628.	18,836,157.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	45,973,106.	49,260,449.	
19 Revenue less expenses. Subtract line 18 from line 12	-1,467,220.	-362,146.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	54,914,903.	53,286,171.
	22 Net assets or fund balances. Subtract line 21 from line 20	38,878,683.	43,235,783.

Part II Signature Block

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

Sign Here	Signature of officer	Date			
	DEBORAH SHUGHART, CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name JEFFREY J. PETRELL, CPA	Preparer's signature	Date 05/17/17	Check if self-employed <input type="checkbox"/>	PTIN P00138808
	Firm's name ▶ ARNETT CARBIS TOOTHMAN LLP	Firm's EIN ▶ 55-0486667	Firm's address ▶ 5700 CORPORATE DRIVE, STE 650 PITTSBURGH, PA 15237	Phone no. 412-635-6270	

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 [X]

1 Briefly describe the organization's mission: THE MISSION OF THE FULTON COUNTY MEDICAL CENTER IS "TO CONTINUOUSLY IMPROVE THE HEALTH OF OUR COMMUNITY" WE PERFORM THIS MISSION BY PROVIDING DIAGNOSTIC AND THERAPEUTIC SERVICES IN OUR ACUTE CARE HOSPITAL, MAINTAINING HEALTH AND PROVIDING A HIGHER QUALITY OF LIFE IN

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 [X] 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 [X] 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 \$ 42,144,901. including grants of \$ 352,301.) (Revenue \$ 39,700,402.) FULTON COUNTY MEDICAL CENTER PROVIDES INPATIENT, OUTPATIENT, EMERGENCY CARE, SKILLED NURSING, AND HOME HEALTH SERVICES. SERVICES ARE PROVIDED TO ALL WHO NEED THEM, REGARDLESS OF ABILITY TO PAY. EMERGENCY SERVICES ARE PROVIDED 24/7, 365 DAYS A YEAR, WITHOUT INQUIRY INTO FINANCIAL MEANS OR INSURANCE STATUS. ELECTIVE SERVICES ARE PROVIDED WITH FINANCIAL ASSISTANCE OFFERED BASED UPON A STANDARD, OBJECTIVE APPLICATION TO DETERMINE FINANCIAL NEED. SERVICES MAY BE DISCOUNTED FROM ESTABLISHED RATES OR PROVIDED FREE OF CHARGE AFTER THE APPLICATION AND SUPPORTING DOCUMENTATION HAVE BEEN EVALUATED. DISCOUNTS AND ALLOWANCES OFFERED UNDER THE MEDICAL CENTER'S FINANCIAL ASSISTANCE PROGRAM TOTALED \$93,000 BASED ON CHARGES FOREGONE DURING THE FISCAL YEAR ENDED JUNE 30, 2016. THE AMOUNT OF THE DISCOUNT IS DETERMINED BY

4b (Code:) (Expenses \$ 3,000,567. including grants of \$) (Revenue \$ 7,204,308.) FULTON COUNTY MEDICAL CENTER OPERATES A 67 BED HOSPITAL-BASED SKILLED NURSING FACILITY. THE NURSING HOME OFFERS QUALITY CARE IN A FRIENDLY HOME ENVIRONMENT. THE HOSPITAL-BASED NURSING HOME OFFERS DIRECT AVAILABILITY TO SERVICES SUCH AS LAB, X-RAY, EKG, RESPIRATORY THERAPY, REHAB SERVICES AND 24 HOUR PHYSICIAN AVAILABILITY FOR EMERGENCIES. TODAY, FCMC LONG TERM CARE IS VERY MUCH A VITAL PART OF THE ORGANIZATION. THIS IS THE ONLY NURSING HOME IN FULTON COUNTY. HEALTHCARE HAS DRAMATICALLY CHANGED SINCE 1970 WHEN THE LTC UNIT WAS BUILT, HOWEVER THE QUALITY OF CARE, COUPLED WITH THE FAMILY-LIKE ATMOSPHERE HAS REMAINED UNCHANGED. IF THE FACILITY DID NOT EXIST FAMILIES WOULD HAVE TRAVEL OVER MOUNTAINOUS TERRAIN TO RECEIVE LONG TERM CARE SERVICES. WHILE THE FACILITY ACCEPTS ALL MAJOR INSURANCES,

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 45,145,468.

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)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
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? <i>If "Yes," complete Schedule C, Part II</i>		X
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? <i>If "Yes," complete Schedule C, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
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? <i>If "Yes," complete Schedule D, Part VI</i>	X	
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? <i>If "Yes," complete Schedule D, Part VII</i>		X
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? <i>If "Yes," complete Schedule D, Part VIII</i>		X
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? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
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? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
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?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	X	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
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		
2b	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)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O		
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)?		X
4b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		X
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		X
9b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		X
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	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		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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 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.	13	
1b	Enter the number of voting members included in line 1a, above, who are independent	11	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
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?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
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?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
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		X

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?		X
10b	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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	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	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
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?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
	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?		X
16b	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?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **PA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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, address, and telephone number of the person who possesses the organization's books and records: **DEBORAH SHUGHART - 717-485-3155**
214 PEACH ORCHARD ROAD, MCCONNELSBURG, PA 17233

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, and 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 line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DENNY L. BUTERBAUGH CHAIR	1.00	X		X				0.	0.	0.
(2) TIMOTHY R. MCGARVEY VICE CHAIR	1.00	X		X				0.	0.	0.
(3) PENELOPE SHIVES SECRETARY	1.00	X		X				0.	0.	0.
(4) CLARENCE O. WEICHT TREASURER	1.00	X		X				0.	0.	0.
(5) DOUGLAS STERN, D.O. DIRECTOR	1.00	X					498,211.	0.	21,027.	
(6) WILLIAM C. DOVEY, JR. DIRECTOR	1.00	X					0.	0.	0.	
(7) TIMOTHY HANN DIRECTOR	1.00	X					0.	0.	0.	
(8) TONYA K. HOUSE DIRECTOR	1.00	X					0.	0.	0.	
(9) SANDRA H. LAND DIRECTOR	1.00	X					0.	0.	0.	
(10) MICHAEL L. CRAMPTON DIRECTOR	1.00	X					0.	0.	0.	
(11) J. SCOTT ALEXANDER DIRECTOR	1.00	X					0.	0.	0.	
(12) C. VIRGINIA PALMER DIRECTOR	1.00	X					0.	0.	0.	
(13) JAMES A. BOTHELL, SR. DIRECTOR	1.00	X					0.	0.	0.	
(14) JASON HAWKINS CEO	38.00 2.00			X			206,150.	0.	21,850.	
(15) DEBORAH SHUGHART CFO	38.00 2.00			X			139,661.	0.	21,573.	
(16) ALBERT IGUCHI, M.D. ER PHYSICIAN	50.00					X	351,937.	0.	20,448.	
(17) GERALD CELESTINE, M.D. ER PHYSICIAN	40.00					X	339,325.	0.	21,934.	

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 line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) JEFFREY MANDAK, M.D. CARDIOLOGIST	40.00					X		495,933.	0.	26,743.
(19) MERRILL MCKENZIE, M.D. ER PHYSICIAN	40.00					X		337,713.	0.	20,448.
(20) WILLIAM MILROTH, M.D. PHYSICIAN	40.00					X		325,000.	0.	9,036.
1b Sub-total								2,693,930.	0.	163,059.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								2,693,930.	0.	163,059.

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 **25**

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

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
ARMEN ARAKELIAN 42 LAWRENCE LANE, LEXINGTON, MA 02421	IT SERVICES	197,225.
DR. MATTHEW ESPENSHADE 2209 EAGLESMOOR LANE, ENOLA, PA 17025	THERAPY SERVICES	125,000.

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 **2**

Part VIII Statement of Revenue

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

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c						
	d Related organizations	1d	184,978.					
	e Government grants (contributions)	1e						
	f All other contributions, gifts, grants, and similar amounts not included above	1f	48,697.					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f			233,675.				
Program Service Revenue	2 a NET PATIENT SERVICE REVENUE	Business Code	621110	39,700,402.	39,700,402.			
	b NET RESIDENT SERVICE REVENUE		623000	7,204,308.	7,204,308.			
	c							
	d							
	e							
	f All other program service revenue							
	g Total. Add lines 2a-2f			46,904,710.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			373,708.			373,708.	
	4 Income from investment of tax-exempt bond proceeds							
	5 Royalties							
	6 a Gross rents	(i) Real		76,691.				
		(ii) Personal						
		b Less: rental expenses		398,384.				
		c Rental income or (loss)		-321,693.				
	d Net rental income or (loss)			-321,693.			-321,693.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities		28,117.				
		(ii) Other			23,575.			
		b Less: cost or other basis and sales expenses		0.	902,512.			
		c Gain or (loss)		28,117.	-878,937.			
	d Net gain or (loss)			-850,820.			-850,820.	
	8 a 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								
9 a Gross income from gaming activities. See Part IV, line 19	a							
	b Less: direct expenses	b						
	c Net income or (loss) from gaming activities							
10 a 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					
11 a OTHER REVENUE		900099		2,558,723.			2,558,723.	
	b							
	c							
	d All other revenue							
	e Total. Add lines 11a-11d				2,558,723.			
12 Total revenue. See instructions.				48,898,303.	46,904,710.	0.	1,759,918.	

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 domestic organizations and domestic governments. See Part IV, line 21	352,301.	352,301.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	908,472.		908,472.	
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	21,865,683.	20,770,052.	1,095,631.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,243,861.	1,137,622.	106,239.	
9 Other employee benefits	4,402,821.	4,085,718.	317,103.	
10 Payroll taxes	1,651,154.	1,510,128.	141,026.	
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
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 Sch. O.)	1,789,145.	1,371,324.	417,821.	
12 Advertising and promotion	202,127.	72,263.	129,864.	
13 Office expenses	523,776.	284,683.	239,093.	
14 Information technology	118,722.		118,722.	
15 Royalties				
16 Occupancy	554,932.	554,932.		
17 Travel	89,631.	81,201.	8,430.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	112,137.	109,103.	3,034.	
20 Interest	1,557,061.	1,557,061.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,645,175.	2,645,175.		
23 Insurance	392,122.	392,122.		
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	3,929,350.	3,929,350.		
b PURCHASED SERVICES	3,555,135.	3,074,900.	480,235.	
c BAD DEBT	2,619,700.	2,619,700.		
d DIETARY	360,966.	360,966.		
e All other expenses	386,178.	236,867.	149,311.	
25 Total functional expenses. Add lines 1 through 24e	49,260,449.	45,145,468.	4,114,981.	0.
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	6,069,198.	1	5,757,561.
	2 Savings and temporary cash investments	251,262.	2	129,603.
	3 Pledges and grants receivable, net	6,774.	3	628,401.
	4 Accounts receivable, net	8,425,059.	4	8,423,426.
	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 instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	486,916.	8	427,453.
	9 Prepaid expenses and deferred charges	870,214.	9	896,043.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 47,536,634.		
	b Less: accumulated depreciation	10b 24,695,781.	24,273,061.	10c 22,840,853.
	11 Investments - publicly traded securities	7,755,220.	11	7,804,098.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets	162,979.	14	162,979.
	15 Other assets. See Part IV, line 11	6,614,220.	15	6,215,754.
16 Total assets. Add lines 1 through 15 (must equal line 34)	54,914,903.	16	53,286,171.	
Liabilities	17 Accounts payable and accrued expenses	5,615,843.	17	5,387,237.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	26,239,786.	20	50,000.
	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	1,011,712.	23	26,559,924.
	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	6,011,342.	25	11,238,622.
	26 Total liabilities. Add lines 17 through 25	38,878,683.	26	43,235,783.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	14,950,884.	27	9,034,496.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets	1,085,336.	29	1,015,892.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	16,036,220.	33	10,050,388.	
34 Total liabilities and net assets/fund balances	54,914,903.	34	53,286,171.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	48,898,303.
2	Total expenses (must equal Part IX, column (A), line 25)	2	49,260,449.
3	Revenue less expenses. Subtract line 2 from line 1	3	-362,146.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	16,036,220.
5	Net unrealized gains (losses) on investments	5	-201,606.
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	-5,422,080.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	10,050,388.

Part XII Financial Statements and Reporting

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

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

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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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 VI.)						
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 section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2014 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2015. 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		<input type="checkbox"/>
b 33 1/3% support test - 2014. 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		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2015. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2014. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
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		<input type="checkbox"/>

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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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 VI.)						
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 section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2015. 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 - 2014. 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 Supporting Organizations

(Complete only if you checked a box in line 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI .		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI .			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		(A) Prior Year	Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2015:			
a			
b			
c			
d From 2013			
e From 2014			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2015 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 Excess distributions carryover to 2016. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c Excess from 2013			
d Excess from 2014			
e Excess from 2015			

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Name of the organization

FULTON COUNTY MEDICAL CENTER

Employer identification number

23-1401561

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization FULTON COUNTY MEDICAL CENTER	Employer identification number 23-1401561
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ 184,978.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ 19,633.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/>	\$ 18,594.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization FULTON COUNTY MEDICAL CENTER	Employer identification number 23-1401561
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____

Name of organization FULTON COUNTY MEDICAL CENTER	Employer identification number 23-1401561
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

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

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization FULTON COUNTY MEDICAL CENTER **Employer identification number** 23-1401561

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of 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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on 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 a 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 Tax 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?

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

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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)?

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" on 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) Revenue included on 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 Revenue included on 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" on 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, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

The percentages on 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" on line 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" on 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		556,178.		556,178.
b Buildings		16,066,933.	6,300,727.	9,766,206.
c Leasehold improvements				
d Equipment		26,393,136.	15,693,085.	10,700,051.
e Other		4,520,387.	2,701,969.	1,818,418.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				22,840,853.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on 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		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on 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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DEBT SERVICE FUND	2,070,002.
(2) ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	3,029,860.
(3) DUE FROM AFFILIATES	100,000.
(4) BENEFICIAL INTEREST IN PERPETUAL TRUST	1,015,892.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	6,215,754.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) PENSION PLAN LIABILITY	10,780,411.
(3) ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	458,211.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	11,238,622.

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" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	47,313,907.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	398,384.
e	Add lines 2a through 2d	2e	398,384.
3	Subtract line 2e from line 1	3	46,915,523.
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	1,982,780.
c	Add lines 4a and 4b	4c	1,982,780.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	48,898,303.

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	46,681,419.
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	398,384.
e	Add lines 2a through 2d	2e	398,384.
3	Subtract line 2e from line 1	3	46,283,035.
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	2,977,414.
c	Add lines 4a and 4b	4c	2,977,414.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	49,260,449.

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.

PART X, LINE 2:

THE MEDICAL CENTER FOLLOWS THE GUIDANCE FOR ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS THAT PRESCRIBES A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY. MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET. THE GUIDANCE ALSO ADDRESSES DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, AND DISCLOSURE. MANAGEMENT HAS DETERMINED THAT THIS GUIDANCE HAD NO MATERIAL EFFECT ON THE CONSOLIDATED FINANCIAL STATEMENTS. THE MEDICAL CENTER'S POLICY IS TO RECOGNIZE INTEREST RELATED TO UNRECOGNIZED TAX BENEFITS IN INTEREST EXPENSE AND PENALTIES IN GENERAL AND ADMINISTRATION EXPENSES. THERE WERE

Part XIII Supplemental Information (continued)

NO INTEREST OR PENALTIES RECOGNIZED ON THE CONSOLIDATED STATEMENTS OF OPERATIONS AS A RESULT OF THIS GUIDANCE. GENERALLY, TAX RETURNS FOR YEARS ENDED JUNE 30, 2013, AND THEREAFTER REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSES	398,384.
-----------------	----------

PART XI, LINE 4B - OTHER ADJUSTMENTS:

BAD DEBT EXPENSE	2,619,700.
REALIZED GAIN (LOSS) ON SALE OF ASSETS	23,575.
NET ASSETS RELEASED FROM RESTRICTIONS	184,977.
AUXILIARY INCOME	28,923.
REALIZED GAIN ON TERMINATION OF INTEREST RATE SWAP	28,117.
LOSS FROM EARLY EXTINGUISHMENT OF DEBT	-902,512.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	1,982,780.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSES	398,384.
-----------------	----------

PART XII, LINE 4B - OTHER ADJUSTMENTS:

BAD DEBT EXPENSE	2,619,700.
TRANSFER OF ASSETS TO RELATED PARTY	330,176.
AUXILIARY EXPENSES	27,538.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	2,977,414.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization **FULTON COUNTY MEDICAL CENTER** Employer identification number **23-1401561**

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	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used 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"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			51,697.		51,697.	.11%
b Medicaid (from Worksheet 3, column a)			8991543.	10077274.	-1085731.	.00%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			9043240.	10077274.	-1034034.	.11%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			101,152.	14,272.	86,880.	.19%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			7884249.	3762047.	4122202.	8.84%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			7985401.	3776319.	4209082.	9.03%
k Total. Add lines 7d and 7j			17028641.	13853593.	3175048.	9.14%

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 letter of facility reporting group FULTON COUNTY MEDICAL CENTER

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	X
3 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 12	3	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>15</u>		
5 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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	X
7 Did the hospital facility make its CHNA report widely available to the public?	7	X
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.FCMCPA.ORG/COMMUNITY-RESOURCES</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If "Yes," (list url): <u>WWW.FCMCPA.ORG/COMMUNITY-RESOURCES</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	X
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a 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)?	12a	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, 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 (FAP)

Name of hospital facility or letter of facility reporting group FULTON COUNTY MEDICAL CENTER

	Yes	No
<p>Did the hospital facility have in place during the tax year a written financial assistance policy that:</p> <p>13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?</p> <p>If "Yes," indicate the eligibility criteria explained in the FAP:</p> <p>a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>100</u> % and FPG family income limit for eligibility for discounted care of <u>200</u> %</p> <p>b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)</p> <p>c <input checked="" type="checkbox"/> Asset level</p> <p>d <input checked="" type="checkbox"/> Medical indigency</p> <p>e <input checked="" type="checkbox"/> Insurance status</p> <p>f <input checked="" type="checkbox"/> Underinsurance status</p> <p>g <input checked="" type="checkbox"/> Residency</p> <p>h <input type="checkbox"/> Other (describe in Section C)</p>	X	
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
<p>If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):</p> <p>a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application</p> <p>b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application</p> <p>c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process</p> <p>d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications</p> <p>e <input type="checkbox"/> Other (describe in Section C)</p>		
16 Included measures to publicize the policy within the community served by the hospital facility?	X	
<p>If "Yes," indicate how the hospital facility publicized the policy (check all that apply):</p> <p>a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>WWW.FCMCPA.ORG/FINANCIAL-ASSISTANCE</u></p> <p>b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.FCMCPA.ORG/FINANCIAL-ASSISTANCE</u></p> <p>c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 7</u></p> <p>d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>g <input checked="" type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility</p> <p>h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP</p> <p>i <input type="checkbox"/> Other (describe in Section C)</p>		

Billing and Collections

17 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 all of the actions the hospital facility or other authorized party may take upon non-payment?	X	
18 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 <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Actions that require a legal or judicial process		
d <input type="checkbox"/> Other similar actions (describe in Section C)		
e <input type="checkbox"/> None of these actions or other similar actions were permitted		

Part V Facility Information (continued)

Name of hospital facility or letter of facility reporting group FULTON COUNTY MEDICAL CENTER

	Yes	No
19 Did the hospital facility or other authorized 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?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Actions that require a legal or judicial process		
d <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy on admission		
b <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge		
c <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills		
d <input checked="" type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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?	21	X	
If "No," indicate why:			
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
b <input type="checkbox"/> The hospital facility's policy was not in writing			
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d <input type="checkbox"/> Other (describe in Section C)			

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

22 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 <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d <input checked="" type="checkbox"/> Other (describe in Section C)			
23 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?	23		X
If "Yes," explain in Section C.			
24 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?	24		X
If "Yes," explain in Section C.			

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

FULTON COUNTY MEDICAL CENTER:

PART V, SECTION B, LINE 5: REPRESENTATIVES FROM FULTON COUNTY FAMILY PARTNERSHIP (FCFP), FULTON INDUSTRIAL DEVELOPMENT ASSOCIATION (FIDA), FULTON COUNTY SERVICES FOR CHILDREN AND HEALTH SERVICES (FCSCHS), MENTAL HEALTH ASSOCIATION OF FRANKLIN AND FULTON COUNTIES (MHAF), TRI-STATE COMMUNITY HEALTH CENTER (TRI-STATE), AND STRATEGY SOLUTIONS, INC. WORKED COLLABORATIVELY TO GUIDE AND CONDUCT THE COMMUNITY HEALTH NEEDS ASSESSMENT. A STEERING COMMITTEE MADE UP OF SENIOR REPRESENTATIVES OF FCMC, AS WELL AS REPRESENTATIVES FROM LOCAL HEALTH DEPARTMENTS, LEADING HEALTH AND SOCIAL SERVICE ORGANIZATIONS AND COUNTY GOVERNMENT PROVIDED ADDITIONAL INPUT. THE COMBINED EXPERTISE, INPUT AND KNOWLEDGE OF THE MEMBERS OF THE STEERING COMMITTEE WAS VITAL TO THE PROJECT. TO GUIDE THIS ASSESSMENT, THE HOSPITAL'S LEADERSHIP TEAM FORMED A STEERING COMMITTEE THAT CONSISTED OF HOSPITAL AND COMMUNITY AGENCIES WHO REPRESENTED THE BROAD INTERESTS OF THE LOCAL REGION. THESE INCLUDED REPRESENTATIVES WHO UNDERSTOOD THE NEEDS AND ISSUES RELATED TO VARIOUS UNDERREPRESENTED GROUPS INCLUDING MEDICALLY UNDERSERVED POPULATIONS, LOW-INCOME PERSONS, MINORITY GROUPS, AND THOSE WITH CHRONIC DISEASE AND MENTAL HEALTH NEEDS, INDIVIDUALS WITH EXPERTISE IN PUBLIC HEALTH, AND INTERNAL PROGRAM MANAGERS. THE FCMC STEERING COMMITTEE MET THREE TIMES BETWEEN FEBRUARY 2015 AND SEPTEMBER 2015 TO PROVIDE GUIDANCE ON THE VARIOUS COMPONENTS OF THE CHNA.

FULTON COUNTY MEDICAL CENTER:

PART V, SECTION B, LINE 6B: THE FULTON COUNTY MEDICAL CENTER (FCMC)

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WAS DEVELOPED WITH COLLABORATION FROM FULTON COUNTY FAMILY PARTNERSHIP (FCFP), FULTON INDUSTRIAL DEVELOPMENT ASSOCIATION (FIDA), FULTON COUNTY SERVICES FOR CHILDREN AND HEALTH SERVICES (FCSCHS), MENTAL HEALTH ASSOCIATION OF FRANKLIN AND FULTON COUNTIES (MHAFF), TRI-STATE COMMUNITY HEALTH CENTER (TRI-STATE), AND STRATEGY SOLUTIONS, INC. (SSI), THE CONSULTING GROUP ENGAGED BY FCMC TO ASSIST WITH THE ASSESSMENT.

FULTON COUNTY MEDICAL CENTER:

PART V, SECTION B, LINE 11: AFTER ALL PRIMARY (COMMUNITY SURVEY, STAKEHOLDER INTERVIEWS AND FOCUS GROUPS) AND SECONDARY DATA WERE REVIEWED AND ANALYZED BY THE STEERING COMMITTEE DURING A MEETING ON SEPTEMBER 15, 2015, THE DATA SUGGESTED A TOTAL OF 85 DISTINCT ISSUES, NEEDS AND POSSIBLE PRIORITY AREAS FOR POTENTIAL INTERVENTION BY FCMC. MEMBERS OF THE FCMC CHNA COLLABORATION WORK GROUP MET ON OCTOBER 22, 2015 TO REVIEW THE FINAL PRIORITIES SELECTED BY THE FCMC STEERING COMMITTEE. USING THE METHODOLOGY OF LOOKING AT THE FOUR PRIORITIZATION CRITERIA OF (I) ACCOUNTABLE ROLE OF THE HOSPITAL, (II) MAGNITUDE OF THE PROBLEM, (III) IMPACT ON OTHER HEALTH OUTCOMES AND (IV) CAPACITY (SYSTEMS AND RESOURCES) TO IMPLEMENT EVIDENCE-BASED SOLUTIONS, ALONG WITH THE RANK ORDER OF THE FINAL PRIORITIES SELECTED BY THE FCMC STEERING COMMITTEE, THE FOLLOWING TOP TWENTY PRIORITIES ARE CONSIDERED THE MOST SIGNIFICANT.

1. CHRONIC DISEASE: DIABETES
2. CHRONIC DISEASE: CARDIOVASCULAR DISEASE (HEART DISEASE, CHOLESTEROL, ETC.)

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

- 3. CHRONIC DISEASE: OBESITY
- 4. CHRONIC DISEASE: HYPERTENSION/CARDIAC
- 5. CHRONIC DISEASE: CONGESTIVE HEART FAILURE
- 6. PHYSICAL ACTIVITY/NUTRITION: LACK OF PHYSICAL ACTIVITY
- 7. TOBACCO USE: SMOKING
- 8. PHYSICAL ACTIVITY/NUTRITION: EATING HABITS/ACCESS TO HEALTHY FOODS
- 9. ACCESS TO QUALITY HEALTH SERVICES: ACCESS TO BEHAVIORAL/MENTAL HEALTH SERVICES
- 10. ACCESS TO QUALITY HEALTH SERVICES: AFFORDABILITY OF HEALTH CARE/INSURANCE COSTS/COPAYS
- 11. PHYSICAL ACTIVITY/NUTRITION: SEDENTARY LIFESTYLE
- 12. TOBACCO USE: CHEWING TOBACCO, SNUFF, SNUS
- 13. ACCESS TO QUALITY HEALTH SERVICES: ACCESS TO PRIMARY CARE SERVICES
- 14. HEALTHY MOTHERS, BABIES & CHILDREN: CHILDHOOD OBESITY
- 15. TOBACCO USE: YOUTH SMOKING/CHEWING
- 16. CHRONIC DISEASE: COPD/CHRONIC BRONCHITIS
- 17. MENTAL HEALTH/SUBSTANCE ABUSE: ALCOHOL ABUSE
- 18. MENTAL HEALTH/SUBSTANCE ABUSE: DEPRESSION
- 19. ACCESS TO QUALITY HEALTH SERVICES: WOMEN'S HEALTH
- 20. MENTAL HEALTH/SUBSTANCE ABUSE: PRESCRIPTION DRUG MISUSE/ABUSE

THE IMPLEMENTATION STRATEGIES SELECTED BY FCMC AND ITS COMMUNITY PARTNERS WILL ADDRESS THE MOST SIGNIFICANT NEEDS THROUGH A VARIETY OF IMPLEMENTATION STRATEGIES FOCUSING ON (4) MAIN GOALS.

- 1. IMPROVE CHRONIC DISEASE PREVENTION, ACCESS TO CARE AND CARE MANAGEMENT IN COLLABORATION WITH TSCHC AND OTHER COMMUNITY PROVIDER
- 2. IMPROVE ACCESS AND CARE COORDINATION FOR THE UNDERSERVED IN FULTON

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

COUNTY

3. DEVELOP A FULL CONTINUUM OF AGING SERVICES TO MEET THE NEEDS OF OLDER PERSONS IN FULTON COUNTY

4. IMPROVE THE QUALITY OF THE LIFE FOR THE FAMILIES OF FULTON COUNTY.

FULTON COUNTY MEDICAL CENTER

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

WWW.FCMCPA.ORG/FINANCIAL-ASSISTANCE

FULTON COUNTY MEDICAL CENTER:

PART V, SECTION B, LINE 16I: BILLING STATEMENTS INCLUDE A NOTICE ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE AND HOW TO OBTAIN INFORMATION.

FULTON COUNTY MEDICAL CENTER:

PART V, SECTION B, LINE 22D: FULTON COUNTY MEDICAL CENTER USES THE LOOK-BACK METHOD TO CALCULATE AMOUNTS GENERALLY BILLED.

PART V, SECTION B, LINE 2:

THE CHNA WAS LAST CONDUCTED DURING THE ORGANIZATION'S 2015 TAX YEAR, WHICH IS EQUIVALENT TO ITS FISCAL YEAR ENDED JUNE 30, 2016. THE IMPLEMENTATION STRATEGY WAS ALSO ADOPTED DURING THAT SAME FISCAL YEAR.

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.

PART I, LINE 3C:

PATIENTS WITH NO HEALTH INSURANCE, PRIVATE OR EMPLOYER-SPONSORED INSURANCE, OR VIA GOVERNMENTAL PROGRAMS, ARE AUTOMATICALLY ELIGIBLE FOR A FINANCIAL ASSISTANCE DISCOUNT IN THE FOLLOWING AMOUNTS:

INPATIENT SERVICES - 30%

OUTPATIENT SERVICES - 40%

HOME HEALTH SERVICES - 20%

SWING BED SERVICES - 30%

ADDITIONAL FINANCIAL ASSISTANCE MAY BE MADE AVAILABLE TO THE PATIENT BASED ON A SLIDING FEE SCALE, IN ACCORDANCE WITH FINANCIAL NEED, AS DETERMINED BY REFERENCING FEDERAL POVERTY LEVELS (FPL) IN EFFECT AT THE TIME OF THE DETERMINATION. IN GENERAL, PEOPLE WHOSE HOUSEHOLD INCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL ARE ELIGIBLE FOR FINANCIAL ASSISTANCE. FAMILIES OR INDIVIDUALS WITH HIGHER INCOMES MAY QUALIFY ON A CASE-BY-CASE BASIS.

PART I, LINE 7:

Part VI Supplemental Information (Continuation)

CHARITY CARE WAS CONVERTED TO COST ON LINE 7A BASED ON AN OVERALL COST-TO-CHARGE RATIO ADDRESSING ALL PATIENT SEGMENTS. UNREIMBURSED MEDICAID ON LINE 7B WAS CALCULATED USING THE COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2. COMMUNITY HEALTH IMPROVEMENT SERVICES, LINE 7E ARE REPORTED FROM THE COMMUNITY BENEFIT'S ANNUAL BOARD REPORT. LINE 7G WAS DETERMINED USING THE MEDICARE COST REPORT.

PART I, LINE 7G:

SUBSIDIZED HEALTH SERVICES INCLUDED IN FISCAL YEAR 2016 WERE: EMERGENCY ROOM AND HOME HEALTH

PART I, LN 7 COL(F):

THE AMOUNT OF BAD DEBT EXPENSE REMOVED FROM THE DENOMINATOR OF THE CALCULATIONS WAS \$2,619,700.

PART I, LINE 6A:

FCMC'S 990 FILING IS AVAILABLE TO THE PUBLIC UPON REQUEST. A SUMMARY OF FCMC'S COMMUNITY BENEFIT IS DESCRIBED IN FCMC'S ANNUAL REPORT. THE ANNUAL REPORT IS AVAILABLE TO THE PUBLIC DURING THE ANNUAL MEETING, AT THE HOSPITAL, AS WELL AS ON THE HOSPITAL WEBSITE.

PART II, LINES 8 & 9:

PART II, LINE 8: THE AMOUNT REPORTED REPRESENTS THE EXPENSE RELATED TO RECRUITING HEALTHCARE PROFESSIONALS AND MANAGEMENT POSITIONS TO THE HOSPITAL.

PART II, LINE 9: FULTON COUNTY MEDICAL CENTER DONATED 50 HAMS TO A

Part VI Supplemental Information (Continuation)

LOCAL FOOD BANK DURING THE HOLIDAY SEASON. THIS DONATION IS ONE OF
MANY WAYS THE MEDICAL CENTER GIVES BACK TO THE COMMUNITY.

PART III, LINE 4:

PRIOR TO ANY ACCOUNT BEING CLASSIFIED AS BAD DEBT, ALL PAYMENTS ARE
APPLIED INCLUDING CONTRACTUAL ALLOWANCES AND DISCOUNTS, AND EVERY EFFORT
IS MADE WITH THE PATIENT IN AN ATTEMPT TO COLLECT THE OUTSTANDING BALANCE.
ACCOUNTS PLACED IN COLLECTION FOR A YEAR WITH NO PAYMENT BEING RECEIVED
WITHIN 120 DAYS ARE WRITTEN OFF TO BAD DEBT. IF A PAYMENT IS RECEIVED ON
AN AMOUNT PREVIOUSLY WRITTEN OFF TO BAD DEBT, THE AMOUNT WOULD REDUCE BAD
DEBT EXPENSE. FULTON COUNTY MEDICAL CENTER DOES NOT REFUSE SERVICE TO
PATIENTS THAT GENERATE BAD DEBT. THE ESTIMATED AMOUNT OF ORGANIZATION'S
BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE
ORGANIZATION'S CHARITY CARE POLICY IS CALCULATED BASED ON AN ESTIMATE OF
CHARITY CARE ACCOUNTS COMPARED TO TOTAL BAD DEBT ACCOUNTS.

FOOTNOTE TO FINANCIAL STATEMENTS:

THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED ON HISTORICAL LOSSES AND AN
ANALYSIS OF CURRENTLY OUTSTANDING AMOUNTS FOR ITS MAJOR PAYOR SOURCES.
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
AND RESIDENTS WHO HAVE THIRD-PARTY COVERAGE, THE MEDICAL CENTER ANALYZES
CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS
AND A PROVISION FOR BAD DEBTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED
UNCOLLECTABLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE
THIRD-PARTY PAYOR HAS NOT YET PAID). FOR RECEIVABLES ASSOCIATED WITH

Part VI Supplemental Information (Continuation)

SELF-PAY PATIENTS AND RESIDENTS (WHICH INCLUDES BOTH PATIENTS AND RESIDENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND PAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE MEDICAL CENTER RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS AND RESIDENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.

PART III, LINE 8:

MEDICARE SERVICES ARE PROVIDED TO THE ELDERLY WHICH ARE CONSIDERED TO BE A CHARITABLE CLASS. AS SUCH, WE BELIEVE THE SHORTFALL SHOULD BE CONSIDERED AS A COMMUNITY BENEFIT.

PART III, LINE 9B:

PATIENTS APPLYING FOR CHARITY CARE OR FINANCIAL ASSISTANCE, OR PATIENTS WHO ARE KNOWN TO QUALIFY FOR FREE OR DISCOUNTED CARE WILL BE PROCESSED AS SUCH BEFORE COLLECTION EFFORTS START. ONCE A DETERMINATION IS MADE ON ELIGIBILITY, ANY PERSONAL PORTION DUE IS SUBJECT TO THE SAME COLLECTION POLICY AS OTHER ACCOUNTS. IF THE PATIENT DOES NOT HAVE A THIRD PARTY INSURANCE COVERAGE, THEY WILL BE INFORMED OF THE FREE CARE PROGRAM. ELIGIBILITY WILL BE DETERMINED USING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES INCOME POVERTY GUIDELINES CATEGORY B WITH NO SLIDING SCALE. PATIENTS/GUARANTORS WHO HAVE NOT MET ARRANGEMENTS TO PAY OFF THEIR ACCOUNTS WITHIN THE ALLOTTED TIME WILL BE FORWARDED TO THE HOSPITAL'S

Part VI Supplemental Information (Continuation)

COLLECTION AGENCY. ALL ACCOUNTS WILL BE REVIEWED BY THE FINANCIAL ADVOCATE PRIOR TO AGENCY REFERRAL.

PART VI, LINE 2:

HEALTH CARE NEEDS FOR FULTON COUNTY MEDICAL CENTER HAVE BEEN ASSESSED USING BOTH INTERNAL AND EXTERNAL MEANS. INTERNALLY RECOMMENDATIONS ARE RECEIVED FROM STAFF AND PHYSICIANS (BOTH HOSPITAL-BASED AND VISITING) OF POTENTIAL SERVICES PATIENTS MAY BE REQUESTING. OUR CUSTOMER SERVICE REPRESENTATIVES AT FULTON COUNTY MEDICAL CENTER ALSO RECEIVE RECOMMENDATIONS FROM PATIENTS. THE RECOMMENDATIONS FROM PATIENTS MAY COME VIA COMPLIMENTS OR COMPLAINTS RECEIVED AS WELL AS PATIENT SURVEYS THAT ARE UTILIZED THROUGH THE HOSPITAL AS PART OF OUR QUALITY PROGRAM. IN ADDITION, DURING THE DEVELOPMENT OF THE STRATEGIC PLAN CURRENT AND FUTURE SERVICES ARE DISCUSSED THAT WILL BENEFIT THE COMMUNITY.

PART VI, LINE 3:

THE FULTON COUNTY MEDICAL CENTER POSTS INFORMATION ABOUT THE FINANCIAL ASSISTANCE PROGRAM AND DISCOUNTS AT THE ADMISSIONS AREAS, EMERGENCY ROOM WAITING AREAS, AND FINANCIAL ADVOCATE' OFFICE. THE INFORMATION IS INCLUDED IN THE INPATIENT AND OUTPATIENT SURGERY PATIENT PACKETS. THE FINANCIAL ADVOCATE DISCUSSES WITH THE PATIENT THE AVAILABILITY OF FINANCIAL ASSISTANCE AS WELL AS VARIOUS GOVERNMENT BENEFITS SUCH AS MEDICAID, AND ASSISTS THE PATIENT WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE. IN ADDITION, PATIENT INVOICES FOR FULTON COUNTY MEDICAL CENTER INCLUDE A NUMBER TO CALL FOR HELP IN APPLYING FOR FINANCIAL ASSISTANCE. THE FINANCIAL ASSISTANCE APPLICATION IS ON THE BACK OF THE PATIENT INVOICE AS WELL. WHEN COLLECTION TELEPHONE CALLS ARE MADE TO PATIENTS WITH OUTSTANDING BALANCES THEY ARE REMINDED OF OUR FINANCIAL ASSISTANCE

Part VI Supplemental Information (Continuation)

PROGRAM.

PART VI, LINE 4:

THE FULTON COUNTY MEDICAL CENTER IS IN FULTON COUNTY PENNSYLVANIA. THIS COUNTY IS IN RURAL SOUTH CENTRAL PENNSYLVANIA AND HAD AN ESTIMATED POPULATION IN 2014 OF 14,632 WITH 11.1% OF THE POPULATION BELOW THE POVERTY LEVEL (US CENSUS). THE FULTON COUNTY MEDICAL CENTER IS THE ONLY MEDICAL FACILITY IN THE COUNTY. THE CLOSEST HOSPITAL IS 19 MILES AWAY AND PATIENTS WOULD HAVE TO TRAVEL OVER MOUNTAINOUS RURAL TERRAIN. THE FULTON COUNTY MEDICAL CENTER IS A CRITICAL ACCESS HOSPITAL WITH OVER 50% OF ITS REVENUES RECEIVED FROM THE MEDICARE AND MEDICAID PROGRAMS.

PART VI, LINE 5:

FULTON COUNTY MEDICAL CENTER'S (FCMC) BOARD IS COMPRISED OF CITIZENS FROM THE COMMUNITIES AND SERVICE AREAS THAT BENEFIT FROM FCMC'S SERVICES. FCMC IS THE ONLY HOSPITAL AND SKILLED NURSING HOME IN THIS RURAL SERVICE AREA. IN ADDITION FCMC OFFERS HOME HEALTH SERVICES AND A SPECIALTY SERVICES CLINIC WHERE PHYSICIAN SPECIALISTS FROM OTHER GEOGRAPHICAL AREAS SEE PATIENTS. THIS ALLOWS RESIDENTS OF THE SURROUNDING AREAS TO RECEIVE MEDICAL CARE FROM MEDICAL PROFESSIONALS CLOSE TO HOME. PATIENTS WHO COME TO THE EMERGENCY ROOM ARE NOT DENIED TREATMENT BASED ON THE ABILITY TO PAY. FCMC OFFERS FINANCIAL ASSISTANCE DISCOUNTS AND CHARITY CARE FOR THOSE PATIENTS WHO HAVE A LIMITED OR NO MEANS TO PAY THEIR MEDICAL BILL. TO MEET THE NEEDS OF OUR COMMUNITY, THE HOSPITAL EXTENDS PRIVILEGES TO LICENSE MEDICAL STAFF. MEMBERS OF THE MEDICAL CENTER STAFF VISIT THE LOCAL SCHOOLS AND PARTICIPATE IN HEALTH FAIRS IN THE AREA TO REMIND CHILDREN OF HEALTHY HABITS THEY SHOULD PRACTICE. IN ADDITION, SEVERAL COMMUNITY HEALTH FAIRS ARE HELD SUCH AS A WOMEN'S HEALTH FAIR AND A HEALTH HUNTER'S HEALTH FAIR.

Part VI Supplemental Information (Continuation)

SUPPORT GROUPS SUCH AS ALZHEIMER'S SUPPORT GROUP, SMOKING CESSATION, AND AA ARE ALSO OFFERED TO THE COMMUNITY.

AS A CRITICAL ACCESS HOSPITAL AND RURAL HEALTHCARE PROVIDER, FCMC PROVIDES AN OPPORTUNITY TO ASSIST IN THE EDUCATION OF FUTURE HEALTH CARE WORKERS. AS PART OF THIS ENDEAVOR, NURSING STUDENTS FROM A LOCAL CAMPUS OF PENNSYLVANIA STATE UNIVERSITY COMPLETE A PORTION OF THEIR EDUCATION AT FCMC. ALSO, LAKE ERIE COLLEGE OF OSTEOPATHIC MEDICINE (LECOM) MEDICAL STUDENTS ROTATE TO FCMC AS PART OF THEIR EDUCATION. ALLIED HEALTH STUDENTS FROM THE SCHOOL DISTRICTS IN THE COUNTY SPEND A DAY TOURING THE DEPARTMENTS AT FCMC. IN ADDITION HIGH SCHOOL STUDENTS HAVE THE OPPORTUNITY TO VOLUNTEER WITHIN THE FACILITY OR JOB SHADOW A PROFESSIONAL AT THE HOSPITAL.

STAFF MEMBERS OF FCMC PROVIDE EDUCATION TO SCHOOLS, SENIOR CENTERS AND OTHER AREA GROUPS REGARDING CHRONIC DISEASE EDUCATION AND PREVENTION. IN ADDITION, SEVERAL COMMUNITY HEALTH FAIRS ARE HELD EACH YEAR, SUCH AS GO RED DAY FOR WOMEN, NATIONAL NUTRITION CELEBRATION, DIABETES FORUM, LADIES NIGHT OUT, AND HEALTHY SPORTSMAN. FCMC OFFERS SIX DIFFERENT SUPPORT GROUPS TO THE COMMUNITY INCLUDING ALCOHOLICS ANONYMOUS, NARCOTICS ANONYMOUS, ALZHEIMER'S AWARENESS, DIABETES, BREAST FEEDING AND SMOKING CESSATION. FCMC ALSO HOSTS FIVE DIFFERENT EXERCISE CLASSES FOR FREE OR A REDUCED COST. THEY INCLUDE: PILATES, YOGA, ZUMBA, TAI CHI AND LOW-IMPACT EXERCISE. THE CLASSES ARE HELD ON THE FCMC CAMPUS AND THE LOCAL COMMUNITY CENTER.

FCMC PROVIDES NUMEROUS SCREENINGS IN THE COMMUNITY TO ADDRESS THE GOALS OF THE IMPLEMENTATION STRATEGY. FCMC FOCUSES ON HEART HEALTH IN FEBRUARY BY

Part VI Supplemental Information (Continuation)

HOSTING A LUNCHEON WITH CARDIOLOGISTS WHO SPEAK ON RELATIVE TOPICS AND PREVENTATIVE MEDICINE AND FREE SCREENINGS IN THE MAIN LOBBY OF FCMC.

IN APRIL 2017 AFTER A 10 YEAR HIATUS THE DIABETES EDUCATION PROGRAM HOSTED A ONE-DAY FORUM ON DIABETES. THE FORUM CONSISTED OF A1-C SCREENINGS, EDUCATION AND SPECIAL SPEAKERS. OVER 40 PEOPLE ATTENDED.

LATE SPRING TIME LENDS ITS SELF TO HEALTH FAIRS IN THE FOUR FULTON COUNTY SCHOOLS AS WELL AS TWO IN SOUTHERN HUNTINGDON WITH THE HELP OF TRI-STATE COMMUNITY HEALTH CENTER AND FULTON COUNTY FAMILY PARTNERSHIP. THE PARTNERS DEVELOP THE TOPICS FROM THE PAYS (PENNSYLVANIA AREA YOUTH SURVEY) DATA TO COME UP WITH TOPICS TO ADDRESS. IN 2016 IT WAS HEALTHY EATING, EXERCISE, DRUGS AND ALCOHOL USE. NEARLY 800 STUDENTS WERE SERVED DURING OUR 2016 SCHOOL HEALTH FAIRS.

ALSO FOR THE THIRD YEAR IN A ROW, FCMC HAS OFFERED AN AFTERSCHOOL PROGRAM FOR GIRLS, GIRLS ON THE MOVE. THE SESSIONS EXPANDED IN 2016 TO ALL THREE SCHOOL DISTRICTS. IT IS RUN BY THE FULTON COUNTY FAMILY PARTNERSHIP. THE PROGRAM PROMOTES HEALTHY EATING, LIFESTYLES AND GOOD SELF-ESTEEM AS WELL AS TEAM BUILDING.

SUMMER SETS THE STAGE FOR THE ANNUAL KICK OFF YOUR DRUG FREE SUMMER. IN JUNE, WITH A SUPER HERO THEME THE VENDORS ON THE CAMPUS PROVIDE A SERIES OF INFORMATIONAL TABLES AND FUN ACTIVITIES FOR KIDS AND PARENTS. THE SAFE ENVIRONMENT ALLOWS PARENTS TO BRING THEIR CHILDREN TO THE FUN ACTIVITIES WHILE LEARNING ABOUT PROGRAM AND SERVICES FROM OVER 25 VENDORS AVAILABLE FOR THEM IN THE COMMUNITY. OVER 300 MEN WOMEN AND CHILDREN ATTENDED THE EVENTS. THE SHERIFF'S OFFICE ALSO PROVIDES A DRUG COLLECTION BOOTH TO

Part VI Supplemental Information (Continuation)

DISPENSE OF OUT-DATED UNWANTED NARCOTICS.

FCMC ALSO TEAMED UP WITH MCCONNELLSBURG VOLUNTEER FIRE COMPANY TO PROVIDE FREE CPR TRAINING TO THE CENTRAL FULTON SCHOOL DISTRICT STAFF. THERE WERE OVER ONE-HUNDRED TRAINED IN THE ON-DAY EVENTS IN JUNE 2015.

FCMC IN 2015 STARTED A FARMER'S MARKET ON THE CAMPUS TO COMBAT THE ISSUES OF HEALTHY FOOD CHOICES. THE MARKET IS HELD EVERY FRIDAY FROM JUNE THROUGH OCTOBER. THE MARKET OFFERS RESIDENTS HEALTHY FOOD CHOICES AS WELL AS EDUCATION. A LOCAL INSPIRING CHEF DROPS BY TO COOK UP SOME TASTY RECIPES FROM THE VENDORS PRODUCE AND PROVIDES A REAL TREAT FOR ALL, FOR HE IS ONLY IN MIDDLE SCHOOL.

IN OCTOBER, FCMC FOCUSES ON BREAST CANCER AWARENESS AT OUR ANNUAL "LADIES NIGHT OUT" . THE NIGHT IS FULL OF SCREENINGS AND EDUCATION FOR WOMEN AS WELL AS "SHOPPING" AT OUR CRAFT FAIR. ALSO DURING THE MONTH WOMEN RECEIVE A FREE PINK CARNATION FOR RECEIVING THEIR MAMMOGRAM.

FCMC ADDED A PART-TIME POSITION IN SEPTEMBER 2016 AS A BREAST HEALTH ADVOCATE (BHA) TO HELP PATIENTS NAVIGATE THROUGH THE SERVICES FOR FREE MAMMOGRAMS. THE BHA ALSO PROMOTE EDUCATION TO THE COMMUNITY AND PHYSICIAN OFFICES ON THE BENEFITS OF MAMMOGRAMS AND POTENTIAL RISK FACTORS. THEY ARE RESPONSIBLE FOR THE "PINK OUT" GAMES AT THE LOCAL SCHOOLS TO DRAW AWARENESS AS WELL. HUNDREDS WERE SERVED AT SOCCER, BASKETBALL, AND VOLLEYBALL GAMES ALL OVER FULTON AND SOUTHERN HUNTING COUNTIES.

FCMC UTILIZES THE HEALTHY COMMUNITY INSTITUTE SOFTWARE TO RESEARCH PROMISING PRACTICES AND EVIDENCE BASED PROGRAMS. THE SOFTWARE IS HOUSED

Part VI Supplemental Information (Continuation)

ON OUR WEBSITE AT [HTTP://WWW.FCMCPA.ORG/COMMUNITY](http://www.fcmlpa.org/community). IT IS A VALUABLE TOOL FOR NOT ONLY FCMC BUT OUR PARTNERS TO ACCESS OUR GOALS AND MONITOR THE HEALTH OF OUR COMMUNITY.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

PA

**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" on 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

2015

**Open to Public
Inspection**

Name of the organization **FULTON COUNTY MEDICAL CENTER** Employer identification number **23-1401561**

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 Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on 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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC 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
FULTON COUNTY MEDICAL CENTER FOUNDATION - 214 PEACH ORCHARD ROAD - MCCONNELLSBURG, PA 17233	51-0674514	501(C)(3)	352,301.	0.	COST		SPONSORSHIP OF FUNDRAISING EVENT & CONTRIBUTIONS TO FUNDRAISING CAMPAIGNS

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

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

Schedule I (Form 990) (2015)

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

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

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PART I, LINE 2:

THE ORGANIZATION'S ONLY DONATION WAS TO THE FULTON COUNTY MEDICAL CENTER
FOUNDATION, A RELATED ORGANIZATION. THROUGH THIS RELATIONSHIP THE
ORGANIZATION IS ABLE TO OBTAIN INFORMATION ON HOW THE FUNDS ARE SPENT AND
IS ABLE TO MAKE SURE THE FUNDS ARE SPENT PROPERLY

**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" on Form 990, Part IV, line 23.
▶ Attach to Form 990.

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

OMB No. 1545-0047

2015

Open to Public
Inspection

Name of the organization

FULTON COUNTY MEDICAL CENTER

Employer identification number

23-1401561

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on 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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

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.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on 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?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed on 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?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2015

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 on 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 in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DOUGLAS STERN, D.O. DIRECTOR	(i)	437,877.	0.	60,334.	0.	21,027.	519,238.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) JASON HAWKINS CEO	(i)	196,150.	10,000.	0.	0.	21,850.	228,000.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) DEBORAH SHUGHART CFO	(i)	139,661.	0.	0.	0.	21,573.	161,234.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) ALBERT IGUCHI, M.D. ER PHYSICIAN	(i)	338,416.	0.	13,521.	0.	20,448.	372,385.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) GERALD CELESTINE, M.D. ER PHYSICIAN	(i)	331,150.	0.	8,175.	0.	21,934.	361,259.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) JEFFREY MANDAK, M.D. CARDIOLOGIST	(i)	495,933.	0.	0.	0.	26,743.	522,676.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) MERRILL MCKENZIE, M.D. ER PHYSICIAN	(i)	331,968.	0.	5,745.	0.	20,448.	358,161.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) WILLIAM MILROTH, M.D. PHYSICIAN	(i)	325,000.	0.	0.	0.	9,036.	334,036.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Supplemental Information on Tax-Exempt Bonds

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

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

Name of the organization **FULTON COUNTY MEDICAL CENTER** Employer identification number **23-1401561**

Part I	Bond Issues	SEE PART VI FOR COLUMN (F) CONTINUATIONS											
		(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) Pooled financing	
								Yes	No	Yes	No	Yes	No
A	FULTON COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY	23-2299855	NONE	09/29/16	25740000.	REFUND SERIES 2006 AND 2009 BON		X		X		X	
B													
C													
D													

Part II	Proceeds	A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue			25,740,000.					
4	Gross proceeds in reserve funds			1,885,250.					
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds			627,594.					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds			23,227,156.					
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?				X				
15	Were the bonds issued as part of an advance refunding issue?			X					
16	Has the final allocation of proceeds been made?				X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?			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				
2	Are there any lease arrangements that may result in private business use of bond-financed property?				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				
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				
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		%	.00	%		%		%
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		%	.00	%		%		%
6 Total of lines 4 and 5		%	.00	%		%		%
7 Does the bond issue meet the private security or payment test?				X				
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?				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				

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?				X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?			X					
b Exception to rebate?				X				
c No rebate due?				X				
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?				X				
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?				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				
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				
7 Has the organization established written procedures to monitor the requirements of section 148?				X				

Part V Procedures To Undertake Corrective Action

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

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

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: FULTON COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

(F) DESCRIPTION OF PURPOSE: REFUND SERIES 2006 AND 2009 BONDS

SCHEDULE K, PART I, LINE C

CUSIP NUMBERS: 36024LAL3, 36024LAM1, 36024LAK5

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
JAYNE BUTERBAUGH	SPOUSE OF DENNY BUT	63,272.	COMPENSATIO		X
DEANN HAWKINS	SPOUSE OF JASON HAW	111,016.	COMPENSATIO		X

Part V Supplemental Information

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: JAYNE BUTERBAUGH

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

SPOUSE OF DENNY BUTERBAUGH, BOARD DIRECTOR

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AND BENEFITS AS AN EMPLOYEE

(A) NAME OF PERSON: DEANN HAWKINS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

SPOUSE OF JASON HAWKINS, CEO

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AND BENEFITS AS AN EMPLOYEE

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 990-EZ 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

2015

Open to Public
Inspection

Name of the organization

FULTON COUNTY MEDICAL CENTER

Employer identification number

23-1401561

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

OUR COMMUNITY BY OPERATING A NURSING HOME AND HOME CARE PROGRAM,
OFFERING ACCESS TO CARE THROUGH A MULTI-SPECIALTY CLINIC, AND WORKING
WITH OTHER PROVIDERS AND AGENCIES TO PROMOTE WELLNESS IN OUR COMMUNITY.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

THE TYPE OF SERVICE RECEIVED SUCH AS INPATIENT, OUTPATIENT, ETC.
INTEREST-FREE PAYMENT PLANS ARE MADE AVAILABLE FOR PATIENTS WHO CANNOT
PAY IN FULL AT THE TIME OF SERVICE.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

PRIVATE PAY, MEDICARE AND MEDICAID, THE MAJORITY OF THE PATIENTS
(APPROXIMATELY 70%) HAVE MEDICAL ASSISTANCE AS THE PAYER.

FORM 990, PART VI, SECTION A, LINE 1:

THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE BOARD OFFICERS AND EACH OF THE
COMMITTEE CHAIRPERSONS. THE PRESIDENT/CEO SHALL BE AN EX-OFFICIO,
NON-VOTING MEMBER OF THE EXECUTIVE COMMITTEE. THE CHAIRPERSON OF THE BOARD
SHALL ACT AS THE CHAIRPERSON OF THE EXECUTIVE COMMITTEE. FROM TIME TO TIME
THE EXECUTIVE COMMITTEE SHALL HAVE AND MAY EXERCISE, ALL OF THE POWERS OF
THE BOARD OF DIRECTORS TO TRANSACT THE REGULAR BUSINESS OF THE MEDICAL
CENTER TO THE EXTENT PERMITTED BY LAW, PROVIDED ANY ACTION TAKEN SHALL NOT
CONFLICT WITH THE POLICIES AND EXPRESS WISHES OF THE BOARD OF DIRECTORS,
AND IT SHALL REPORT ITS ACTIONS AT THE NEXT BOARD MEETING. THE COMMITTEE
MAY ALSO ENSURE THAT THE BOARD OF DIRECTORS COMPLETES AN ANNUAL

SELF-EVALUATION OF THE BOARD'S PERFORMANCE. THE COMMITTEE MAY ARRANGE FOR A

Name of the organization

FULTON COUNTY MEDICAL CENTER

Employer identification number

23-1401561

REGULAR PROGRAM ON CONTINUING EDUCATION FOR ALL MEMBERS OF THE BOARD, AND ASSURE THAT A PROPER ORIENTATION PROGRAM IS PROVIDED FOR ALL NEW BOARD MEMBERS.

FORM 990, PART VI, SECTION B, LINE 11:

FULTON COUNTY MEDICAL CENTER HAS A CPA FIRM PREPARE ITS FORM 990. THE RETURN IS COMPLETED IN DRAFT FORM AND REVIEWED BY THE CFO AND PRESENTED TO THE FINANCE COMMITTEE. THE RETURN IS ALSO PROVIDED TO THE FULL GOVERNING BOARD BEFORE FILING WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C:

ANY POSSIBLE CONFLICT OF INTEREST ON THE PART OF A DIRECTOR MUST BE DISCLOSED TO THE BOARD. A CONFLICT OF INTEREST FORM IS COMPLETED ANNUALLY BY ALL OFFICERS, DIRECTORS, AND KEY EMPLOYEES. THE FORMS ARE REVIEWED BY THE CEO. WHEN ANY INTEREST BECOMES A MATTER OF BOARD ACTION, THE DIRECTOR IS NOT TO VOTE OR USE PERSONAL INFLUENCE ON THE MATTER, AND IS NOT COUNTED IN THE QUORUM FOR A MEETING AT WHICH BOARD ACTION IS TO BE TAKEN ON THE INTEREST. THE DIRECTOR MAY, HOWEVER, BRIEFLY STATE A POSITION ON THE MATTER AND ANSWER PERTINENT QUESTIONS OF BOARD MEMBERS. THE MINUTES OF ALL ACTIONS TAKEN ON SUCH MATTERS CLEARLY REFLECT THAT THESE REQUIREMENTS HAVE BEEN MET. IT IS THE OBLIGATION OF EACH BOARD MEMBER TO ACT IN THE BEST INTEREST OF THE MEDICAL CENTER. ALL BOARD INFORMATION IS CONFIDENTIAL, AND IS NOT TO BE USED OR DISCUSSED OTHER THAN FOR APPROPRIATE MEDICAL CENTER BUSINESS. FAILURE OF A DIRECTOR TO MAINTAIN THE CONFIDENTIALITY OF BOARD INFORMATION IS GROUNDS FOR REMOVAL.

FORM 990, PART VI, SECTION B, LINE 15:

THE BOARD OF DIRECTORS SERVES AS A COMPENSATION COMMITTEE AND REVIEWS AND

Name of the organization

FULTON COUNTY MEDICAL CENTER

Employer identification number

23-1401561

ADJUSTS THE COMPENSATION OF THE CEO BASED ON EVALUATIONS AND COMPARABILITY DATA. THE HUMAN RESOURCES DEPARTMENT CONDUCTS A SURVEY TO GATHER COMPARABILITY DATA AND GIVES THIS INFORMATION TO THE BOARD OF DIRECTORS WHEN REQUESTED BY THE BOARD. THE PROCESS IS DOCUMENTED AND WAS LAST COMPLETED IN DECEMBER FY 2014 FOR THE CEO. THE CFO RECEIVES COST OF LIVING ADJUSTMENTS AS APPROVED, THROUGH THE BUDGET PROCESS, BY THE BOARD OF DIRECTORS EACH FISCAL YEAR. THE CEO, IN COLLABORATION WITH THE HR DEPARTMENT, REVIEWS AND ADJUSTS THE COMPENSATION OF THE CFO BASED ON PERFORMANCE AND COMPARABILITY DATA IF NEEDED. THE HR DEPARTMENT CONDUCTS A SURVEY TO GATHER COMPARABILITY DATA AND GIVES THIS INFORMATION TO THE CEO WHEN REQUESTED BY THE CEO. THIS INFORMATION IS SHARED WITH THE BOARD OF DIRECTORS FOR INFORMATIONAL PURPOSES. THE PROCESS WAS LAST COMPLETED FOR FISCAL YEAR 2014.

FORM 990, PART VI, SECTION C, LINE 18:

FULTON COUNTY MEDICAL CENTER MAKES ITS FORM 990 AND FORM 1023 AVAILABLE TO THE PUBLIC.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST AND THROUGH AN ANNUAL MEETING WHICH IS OPEN TO THE GENERAL PUBLIC.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

MINIMUM PENSION LIABILITY ADJUSTMENT -5,352,636.

PERMANENTLY RESTRICTED VALUATION GAIN IN ASSETS HELD IN

TRUST -69,444.

TOTAL TO FORM 990, PART XI, LINE 9 -5,422,080.

Name of the organization FULTON COUNTY MEDICAL CENTER	Employer identification number 23-1401561
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FORM 990, PART XII, LINE 2C:

THE ORGANIZATION'S BOARD OF DIRECTORS ASSUME RESPONSIBILITY FOR
OVERSIGHT OF THE AUDIT. THE PROCESS IS CONSISTENT WITH PRIOR YEARS AND
HAS NOT CHANGED.

**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.

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

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization **FULTON COUNTY MEDICAL CENTER** Employer identification number **23-1401561**

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
FULTON COUNTY MEDICAL CENTER FOUNDATION - 51-0674514, 214 PEACH ORCHARD ROAD, MCCONNELLSBURG, PA 17233	PROVIDE SUPPORT TO FULTON COUNTY MEDICAL CENTER	PENNSYLVANIA	501(C)(3)	LINE 7	FULTON COUNTY MEDICAL CENTER	X	

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

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

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

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

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

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

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

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) FULTON COUNTY MEDICAL CENTER FOUNDATION	B	352,301.	COST
(2) FULTON COUNTY MEDICAL CENTER FOUNDATION	C	184,978.	COST
(3)			
(4)			
(5)			
(6)			

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print <small>File by the due date for filing your return. See instructions.</small>	Name of exempt organization or other filer, see instructions. FULTON COUNTY MEDICAL CENTER	Employer identification number (EIN) or 23-1401561
	Number, street, and room or suite no. If a P.O. box, see instructions. 214 PEACH ORCHARD ROAD	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MCCONNELLSBURG, PA 17233	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

DEBORAH SHUGHART

• The books are in the care of **214 PEACH ORCHARD ROAD - MCCONNELLSBURG, PA 17233**
Telephone No. **717-485-3155** Fax No.

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **MAY 15, 2017**.

5 For calendar year _____, or other tax year beginning **JUL 1, 2015**, and ending **JUN 30, 2016**.

6 If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO ACCUMULATE THE INFORMATION TO PREPARE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification must be completed for Part II only.

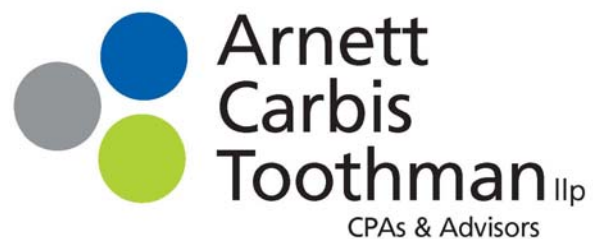
Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Title Date

Electronic Filing PDF Attachment

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

**Consolidated Financial Report
June 30, 2016**



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fulton County Medical Center and Subsidiary
McConnellsburg, Pennsylvania

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Fulton County Medical Center and Subsidiary (Organization) which comprise the consolidated balance sheets as of June 30, 2016 and 2015, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Fulton County Medical Center and Subsidiary as of June 30, 2016 and 2015, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Arnett Carbis Toothman LLP

New Castle, Pennsylvania
October 19, 2016

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

June 30, 2016 and 2015

ASSETS	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,338,177	\$ 6,616,180
Assets limited as to use	184,752	1,470,392
Investments, short term	145,570	100,000
Accounts receivable:		
Patient and resident, net of allowance for doubtful accounts 2016 \$3,898,769; 2015 \$3,438,163	8,423,426	8,425,059
Estimated third-party payor settlements	3,029,860	1,821,042
Grants	10,993	5,972
Pledges and other	823,408	9,802
Supplies	436,886	495,237
Prepaid expenses	896,143	870,457
Total current assets	20,289,215	19,814,141
ASSETS LIMITED AS TO USE		
Under bond indenture agreements	1,885,250	1,820,273
PROPERTY AND EQUIPMENT, NET		
	22,840,853	24,273,061
OTHER ASSETS		
Long-term investments	8,122,373	8,043,431
Investment in risk retention group	111,625	143,095
Beneficial interest in perpetual trust	1,015,892	1,085,336
Pledges receivable	533,734	4,508
Goodwill	162,979	162,979
Total other assets	9,946,603	9,439,349
Total assets	\$ 54,961,921	\$ 55,346,824

See Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS	2016	2015
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 270,437	\$ 746,908
Accounts payable	650,370	974,967
Estimated third-party payor settlements	458,211	351,720
Accrued paid time off	1,477,058	1,326,228
Accrued payroll and withholdings	973,176	833,570
Accrued pension cost	1,359,833	1,187,253
Reserve for self-funded health insurance	792,337	591,223
Charitable gift annuity payable	1,146	1,128
Accrued interest	134,866	703,444
	<hr/>	<hr/>
Total current liabilities	6,117,434	6,716,441
CHARITABLE GIFT ANNUITY PAYABLE	13,164	14,310
LONG-TERM DEBT, NET (Note 8)	26,339,487	26,187,413
OBLIGATION UNDER INTEREST RATE SWAP	-	231,847
PENSION PLAN LIABILITY	10,780,411	5,427,775
	<hr/>	<hr/>
Total liabilities	43,250,496	38,577,786
NET ASSETS		
Unrestricted	9,256,739	15,164,150
Temporarily restricted	1,167,613	254,131
Permanently restricted	1,287,073	1,350,757
	<hr/>	<hr/>
Total net assets	11,711,425	16,769,038
	<hr/>	<hr/>
Total liabilities and net assets	\$ 54,961,921	\$ 55,346,824
	<hr/> <hr/>	<hr/> <hr/>

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2016 and 2015

	2016	2015
UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT		
Net patient and resident service revenue	\$ 46,904,710	\$ 42,880,354
Provision for bad debts	<u>(2,619,700)</u>	<u>(2,606,180)</u>
Net patient service revenue less provision for bad debts	44,285,010	40,274,174
Other revenue	2,633,931	1,056,788
Investment income	371,498	658,870
Net assets released from restrictions used for operations	14,624	13,283
Contributions and other support	<u>105,902</u>	<u>245,156</u>
Total revenue, gains, and other support	47,410,965	42,248,271
EXPENSES		
Salaries and wages	22,723,735	21,052,590
Supplies and other	6,435,947	5,862,968
Employee benefits	7,416,015	6,422,062
Professional fees	5,664,859	4,983,062
Depreciation and amortization	2,875,188	3,281,536
Interest	1,557,061	1,659,396
Insurance	392,122	476,386
Grants	<u>33,364</u>	<u>35,184</u>
Total expenses	47,098,291	43,773,184
Operating income (loss)	312,674	(1,524,913)
Other income (loss):		
Loss from early extinguishment of debt	(902,512)	-
Realized gain on termination of interest rate swap	28,117	-
Gain on disposal of property and equipment	<u>23,575</u>	<u>1,132</u>
Total other income (loss)	(850,820)	1,132
(Deficiency) of revenue, gains, and other support over expenses	(538,146)	(1,523,781)
Other changes in unrestricted net assets:		
Unrealized (loss) on investments	(201,606)	(368,006)
Pension related changes other than net periodic pension cost	(5,352,636)	(228,939)
Change in fair value of interest rate swap	-	37,829
Net assets released from restrictions for the purchase of property and equipment	<u>184,977</u>	<u>208,484</u>
Change in unrestricted net assets	\$ (5,907,411)	\$ (1,874,413)

See Notes to Consolidated Financial Statements.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
Years Ended June 30, 2016 and 2015

	2016	2015
UNRESTRICTED NET ASSETS		
(Deficiency) of revenue, gains, and other support over expenses	\$ (538,146)	\$ (1,523,781)
Unrealized (loss) on investments	(201,606)	(368,006)
Pension related changes other than net periodic pension cost	(5,352,636)	(228,939)
Change in fair value of interest rate swap	-	37,829
Net assets released from restrictions for the purchase of property and equipment	184,977	208,484
Change in unrestricted net assets	(5,907,411)	(1,874,413)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	1,113,083	241,567
Net assets released from restrictions	(199,601)	(221,767)
Change in temporarily restricted net assets	913,482	19,800
PERMANENTLY RESTRICTED NET ASSETS		
Contributions	5,760	78,625
Valuation (loss) in assets held in trust	(69,444)	(2,442)
Change in permanently restricted net assets	(63,684)	76,183
Change in net assets	(5,057,613)	(1,778,430)
Net assets, beginning of year	16,769,038	18,547,468
Net assets, end of year	\$ 11,711,425	\$ 16,769,038

See Notes to Consolidated Financial Statements.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (5,057,613)	\$ (1,778,430)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,852,862	3,257,317
Amortization of deferred financing costs	22,326	24,219
Bond premium and discount amortization	31,126	30,111
Gain on disposal of property and equipment	(23,575)	(1,132)
Provision for bad debts	2,619,700	2,606,180
Unrealized loss on investments	201,606	368,006
Change in pension plan amounts, net	5,352,636	228,939
Change in value of interest rate swap	-	(37,829)
Realized gain on termination of interest rate swap	(28,117)	-
Net change in value of permanently restricted trust assets	69,444	2,442
Contributions and grants restricted by donors	(1,118,843)	(320,192)
Loss from early extinguishment of debt	902,512	-
(Increase) decrease in assets:		
Accounts receivable	(3,965,920)	(4,108,773)
Estimated third-party payor settlements	(1,208,818)	1,060,946
Supplies	58,351	10,439
Prepaid expenses	(25,686)	(96,147)
Increase (decrease) in liabilities:		
Accounts payable	(324,597)	246,127
Estimated third-party payor settlements	106,491	(56,960)
Accrued pension costs	172,580	644,072
Charitable gift annuity payable	(1,128)	(1,110)
Accrued expenses	(77,028)	(314,955)
Net cash provided by operating activities	558,309	1,763,270
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,420,654)	(1,018,007)
Proceeds from sale of property and equipment	23,575	1,132
(Increase) decrease in assets limited as to use	1,220,663	(127,778)
Net purchases of investments	(326,118)	(2,676,577)
Investment in risk retention group	31,470	(41,408)
Net cash (used in) investing activities	(471,064)	(3,862,638)

See Notes to Consolidated Financial Statements.

	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term debt	\$ (714,077)	\$ (706,427)
Proceeds from issuance of long-term debt	26,770,168	-
Bond refunding	(27,011,534)	-
Payment of debt issuance costs	(324,918)	-
Interest rate swap agreement	(203,730)	-
Contributions and grants restricted by donors	1,118,843	320,192
Net cash (used in) financing activities	(365,248)	(386,235)
(Decrease) in cash and cash equivalents	(278,003)	(2,485,603)
Cash and cash equivalents:		
Beginning	6,616,180	9,101,783
Ending	<u>\$ 6,338,177</u>	<u>\$ 6,616,180</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 2,125,639</u>	<u>\$ 1,648,419</u>

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

Organization and principles of consolidation: Fulton County Medical Center (Medical Center) operates a 21-bed critical access hospital and a 67-bed nursing home located in McConnellsburg, Pennsylvania. The Medical Center provides inpatient, outpatient, emergency care, skilled nursing, and home health services for residents of McConnellsburg, Pennsylvania, and surrounding communities.

Effective May 1, 2008, the Fulton County Medical Center Foundation (Foundation) was established for the promotion and facilitation of health, wellness, and medical care for the citizens of Fulton County and the surrounding service area. The Medical Center is the sole member of the Foundation.

Effective January 5, 2015, the Medical Center entered into a relationship with a local health care system whereby the Medical Center has agreed to provide certain administrative services.

The consolidated financial statements include the accounts of Fulton County Medical Center and the Fulton County Medical Center Foundation (collectively, Organization). All material inter-organization transactions have been eliminated.

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

Basis of accounting: The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Cash and cash equivalents and deposit risk: Cash and cash equivalents include cash on hand, demand deposits, and highly liquid investments with an original maturity of three months or less, excluding assets limited as to use. In the normal course of business the Organization may have balances with financial institutions that exceed Federal Deposit Insurance Corporation (FDIC) limits. The Organization has not experienced any losses in such accounts.

Patient and resident accounts receivable: Patient and resident accounts receivable are reported at estimated net realizable value after deduction of allowances for doubtful accounts. The allowance for doubtful accounts is based on historical losses and an analysis of currently outstanding amounts for its major payor sources. 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 and residents who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts if necessary (for example, for expected uncollectable deductibles and copayments on accounts for which the third-party payor has not yet paid). For receivables associated with self-pay patients and residents (which includes both patients and residents without insurance and patients with deductible and payment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients and residents are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Medical Center's allowance for doubtful accounts for self-pay patients and residents was 57% and 56% of self-pay accounts receivable as of June 30, 2016 and 2015, respectively. The Medical Center's bad debt write-offs were \$2,619,700 and \$2,606,180 for the years ended June 30, 2016 and 2015, respectively.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Pledges receivable: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a discount rate of 10%. Management estimates that as of June 30, 2016 and 2015, all promises are collectable.

Supplies: Supplies are valued at the lower of cost or market. Cost is determined on a first-in, first-out basis.

Investments and investment income: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in (deficiency) of revenue, gains, and other support over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from (deficiency) of revenue, gains, and other support over expenses unless the investments are trading securities (Note 3).

Investment in risk retention group: The Medical Center has an interest in a risk retention group which is accounted for using the cost method of accounting for investments.

Assets limited as to use: Assets limited as to use include assets held by trustees under indenture agreements. Assets limited as to use that are available for obligations classified as current liabilities are reported in current assets.

Property and equipment: Property and equipment in excess of \$5,000 are capitalized by the Medical Center. Property and equipment acquisitions are recorded at cost, and donated assets are recorded at fair value at the date of donation. Depreciation and amortization of property and equipment, which includes amortization of assets recorded under capital leases, are provided for using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2016 and 2015, amounted to \$2,852,862 and \$3,257,317, respectively.

Major improvements and betterments to property and equipment are capitalized. Expenses for maintenance and repairs are charged to expense as incurred. When retired or otherwise disposed of, the asset and its related accumulated depreciation or amortization is adjusted accordingly, and any resulting gain or loss is included on the consolidated statements of operations.

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets, and are excluded from (deficiency) of revenue, gains, and other support 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 net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service.

Impairment losses are recognized on the consolidated statements of operations as a component of operating income (loss) as they are determined. The Medical Center reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In that event, the Medical Center calculates the estimated future net cash flows to be generated by the asset. If those future cash flows are less than the carrying value of the asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the assets. No such losses were recognized in 2016 or 2015.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred costs: Deferred costs are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method, and the amortization is included in depreciation and amortization on the accompanying consolidated statements of operations. These costs are presented as a direct deduction from the carrying amount of the related debt liability. Total amortization expense for the years ended June 30, 2016 and 2015, amounted to approximately \$53,500 and \$54,300, respectively.

Goodwill: The Medical Center recorded goodwill as the excess of purchase price over the fair value of the identifiable assets acquired in the purchase of a physician practice during the year ended June 30, 2014. Authoritative guidance related to goodwill and other intangible assets prescribes the application of a two-step process for impairment testing of goodwill if adverse qualitative factors exist indicating that it is more likely than not that goodwill is impaired. This is performed annually, as well as when an event triggering impairment may have occurred. Upon determination that goodwill is more than likely to be impaired, the two-step process would be applied. The first step tests for impairment while the second step, if necessary, measures impairment. The Medical Center has selected June 30 in which to perform its annual evaluation of goodwill for impairment. No indicators of impairment were identified as of June 30, 2016 or 2015.

Self-funded health insurance: The Medical Center self-funds health benefits for eligible employees and their dependents. In March 2011, the Medical Center converted to a self-funded group plan which is administered by a third party, with costs being allocated to the participating organizations. Health insurance expense is recorded on an accrual basis. An accrued liability is recorded at year end, which estimates the incurred but not paid claims net of advance deposits held by the group plan (Note 15).

Obligation under interest rate swap: The Medical Center entered into an interest rate swap agreement, which was considered a derivative financial instrument, to hedge its interest rate exposure on certain long-term debt. The interest rate swap agreement is reported at fair value on the June 30, 2015 consolidated balance sheet. Interest to be paid or received was charged to interest expense. The change in the fair value of the interest rate swap was reported as an other change in unrestricted net assets. The interest rate swap was terminated during the year ended June 30, 2016 (Note 8).

Charitable gift annuity: The charitable deduction portion of each gift annuity is recognized as a donation in the year received. The non-charitable deduction portion is shown as a payable and is reduced by the tax-free portion of the periodic annuity payments to the annuitant until the annuity obligation is fulfilled.

Net assets: Unrestricted net assets are neither permanently nor temporarily restricted by donor- or grantor-imposed stipulations.

Temporarily restricted net assets result from contributions, grants, or other inflows of assets whose use by the Organization is limited by donor- or grantor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant of those stipulations, from other asset enhancements and diminishments subject to the same kinds of stipulations, or from reclassifications to or from other classes of net assets as a consequence of donor- or grantor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets of the Organization result from contributions, grants, or other inflows of assets whose use by the Organization is limited by donor- or grantor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, from other asset enhancements and diminishments subject to the same kinds of stipulations, or from reclassifications to or from other classes of net assets as a consequence of donor- or grantor-imposed stipulations.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Loss from early extinguishment of debt: During the year ended June 30, 2016, the Medical Center entered into a transaction that involved the issuance of the Fulton County Industrial Development Authority Series 2016 revenue bonds (Note 8). The proceeds from these bonds were used to fully refund the previously outstanding Series 2006 bonds and 2009 note payable. This transaction resulted in the recognition of a loss from early extinguishment of debt in the amount of \$902,512 which is recorded on the consolidated statement of operations for the year ended June 30, 2016.

(Deficiency) of revenue, gains, and other support over expenses: (Deficiency) of revenue, gains, and other support over expenses excludes unrealized losses on investments other than trading securities, pension related changes other than net periodic pension cost, the change in the fair value of the interest rate swap, and contributions and grants for long-lived assets, including assets acquired using contributions which were restricted by donors.

Industry risks: The U.S. health care industry continues to experience significant change. Today, the primary force for change is being created by a competitive marketplace resulting in rapid change in health care delivery and financing as well as significant regulatory change.

An increasing number of the Medical Center's third-party payors are adopting prospective payment systems similar to those used by the federal government's Medicare program which shifts financial risk from payor/insurer to the health care provider. The Medical Center has signed provider contracts with several managed care organizations, which emphasize utilization control and cost containment. Managed care organizations either directly transfer risk to health care providers through capitation payment arrangements or pay for units of service on a steeply discounted basis. These factors cause significant challenges to all providers, including the Medical Center.

Net patient and resident service revenue: The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient and resident service revenue is reported at the estimated net realizable amounts from patients, residents, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements 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.

Nursing home assessment: As a general nursing facility participating in Pennsylvania's Medicaid System, the Medical Center's skilled nursing facility is subject to Pennsylvania's Nursing Facility Assessment Program (Program). Under the Program, nursing facilities are assessed a "tax" based on census information and receive a corresponding "supplemental payment" based on census information. The calculation for the "tax" is not the same as the calculation for the "supplemental payment" and the related expenses and revenue are not the same. The Medical Center's skilled nursing facility has elected to record the net effect of the "tax" and "supplemental payment" on the consolidated statements of operations under net patient and resident service revenue.

Electronic health record incentive revenue: The American Recovery and Reinvestment Act of 2009 established the Health Information Technology for Economic and Clinical Health (HITECH) Act. The HITECH Act authorized the Centers for Medicare and Medicaid Services (CMS) to establish the Meaningful Use Program to achieve national health care goals through the use of electronic health records (EHR). Through the Meaningful Use Program, organizations and eligible providers will receive incentives for meeting steadily more challenging electronic health record use criteria from 2011 through 2018. To receive an EHR incentive payment, the organizations have to show that they are "meaningfully using" their EHR by meeting thresholds for a number of objectives. CMS has established the objectives for "meaningful use" that eligible hospitals must meet in order to receive an incentive payment.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Medical Center records EHR revenue when management believes that reasonable assurance of compliance has been met with the program requirements. The Medical Center recognized \$137,876 and \$505,108 of EHR incentive revenue during the years ended June 30, 2016 and 2015, respectively, which is reported in other revenue on the consolidated statements of operations.

Donor-restricted gifts: Unconditional promises to give cash and other assets 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 donor stipulated time restrictions or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported on the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Income taxes: The Medical Center and Foundation are not-for-profit corporations as described in Section 501 (c)(3) of the Internal Revenue Code (Code) and have been recognized as tax exempt under Section 501(a) of the Code. Accordingly, no provision for income taxes has been provided. The Medical Center and Foundation are classified as publicly supported charitable organizations under Section 501(c)(3) of the Code, and contributions to the Medical Center and Foundation qualify as charitable tax deductions by the contributor.

The Organization follows the guidance for accounting for uncertainty in income taxes recognized in an organization's consolidated financial statements that prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The guidance also addresses derecognition, classification, interest and penalties, accounting in interim periods, and disclosure.

Management has determined that this guidance had no material effect on the consolidated financial statements. The Organization's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in general and administration expenses. There were no interest or penalties recognized on the consolidated statements of operations as a result of this guidance. Generally, tax returns for years ended June 30, 2013, and thereafter remain subject to examination by federal and state tax authorities.

Charity care: The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of charges foregone for services provided under the Medical Center's charity care policy were approximately \$93,000 and \$173,000 for the years ended June 30, 2016 and 2015. Approximate direct and indirect costs related to these foregone charges were \$40,000 and \$78,000 for the years ended June 30, 2016 and 2015, respectively, based on an average ratio of cost to gross charges. The Medical Center did not receive any material contributions specifically to offset or subsidize charity care services provided in 2016 or 2015.

Advertising costs: The Medical Center follows the policy of charging advertising costs to expense as incurred. Advertising costs for the years ended June 30, 2016 and 2015, amounted to \$181,467 and \$132,983, respectively.

Reclassifications: Certain reclassifications have been made to the 2015 consolidated financial statements in order to conform to the 2016 presentation.

Subsequent events: The Organization has evaluated events that have occurred through October 19, 2016, the date the consolidated financial statements were available to be issued, for potential recognition or disclosure (Note 18).

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Recent accounting pronouncements: In April 2015, the Financial Accounting Standards Board (FASB) issued guidance with the purpose of simplifying balance sheet presentation requirements for debt issuance costs. This guidance will require that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs is not affected by this guidance. This guidance is effective for all entities for fiscal years beginning after December 15, 2015. Early adoption is permitted. The Organization adopted this guidance during the year ended June 30, 2016. Adoption of this guidance did not have a material impact on the Organization's consolidated financial statements.

In January 2016, the FASB issued guidance to address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments for entities that hold financial assets or owe financial liabilities. The guidance will require: (a) certain equity investments to be measured at fair value with changes recognized in net income; (b) a qualitative assessment to identify impairment of equity investments without readily determinable fair value; (c) elimination of disclosures of the fair value of financial instruments measured at amortized costs and method(s) and significant assumptions used to estimate the fair value; (d) the exit price notion be used when measuring fair value; (e) separate presentation in other comprehensive income of the portion of the total change in the fair value of a liability; (f) separate presentation of financial assets and financial liabilities by measurement category and form of financial asset; and (g) clarification of how to evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. This guidance is effective for public entities for fiscal years beginning after December 15, 2017, and for nonpublic entities for fiscal years beginning after December 15, 2018. Early adoption is not permitted, except for certain exceptions for public entities. The Organization is currently evaluating the impact, if any, that adoption will have on its consolidated financial statements.

In February 2016, the FASB issued guidance related to recognition by a lessee of assets and liabilities on leases with terms of more than 12 months on the balance sheet. Consistent with U.S. GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease; however, unlike current U.S. GAAP, which requires that only capital leases be recognized on the balance sheet, the Accounting Standards Update (ASU) requires that both types of leases be recognized on the balance sheet. The ASU also requires disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. Lessor accounting remains largely unchanged from current U.S. GAAP, but the ASU contains some targeted improvements that are intended to align, where necessary, lessor accounting with the lessee accounting model and with the updated revenue recognition guidance issued in May 2014. Transition guidance is provided within the ASU and generally requires a retrospective approach. This guidance is effective for public entities for fiscal years beginning after December 15, 2018, and for nonpublic entities for fiscal years beginning after December 15, 2019. Early application of the amendments in this guidance is permitted for all entities. The Organization is currently evaluating the impact, if any, that adoption will have on its consolidated financial statements.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During 2016, the FASB has issued varied guidance with the purpose of clarifying Topic 606: Revenue from Contracts with Customers. Such clarifications included: improving the operability and understandability of the implementation guidance on principal versus agent considerations; identifying performance obligations and also to improve the operability and understandability of the licensing implementation guidance; clarifying the objective of the collectability criterion for applying paragraph 606-10-25-7; permitting an entity to exclude amounts collected from customers for all sales (and other similar) taxes from the transaction price; specifying that the measurement date for noncash consideration is contract inception; providing a practical expedient that permits an entity to reflect the aggregate effect of all modifications that occur before the beginning of the earliest period presented when identifying the satisfied and unsatisfied performance obligations; determining the transaction price and allocating the transaction price to the satisfied and unsatisfied performance obligations; clarifying that a completed contract for purposes of transition is a contract for which all (or substantially all) of the revenue was recognized under legacy GAAP before the date of initial application; and clarifying that an entity that retrospectively applies the guidance in Topic 606 to each prior reporting period is not required to disclose the effect of the accounting change for the period of adoption. This guidance is effective for public entities with annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within the reporting period. For all other entities (nonpublic entities), the amendments in these ASUs will be effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. A nonpublic entity may elect to apply this guidance earlier, subject to certain limitations. The Organization is currently evaluating the impact, if any, that adoption will have on its consolidated financial statements. Management has not yet selected a transition method nor has the effect of this guidance on the Organization's ongoing financial reporting been determined.

Note 2. Net Patient and Resident Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. A significant portion of the Medical Center's net patient and resident service revenue is derived from these third-party payor programs. A summary of the principal payment arrangements with major third-party payors follows:

Medicare: Payments to the Medical Center from the Medicare program for inpatient acute and non-acute care and outpatient services are made on the basis of reasonable costs due to the Medical Center's designation as a critical access hospital. The Medical Center is reimbursed for allowable costs at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary. The classification of a patient under the Medicare program and the appropriateness of the admission are subject to an independent review by a peer review organization. The Medicare cost reports have been settled by the Medicare fiscal intermediary through June 30, 2013.

The Medical Center's skilled nursing facility participates in Medicare's Prospective Payment System (PPS). Under PPS, providers are paid prospectively by the intermediary acting on behalf of and at the direction of the Centers for Medicare and Medicaid Service. The prospective payment system does not provide retroactive adjustments.

Medical Assistance: Inpatient acute care services rendered to Medical Assistance program beneficiaries are paid at prospectively determined rates at discharge. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Inpatient non-acute and extended care services rendered to Medical Assistance program beneficiaries are paid at prospectively determined per diem rates. Outpatient services are paid based on a published fee schedule. The Medical Center's cost reports have been audited through June 30, 2014.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other third-party payors: The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

A summary of patient and resident service revenue and contractual adjustments for the years ended June 30 is as follows:

	2016	2015
Total patient and resident service revenue	\$ 95,356,085	\$ 85,044,945
Contractual adjustments		
Medicare	(23,530,603)	(20,838,035)
Medicaid	(7,175,452)	(6,326,182)
Blue Cross	(2,699,846)	(2,644,232)
Other	(15,045,474)	(12,356,142)
Total contractual adjustments	(48,451,375)	(42,164,591)
Net patient and resident service revenue	\$ 46,904,710	\$ 42,880,354

The Medical Center grants credit without collateral to its patients and residents, most of who are insured under third-party payor agreements. The mix of net receivables from patients, residents, and third-party payors as of June 30 is as follows:

	2016	2015
Medicare	32 %	32 %
Patients and residents	30	30
Other third-party payors	17	14
Blue Cross	16	19
Medicaid	5	5
Total	100 %	100 %

Revenue from the Medicare and Medicaid programs accounted for approximately 41% and 17% of the Medical Center's net patient and resident service revenue for the year ended June 30, 2016, and 41% and 18% for the year ended June 30, 2015, respectively. Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Investments and Investment Income

Assets limited as to use are stated at fair value and include the following as of June 30:

	2016	2015
Under bond indenture agreements and funds held for construction - held by trustee		
Money market funds	\$ 2,070,002	\$ 3,290,665
Less amount shown as current	(184,752)	(1,470,392)
Total	\$ 1,885,250	\$ 1,820,273

Investments are stated at fair value and include the following as of June 30:

	2016	2015
Fixed income mutual funds	\$ 6,650,873	\$ 6,296,936
Common stock	851,795	1,170,932
Equity mutual funds	549,705	540,563
Certificates of deposit	215,570	135,000
Total	8,267,943	8,143,431
Less amount shown as current	(145,570)	(100,000)
Total	\$ 8,122,373	\$ 8,043,431

Funds in a perpetual trust are stated at fair value and include the following as of June 30:

	2016	2015
Cash and cash equivalents	\$ 41,828	\$ 31,622
Equity mutual funds	630,258	646,786
Fixed income mutual funds	343,806	406,928
Total	\$ 1,015,892	\$ 1,085,336

Investment income and gains and losses on assets limited as to use, cash and cash equivalents, and interest in a perpetual trust are comprised of the following for the years ended June 30:

	2016	2015
Other income:		
Investment income	\$ 371,498	\$ 658,870
Other changes in unrestricted net assets:		
Unrealized (loss) on investments	\$ (201,606)	\$ (368,006)

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Fair Value of Financial Instruments

Authoritative guidance regarding *Fair Value Measurements* establishes a framework for measuring fair value. This guidance defines fair value, establishes a framework and hierarchy for measuring fair value, and outlines the related disclosure requirements. The guidance indicates that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability based upon an exit price model. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

Financial assets and a liability recorded on the consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

- Level I Quoted prices in active markets for identical assets or liabilities. Level I assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.
- Level II Observable inputs other than Level I prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level II assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments or derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.
- Level III Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table below presents the balances of assets measured at fair value as of June 30, 2016:

	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 2,138,515	\$ 2,138,515	\$ -	\$ -
Certificates of deposit	215,570	215,570	-	-
Equity mutual funds:				
Diversified	392,578	392,578	-	-
Large-cap	473,405	473,405	-	-
Mid-cap	113,785	113,785	-	-
Small-cap	92,869	92,869	-	-
Foreign large-cap	68,302	68,302	-	-
Specialty	39,025	39,025	-	-
Fixed income mutual funds:				
Intermediate term bond	6,597,549	6,597,549	-	-
Long-term bond	30,300	30,300	-	-
Short-term bond	339,702	339,702	-	-
Mortgage backed securities	443	443	-	-
Common stock:				
Information technology	152,162	152,162	-	-
Financials	181,106	181,106	-	-
Health care	127,397	127,397	-	-
Consumer discretionary	122,710	122,710	-	-
Energy	38,390	38,390	-	-
Industrials	92,172	92,172	-	-
Consumer staples	74,715	74,715	-	-
Materials	37,539	37,539	-	-
Telecommunication services	20,237	20,237	-	-
Utilities	5,366	5,366	-	-
Pledges receivable	739,734	-	-	739,734
Total assets	\$ 12,093,571	\$ 11,353,837	\$ -	\$ 739,734

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table below presents the balances of assets and a liability measured at fair value as of June 30, 2015:

	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 3,351,482	\$ 3,351,482	\$ -	\$ -
Certificates of deposit	135,000	135,000	-	-
Equity mutual funds:				
Diversified	378,606	378,606	-	-
Large-cap	559,901	559,901	-	-
Mid-cap	131,634	131,634	-	-
Small-cap	86,386	86,386	-	-
Foreign large-cap	30,819	30,819	-	-
Fixed income mutual funds:				
Intermediate term bond	6,214,947	6,214,947	-	-
Long-term bond	56,033	56,033	-	-
Short-term bond	403,139	403,139	-	-
Mortgage backed securities	553	553	-	-
Common stock:				
Information technology	197,780	197,780	-	-
Financials	247,179	247,179	-	-
Health care	175,225	175,225	-	-
Consumer discretionary	150,305	150,305	-	-
Energy	70,296	70,296	-	-
Industrials	129,075	129,075	-	-
Consumer staples	93,427	93,427	-	-
Materials	66,742	66,742	-	-
Telecommunication services	32,966	32,966	-	-
Utilities	7,937	7,937	-	-
Pledges receivable	13,508	-	-	13,508
Total assets	\$ 12,532,940	\$ 12,519,432	\$ -	\$ 13,508
Obligation under interest rate swap	\$ 231,847	\$ -	\$ 231,847	\$ -

The following methods were used by the Organization in estimating the fair value of its financial instruments. There have been no changes in the methodologies used as of June 30, 2016 or 2015:

Cash and cash equivalents: The carrying amounts reported on the consolidated balance sheets for cash and cash equivalents approximate fair value.

Certificates of deposit: Valued based on cost which approximates fair value.

Mutual funds: Valued at the net asset value of shares held at year end.

Corporate and government bonds: Value based on reputable pricing vendors that typically use pricing matrices or models.

Equity securities: Valued based on closing prices on the valuation date in an active market on national and international securities exchanges.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Interest rate swap: Valued based on estimates of the related LIBOR swap rates during the term of the swap agreement.

Bond obligation: The fair value of long-term debt is estimated on borrowing rates currently available to the Medical Center. The estimated fair value of the bond obligation is approximately the carrying cost as of June 30, 2016 and 2015.

Pledges receivable: Valued based on estimated future cash flows.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Medical Center believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a reconciliation of activity for Level III assets at fair value based upon significant unobservable (non-market) information as of June 30:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 13,508	\$ 13,864
Pledge commitments	908,000	8,000
Pledge payments	(7,000)	(7,500)
Change in value of discount on pledges receivable	<u>(174,774)</u>	<u>(856)</u>
Balance, end of year	<u>\$ 739,734</u>	<u>\$ 13,508</u>

Note 5. Property and Equipment

Property and equipment, recorded at cost, consist of the following as of June 30:

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land and improvements	\$ 4,229,241	\$ 2,701,969	\$ 4,229,241	\$ 2,414,701
Buildings and fixed equipment	31,040,241	13,522,050	30,957,697	11,897,717
Movable equipment	11,331,678	8,471,762	10,365,987	7,599,556
Construction in progress	935,474	-	632,110	-
Total	<u>\$ 47,536,634</u>	<u>\$ 24,695,781</u>	<u>\$ 46,185,035</u>	<u>\$ 21,911,974</u>
Property and equipment, net		<u>\$ 22,840,853</u>		<u>\$ 24,273,061</u>

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Pledges Receivable

The Foundation has received pledges from businesses and individuals in the community. Certain pledges are receivable over a period of time. The following is a summary of pledges receivable as of June 30:

	2016	2015
Pledges receivable in less than one year	\$ 206,000	\$ 9,000
Pledges receivable in one to five years	710,000	6,000
	<u>916,000</u>	15,000
Less: discounts to net present value	<u>(176,266)</u>	(1,492)
Net pledges receivable	<u>\$ 739,734</u>	<u>\$ 13,508</u>

Note 7. Leases

The Medical Center leases certain equipment under noncancelable long-term operating lease agreements. Total lease expense in 2016 and 2015 for all operating leases was \$675,014 and \$599,102, respectively.

Future annual minimum lease payments for operating leases are as follows as of June 30, 2016:

Years Ending June 30:	Amount
2017	\$ 415,879
2018	415,879
2019	415,879
2020	415,879
2021	415,879
Total future minimum lease payments	<u>\$ 2,079,395</u>

Note 8. Line of Credit and Long-Term Debt

The Medical Center maintains a \$1,650,000 line of credit with Branch Banking and Trust Company bearing interest at the bank's prime rate plus .25% (4.50% as of June 30, 2016). There were no borrowings on the line as of June 30, 2016 or 2015. The line of credit is secured by certain investments of the Medical Center. The Medical Center renewed its \$1,650,000 line of credit in July 2016, with a maturity date in June 2018. The line of credit will continue to bear interest at the bank's prime rate plus .25%.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Long-term debt consists of the following as of June 30:

	2016	2015
(A) Series 2006 Revenue Bonds	\$ -	\$ 23,890,000
(B) 2009 Note Payable	-	2,938,965
(C) Branch Banking and Trust Company (BB&T) Note Payable	241,284	419,876
(D) Note Payable	433,447	460,516
(E) Series 2016 Revenue Bonds	25,740,000	-
	26,414,731	27,709,357
Unamortized bond premium	839,301	-
Less: deferred financing costs	(322,774)	(317,177)
Less: unamortized bond discount	(321,334)	(457,859)
	26,609,924	26,934,321
Less: current maturities of long-term debt	270,437	746,908
Long-term debt, net	\$ 26,339,487	\$ 26,187,413

(A) \$26,230,000 Fulton County Industrial Development Authority (The Fulton County Medical Center Project) Series 2006 Revenue Bonds, with interest rates ranging from 5.30% to 5.90%, due in varying annual installments through July 2040, secured by the hospital building, related property, and certain unrestricted receivables. The Series 2006 Revenue Bonds were refunded in May 2016.

(B) \$3,500,000 Fulton County Industrial Development Authority (The Fulton County Medical Center Project) note payable, with an adjustable interest rate of LIBOR times 68% plus 2.05%. The loan began interest payments in August 2009, with principal payments due in varying monthly installments beginning in July 2010, and a final balloon payment due in July 2019, and is secured by the new hospital building and all other interests set forth in the Series 2006 Bonds noted above. The Note Payable was refunded in May 2016.

(C) \$1,440,000 Branch Banking and Trust Company note payable, with fixed interest at 7.21% per annum. The note is due in monthly installments of \$16,954 including interest through September 2017. The note is secured by equipment.

(D) Note payable to an individual in monthly installments of \$4,000, including interest at 4.67% per annum through March 2028. The note is secured by 68.51 acres of land located in McConnellsburg, Pennsylvania.

(E) \$25,740,000 Fulton County Industrial Development Authority (The Fulton County Medical Center Project) Series 2016 Revenue Bonds, with interest rates ranging from 2.4% to 5.0%, due in varying annual installment through July 2040. The revenue bonds are secured by the gross revenue of the Medical Center, the hospital building, related property, and certain unrestricted receivables.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Long-term debt annual maturities are as follows as of June 30, 2016:

Years Ending June 30:	Amount
2017	\$ 270,437
2018	828,996
2019	806,132
2020	822,617
2021	844,173
Thereafter	<u>22,842,376</u>
	26,414,731
Unamortized bond premium	839,301
Less: deferred financing costs	(322,774)
Less: unamortized bond discount	<u>(321,334)</u>
Total	<u>\$ 26,609,924</u>

Under the terms of the Fulton County Industrial Development Authority Revenue Bonds Series 2016 Loan Agreements and Master Trust Indentures, the Medical Center is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use in the consolidated financial statements. The Loan Agreements and Master Trust Indentures also place limits on the occurrence of additional borrowings and require the Medical Center to satisfy certain measures of financial performance.

The Medical Center entered into an interest rate protection agreement with a financial institution in connection with the Fulton County Industrial Development Authority note payable. The interest rate swap contract, effective June 19, 2009, had an initial notional amount of \$3,500,000. Pursuant to this contract, the Medical Center paid a fixed rate of 5.35% per annum, in exchange for the one month LIBOR variable rate times 68% plus two hundred, five basis points per annum adjusted monthly on the first day of each month provided that the applicable rate shall never be lower than 2.84%.

The fair value of the interest rate swap agreement was estimated to be the amount the Medical Center would pay to terminate the interest rate swap agreement. The Medical Center estimated that it would have paid \$231,847 as of June 30, 2015, to terminate the interest rate swap agreement. This amount was reported as a non-current liability on the accompanying consolidated balance sheet. The change in fair value was reported as change in fair value of interest rate swap on the consolidated statement of operations and amounted to \$37,829 for the year ended June 30, 2015. In April 2016, the Medical Center terminated the swap agreement. As a result of this transaction, a realized gain on termination of interest rate swap agreement in the amount of \$28,117 was recognized on the accompanying consolidated statement of operations for the year ended June 30, 2016.

Note 9. Permanently Restricted Net Assets

The Medical Center has funds in a perpetual trust (Trust) which are recorded at the fair value of the Medical Center's beneficial interest in the Trust assets. Income earned from the Trust and distributed to the Medical Center is recorded in investment income on the consolidated statements of operations. Changes in the fair value of the Trust are recorded as increases or decreases in permanently restricted net assets. The fair value of the Trust as of June 30, 2016 and 2015, was \$1,015,892 and \$1,085,336, respectively.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Foundation has permanently restricted net assets which are restricted to be invested in perpetuity, the income from which is expendable to support the following as of June 30:

	2016	2015
General endowment fund	\$ 99,688	\$ 94,156
Endowment fund - McLucas scholarships	139,231	139,106
Endowment fund - Miller scholarships	25,000	25,000
Endowment fund - Fulton County Medical Center Auxiliary	7,262	7,159
Total	\$ 271,181	\$ 265,421

Note 10. Temporarily Restricted Net Assets

Temporarily restricted net assets for the Foundation are available for the following purposes as of June 30:

	2016	2015
Available for:		
Center for Advanced Medicine building	\$ 859,428	\$ -
Hospital departments	187,247	181,420
Hospital equipment	51,060	-
Capital campaign	20,150	20,000
Scholarships	17,685	14,993
Patient care	8,327	7,687
Reaching wellness	6,508	4,230
Jim Camp campaign	6,388	7,588
Health education	6,266	5,755
Health and life	2,737	2,887
Fulton County Angels	1,817	2,571
Patient services and administrative building	-	5,000
Gift shop	-	2,000
Total	\$ 1,167,613	\$ 254,131

In 2016 and 2015, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$199,601 and \$221,767, respectively. These amounts are included in the net assets released from restrictions on the accompanying consolidated statements of changes in net assets.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Pension Plan

The Medical Center maintains a noncontributory defined benefit pension plan (Plan) covering substantially all of its employees. The Plan provides benefits based on the participant's level of compensation and length of service. The Medical Center's funding policy is to contribute such amounts as are necessary on an actuarial basis to provide the Plan with assets sufficient to meet the benefits to be paid to retirees or their beneficiaries.

Following is a summary of the Plan's funded status and the amounts recognized in the Medical Center's consolidated financial statements as of June 30:

	2016	2015
Change in projected benefit obligation		
Benefit obligation, beginning of year	\$ 18,569,479	\$ 17,190,320
Service cost	869,370	859,006
Interest cost	819,790	759,692
Actuarial loss	4,910,193	53,664
Benefits paid	<u>(323,710)</u>	<u>(293,203)</u>
Projected benefit obligation, end of year	<u>\$ 24,845,122</u>	<u>\$ 18,569,479</u>
Change in Plan assets		
Fair value of Plan assets, beginning of year	\$ 11,954,451	\$ 11,448,303
Contributions made	950,152	472,792
Actual return on Plan assets	123,985	326,559
Benefits paid	<u>(323,710)</u>	<u>(293,203)</u>
Fair value of Plan assets, end of year	<u>\$ 12,704,878</u>	<u>\$ 11,954,451</u>
Accrued benefit cost		
Funded status (projected benefit obligation less fair value of Plan assets)	<u>\$ 12,140,244</u>	<u>\$ 6,615,028</u>
Reconciliation of accrued pension cost		
Accrued pension cost, beginning of year	\$ 6,615,028	\$ 5,742,017
Net pension cost for the year	1,122,732	1,116,864
Employer contributions made during the year	<u>(950,152)</u>	<u>(472,792)</u>
	6,787,608	6,386,089
Pension related changes other than net periodic pension cost	<u>5,352,636</u>	<u>228,939</u>
Pension liability, end of year	<u>\$ 12,140,244</u>	<u>\$ 6,615,028</u>
Amounts recognized on the consolidated balance sheets		
Current liabilities	\$ 1,359,833	\$ 1,187,253
Noncurrent liabilities	<u>10,780,411</u>	<u>5,427,775</u>
Total	<u>\$ 12,140,244</u>	<u>\$ 6,615,028</u>

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The components of net periodic pension cost for the years ended June 30 are as follows:

	2016	2015
Components of net periodic benefit cost:		
Service cost	\$ 869,370	\$ 859,006
Interest cost	819,790	759,692
Expected return on Plan assets	(981,652)	(912,682)
Amortization of unrecognized net (gain) or loss	415,224	410,848
Net periodic benefit cost	\$ 1,122,732	\$ 1,116,864

The following weighted average assumptions were used to determine the actuarial present value of the projected benefit obligation as of June 30:

	2016	2015
Discount rate	3.73%	4.46%
Salary increase rate	3.00%	3.00%

The following weighted average assumptions were used to determine the net periodic benefit cost for the years ended June 30:

	2016	2015
Discount rate	3.73%	4.46%
Expected long-term rate of return on Plan assets	8.00%	8.00%
Salary increase rate	3.00%	3.00%

The expected long-term rate of return on Plan assets was developed based on the mix of assets in the Plan's portfolio as follows: Based on an overall mix of approximately 52% of Plan assets invested in equities, 34% of Plan assets invested in mutual funds, 11% of Plan assets invested in fixed income, and 3% invested in cash and money markets, with an expected long-term rate of return of 8% as of June 30, 2016.

Plan assets are stated at fair value and include the following as of June 30:

	2016	2015
Cash and money market	\$ 395,470	\$ 242,582
Accrued income	16,702	19,113
U.S. government securities	977,438	941,218
Corporate debt instruments	458,128	483,858
Equities	6,560,555	6,249,391
Mutual funds	4,296,585	4,018,289
Total	\$ 12,704,878	\$ 11,954,451

Plan Weighted-average Asset Allocations and Investment Policy: The Plan's weighted-average asset allocations as of June 30, 2016, were 52% equity securities, 34% mutual funds, 11% fixed income, and 3% cash equivalents. The Plan's investment policy is to have target allocations of 60% of the Plan's assets invested in equities, 35% invested in fixed income, and 5% in alternative investments.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Contributions: The Medical Center expects to contribute approximately \$276,000 to the Plan during the year ending June 30, 2017.

Estimated Future Benefit Payments: Estimated future benefit payments from the Benefit Plan are as follows as of June 30, 2016:

	Amount
2017	\$ 409,409
2018	494,219
2019	534,164
2020	666,149
2021	820,885
2022 - 2026	5,209,064

Note 12. Functional Expenses

The Organization provides health care services to residents within its geographic location. Expenses related to providing these services by functional class for the years ended June 30 are as follows:

	2016	2015
Patient and resident health care services	\$ 42,652,776	\$ 39,518,178
General and administrative	4,038,823	3,865,484
Fundraising	406,692	389,522
Total	\$ 47,098,291	\$ 43,773,184

Note 13. Charitable Gift Annuity

In fiscal year 2012, the Foundation received a charitable gift annuity as a contribution. Under the terms of the gift agreement, the Foundation has agreed to make annual payments of \$1,375 to the donor for the remainder of the donor's life. The estimated present value of future payments as of June 30, 2016 and 2015, amounted to \$14,310 and \$15,438, respectively.

Note 14. Medical Malpractice Claims Coverage

As of June 30, 2016, the Medical Center's medical malpractice insurance coverage is provided under the provisions of the following insurance arrangements:

Primary coverage: Primary coverage is provided under the terms of an insurance contract which covers losses, if any, which are reported during the period the contract is in force, "claims-made coverage," subject to the per occurrence and aggregate limits of such contract, which are \$500,000 and \$2,500,000, respectively. A \$10,000 deductible applies to each occurrence or medical incident.

MCARE Fund coverage: The Pennsylvania Medical Care Availability and Reduction of Error Fund (MCARE Fund) provides excess coverage per the Pennsylvania law governing the MCARE Fund. Pursuant to the per occurrence and aggregate limits set forth in the controlling Pennsylvania statutes, the MCARE Fund provides coverage for losses in excess of the primary coverage that was in effect on the date of the incident. The cost of MCARE Fund coverage is recognized as expense in the period incurred. Increases in the annual surcharges and concerns over the MCARE Fund's ability to manage and pay claims continue to result in proposals to reform or restructure the MCARE Fund. The Medical Center will be required to purchase additional primary insurance to take the place of the MCARE Fund coverage if it is reduced. Depending upon the ultimate resolution of this matter, the Medical Center may incur additional insurance costs.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Excess coverage: The Medical Center has excess liability insurance contracts which insure against losses in excess of the above coverages reported during the period of policy coverage.

The primary and excess coverages are provided by Community Hospital Alternative for Risk Transfer (CHART), a reciprocal risk retention group, which is a form of a captive insurance company. CHART was formed in April 2002 to provide liability insurance, reinsurance, and risk management services for its subscribers.

Based on the Medical Center's claims history, management has not recorded a liability for claims incurred but not reported. The Medical Center believes it has adequate insurance coverage for all asserted claims and it has no knowledge of unasserted claims which would exceed its insurance coverage.

Note 15. Self-Funded Health Insurance Plan

The Medical Center participates in a self-funded health insurance program, which is administered by a third party. A risk retention group pools the assets of other hospitals with the Medical Center, creating a shared risk between the participating hospitals and the risk retention group. The Medical Center pays a monthly amount that is determined by the risk retention group's actuary, based on number of employees and claims history. On an annual basis, the Medical Center settles any outstanding balances with the risk retention group, based upon actual claims compared to payments paid into the self-funded health insurance program. The Medical Center has a stop loss of \$200,000 per claim and no aggregate stop loss. The liability related to claims incurred but not reported (IBNR) is calculated quarterly by the third-party administrator. The Medical Center is required to keep on deposit with the risk retention group 60% of the IBNR balance. Actual payments relative to IBNR adjustments are settled at the same time as the yearly actual claims settlement. The IBNR liability as June 30, 2016 and 2015, is included in reserve for self-funded health insurance on the consolidated balance sheets.

Note 16. Commitments and Contingencies

Center for Advanced Medicine: The Medical Center entered into a contract to construct The Center for Advanced Medicine (CAM), a 60,000 square foot, two story addition to the existing facility. The CAM will include space for primary care, a specialty clinic, behavioral health, cardiology and pulmonology, administrative offices, a gift shop and café, and a pharmacy. Construction began in October 2016 and is scheduled to conclude in April 2018. Estimated cost to construct the CAM is approximately \$20,000,000. As of June 30, 2016, management has incurred approximately \$558,000 related to this project, which is included in construction in progress as part of property and equipment, net on the accompanying consolidated balance sheets. In September 2016, the Medical Center secured financing to fund the CAM project (Note 18).

Litigations, claims, and other disputes: The Medical Center is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of any litigation, claims, and disputes in process will not be material to the financial position of the Medical Center.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violation by health care providers of regulations, which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenue for patient and resident services. Management believes the Medical Center is in substantial compliance with current laws and regulations.

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 17. Related Party

The Fulton County Medical Center is the sole member of the Fulton County Medical Center Foundation. The Foundation's primary activity is to support and enhance the health care mission of the Medical Center. As part of supporting the Medical Center, the Foundation contributed \$184,977 and \$208,484 in 2016 and 2015, respectively, for various patient services and capital projects. The Foundation's operations are funded by contributions received from the Medical Center. Contributions received from the Medical Center during the years ended June 30, 2016 and 2015, amounted to \$330,176 and \$324,051, respectively.

Note 18. Subsequent Event

On September 29, 2016, the Medical Center secured financing for the construction of the Center for Advanced Medicine (Note 16) through the issuance of Fulton County Industrial Development Authority (The Fulton County Medical Center Project) Series 2016B revenue bonds in the amount of \$21,590,000.

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Directors
Fulton County Medical Center and Subsidiary
McConnellsburg, Pennsylvania

We have audited the consolidated financial statements of Fulton County Medical Center and Subsidiary as of and for the years ended June 30, 2016 and 2015, and issued our report thereon dated October 19, 2016, which expressed an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on such consolidated financial statements as a whole. We have not performed any procedures with respect to the audited consolidated financial statements subsequent to October 19, 2016.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of those consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information as of and for the years ended June 30, 2016 and 2015, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Arnett Carbis Toothman LLP

New Castle, Pennsylvania
October 19, 2016

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET (CONTINUED)

June 30, 2016

See Independent Auditor's Report on the Supplementary Information

LIABILITIES AND NET ASSETS	MEDICAL CENTER	FOUNDATION	ELIMINATIONS	CONSOLIDATED
CURRENT LIABILITIES				
Current maturities of long-term debt	\$ 270,437	\$ -	\$ -	\$ 270,437
Accounts payable	650,081	289	-	650,370
Estimated third-party payor settlements	458,211	-	-	458,211
Related party payable	-	100,000	(100,000)	-
Accrued paid time off	1,477,058	-	-	1,477,058
Accrued payroll and withholdings	973,176	-	-	973,176
Accrued pension cost	1,359,833	-	-	1,359,833
Reserve for self-funded health insurance	792,337	-	-	792,337
Charitable gift annuity payable	-	1,146	-	1,146
Accrued interest	134,752	114	-	134,866
Total current liabilities	6,115,885	101,549	(100,000)	6,117,434
CHARITABLE GIFT ANNUITY PAYABLE	-	13,164	-	13,164
LONG-TERM DEBT, NET	26,339,487	-	-	26,339,487
PENSION PLAN LIABILITY	10,780,411	-	-	10,780,411
Total liabilities	43,235,783	114,713	(100,000)	43,250,496
NET ASSETS				
Unrestricted	9,018,407	238,332	-	9,256,739
Temporarily restricted	-	1,167,613	-	1,167,613
Permanently restricted	1,015,892	271,181	-	1,287,073
Total net assets	10,034,299	1,677,126	-	11,711,425
Total liabilities and net assets	\$ 53,270,082	\$ 1,791,839	\$ (100,000)	\$ 54,961,921

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2016

See Independent Auditor's Report on the Supplementary Information

	MEDICAL CENTER	FOUNDATION	ELIMINATIONS	CONSOLIDATED
UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT				
Net patient and resident service revenue	\$ 46,904,710	\$ -	\$ -	\$ 46,904,710
Provision for bad debts	(2,619,700)	-	-	(2,619,700)
Net patient service revenue less provision for bad debts	44,285,010	-	-	44,285,010
Other revenue	2,607,382	26,549	-	2,633,931
Investment income (loss)	373,693	(2,195)	-	371,498
Net assets released from restrictions used for operations	-	199,601	(184,977)	14,624
Contributions and other support	47,822	58,080	-	105,902
Total revenue, gains, and other support	47,313,907	282,035	(184,977)	47,410,965
EXPENSES				
Salaries and wages	22,535,719	188,016	-	22,723,735
Supplies and other	6,354,657	81,290	-	6,435,947
Employee benefits	7,362,286	53,729	-	7,416,015
Professional fees	5,604,386	60,473	-	5,664,859
Depreciation and amortization	2,875,188	-	-	2,875,188
Interest	1,557,061	-	-	1,557,061
Insurance	392,122	-	-	392,122
Grants	-	218,341	(184,977)	33,364
Total expenses	46,681,419	601,849	(184,977)	47,098,291
Operating income (loss)	632,488	(319,814)	-	312,674
Other income (loss):				
Loss from early extinguishment of debt	(902,512)	-	-	(902,512)
Realized gain on termination of interest rate swap	28,117	-	-	28,117
Gain on disposal of property and equipment	23,575	-	-	23,575
Total other (loss)	(850,820)	-	-	(850,820)
(Deficiency) of revenue, gains, and other support over expenses	(218,332)	(319,814)	-	(538,146)
Other changes in unrestricted net assets:				
Unrealized (loss) on investments	(201,606)	-	-	(201,606)
Pension related changes other than net periodic pension cost	(5,352,636)	-	-	(5,352,636)
Transfer of net assets from (to) related party	(330,176)	330,176	-	-
Net assets released from restrictions for the purchase of property and equipment	184,977	-	-	184,977
Change in unrestricted net assets	\$ (5,917,773)	\$ 10,362	\$ -	\$ (5,907,411)

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS

Year Ended June 30, 2016

See Independent Auditor's Report on the Supplementary Information

	MEDICAL CENTER	FOUNDATION	ELIMINATIONS	CONSOLIDATED
UNRESTRICTED NET ASSETS				
(Deficiency) of revenue, gains, and other support over expenses	\$ (218,332)	\$ (319,814)	\$ -	\$ (538,146)
Unrealized (loss) on investments	(201,606)	-	-	(201,606)
Pension related changes other than net periodic pension cost	(5,352,636)	-	-	(5,352,636)
Transfer of net assets from (to) related party	(330,176)	330,176	-	-
Net assets released from restrictions for the purchase of property and equipment	184,977	-	-	184,977
Change in unrestricted net assets	(5,917,773)	10,362	-	(5,907,411)
TEMPORARILY RESTRICTED NET ASSETS				
Grants	184,977	-	(184,977)	-
Contributions	-	1,113,083	-	1,113,083
Net assets released from restrictions	(184,977)	(199,601)	184,977	(199,601)
Change in temporarily restricted net assets	-	913,482	-	913,482
PERMANENTLY RESTRICTED NET ASSETS				
Contributions	-	5,760	-	5,760
Valuation (loss) in assets held in trust	(69,444)	-	-	(69,444)
Change in permanently restricted net assets	(69,444)	5,760	-	(63,684)
Change in net assets	(5,987,217)	929,604	-	(5,057,613)
Net assets, beginning of year	16,021,516	747,522	-	16,769,038
Net assets, end of year	\$ 10,034,299	\$ 1,677,126	\$ -	\$ 11,711,425

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET

June 30, 2015

See Independent Auditor's Report on the Supplementary Information

ASSETS	MEDICAL CENTER	FOUNDATION	ELIMINATIONS	CONSOLIDATED
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,305,756	\$ 310,424	\$ -	\$ 6,616,180
Assets limited as to use	1,470,392	-	-	1,470,392
Investments, short term	-	100,000	-	100,000
Accounts receivable:				
Patient and resident, net of allowance for doubtful accounts \$3,438,163	8,425,059	-	-	8,425,059
Estimated third-party payor settlements	1,821,042	-	-	1,821,042
Grants	5,972	-	-	5,972
Pledges and other	802	9,000	-	9,802
Related party	100,000	-	(100,000)	-
Supplies	486,916	8,321	-	495,237
Prepaid expenses	870,214	243	-	870,457
Total current assets	19,486,153	427,988	(100,000)	19,814,141
ASSETS LIMITED AS TO USE				
Under bond indenture agreements	1,820,273	-	-	1,820,273
PROPERTY AND EQUIPMENT, NET				
	24,273,061	-	-	24,273,061
OTHER ASSETS				
Long-term investments	7,612,125	431,306	-	8,043,431
Investment in risk retention group	143,095	-	-	143,095
Beneficial interest in perpetual trust	1,085,336	-	-	1,085,336
Pledges receivable	-	4,508	-	4,508
Goodwill	162,979	-	-	162,979
Total other assets	9,003,535	435,814	-	9,439,349
Total assets	\$ 54,583,022	\$ 863,802	\$ (100,000)	\$ 55,346,824

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET (CONTINUED)

June 30, 2015

See Independent Auditor's Report on the Supplementary Information

LIABILITIES AND NET ASSETS	MEDICAL CENTER	FOUNDATION	ELIMINATIONS	CONSOLIDATED
CURRENT LIABILITIES				
Current maturities of long-term debt	\$ 746,908	\$ -	\$ -	\$ 746,908
Accounts payable	974,248	719	-	974,967
Estimated third-party payor settlements	351,720	-	-	351,720
Related party payable	-	100,000	(100,000)	-
Accrued paid time off	1,326,228	-	-	1,326,228
Accrued payroll and withholdings	833,570	-	-	833,570
Accrued pension cost	1,187,253	-	-	1,187,253
Reserve for self-funded health insurance	591,223	-	-	591,223
Charitable gift annuity payable	-	1,128	-	1,128
Accrued interest	703,321	123	-	703,444
Total current liabilities	6,714,471	101,970	(100,000)	6,716,441
CHARITABLE GIFT ANNUITY PAYABLE	-	14,310	-	14,310
LONG-TERM DEBT, NET	26,187,413	-	-	26,187,413
OBLIGATION UNDER INTEREST RATE SWAP	231,847	-	-	231,847
PENSION PLAN LIABILITY	5,427,775	-	-	5,427,775
Total liabilities	38,561,506	116,280	(100,000)	38,577,786
NET ASSETS				
Unrestricted	14,936,180	227,970	-	15,164,150
Temporarily restricted	-	254,131	-	254,131
Permanently restricted	1,085,336	265,421	-	1,350,757
Total net assets	16,021,516	747,522	-	16,769,038
Total liabilities and net assets	\$ 54,583,022	\$ 863,802	\$ (100,000)	\$ 55,346,824

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2015

See Independent Auditor's Report on the Supplementary Information

	MEDICAL CENTER	FOUNDATION	ELIMINATIONS	CONSOLIDATED
UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT				
Net patient and resident service revenue	\$ 42,880,354	\$ -	\$ -	\$ 42,880,354
Provision for bad debts	(2,606,180)	-	-	(2,606,180)
Net patient service revenue less provision for bad debts	40,274,174	-	-	40,274,174
Other revenue	1,035,962	20,826	-	1,056,788
Investment income	642,419	16,451	-	658,870
Net assets released from restrictions used for operations	-	221,767	(208,484)	13,283
Contributions and other support	76,713	168,443	-	245,156
Total revenue, gains, and other support	42,029,268	427,487	(208,484)	42,248,271
EXPENSES				
Salaries and wages	20,878,796	173,794	-	21,052,590
Supplies and other	5,741,041	121,927	-	5,862,968
Employee benefits	6,366,548	55,514	-	6,422,062
Professional fees	4,968,605	14,457	-	4,983,062
Depreciation and amortization	3,281,536	-	-	3,281,536
Interest	1,659,396	-	-	1,659,396
Insurance	476,386	-	-	476,386
Grants	-	243,668	(208,484)	35,184
Total expenses	43,372,308	609,360	(208,484)	43,773,184
Operating (loss)	(1,343,040)	(181,873)	-	(1,524,913)
Gain on disposal of property and equipment	1,132	-	-	1,132
(Deficiency) of revenue, gains, and other support over expenses	(1,341,908)	(181,873)	-	(1,523,781)
Other changes in unrestricted net assets:				
Unrealized (loss) on investments	(368,006)	-	-	(368,006)
Pension related changes other than net periodic pension cost	(228,939)	-	-	(228,939)
Change in fair value of interest rate swap	37,829	-	-	37,829
Transfer of net assets from (to) related party	(324,051)	324,051	-	-
Net assets released from restrictions for the purchase of property and equipment	208,484	-	-	208,484
Change in unrestricted net assets	\$ (2,016,591)	\$ 142,178	\$ -	\$ (1,874,413)

FULTON COUNTY MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS

Year Ended June 30, 2015

See Independent Auditor's Report on the Supplementary Information

	MEDICAL CENTER	FOUNDATION	ELIMINATIONS	CONSOLIDATED
UNRESTRICTED NET ASSETS				
(Deficiency) of revenue, gains, and other support over expenses	\$ (1,341,908)	\$ (181,873)	\$ -	\$ (1,523,781)
Unrealized (loss) on investments	(368,006)	-	-	(368,006)
Pension related changes other than net periodic pension cost	(228,939)	-	-	(228,939)
Change in fair value of interest rate swap	37,829	-	-	37,829
Transfer of net assets from (to) related party	(324,051)	324,051	-	-
Net assets released from restrictions for the purchase of property and equipment	208,484	-	-	208,484
Change in unrestricted net assets	(2,016,591)	142,178	-	(1,874,413)
TEMPORARILY RESTRICTED NET ASSETS				
Grants	208,484	-	(208,484)	-
Contributions	-	241,567	-	241,567
Net assets released from restrictions	(208,484)	(221,767)	208,484	(221,767)
Change in temporarily restricted net assets	-	19,800	-	19,800
PERMANENTLY RESTRICTED NET ASSETS				
Contributions	-	78,625	-	78,625
Valuation (loss) in assets held in trust	(2,442)	-	-	(2,442)
Change in permanently restricted net assets	(2,442)	78,625	-	76,183
Change in net assets	(2,019,033)	240,603	-	(1,778,430)
Net assets, beginning of year	18,040,549	506,919	-	18,547,468
Net assets, end of year	\$ 16,021,516	\$ 747,522	\$ -	\$ 16,769,038