

Form **990**

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

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

**2018**

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Open to Public Inspection

**A** For the 2018 calendar year, or tax year beginning **NOV 1, 2018** and ending **OCT 31, 2019**

<b>B</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	<b>C</b> Name of organization <b>MARSHALL MEDICAL CENTER</b>		<b>D</b> Employer identification number <b>94-1450151</b>
	Doing business as		<b>E</b> Telephone number <b>(530) 622-1441</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	<b>1100 MARSHALL WAY</b>		<b>G</b> Gross receipts \$ <b>291,183,185.</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>PLACERVILLE, CA 95667</b>		<b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>F</b> Name and address of principal officer: <b>SIRI NELSON</b> <b>SAME AS C ABOVE</b>		<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
<b>J</b> Website: ▶ <b>WWW.MARSHALLMEDICAL.ORG</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1959</b>	<b>M</b> State of legal domicile: <b>CA</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>OUR MISSION IS TO PROVIDE HEALTHCARE &amp; RELATED SERVICES TO THE LOCAL COMMUNITY.</b>
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) ..... <b>3</b> <b>16</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) ..... <b>4</b> <b>15</b>
	<b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a) ..... <b>5</b> <b>1788</b>
	<b>6</b> Total number of volunteers (estimate if necessary) ..... <b>6</b> <b>210</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 ..... <b>7a</b> <b>295,597.</b> <b>7b</b> Net unrelated business taxable income from Form 990-T, line 38 ..... <b>7b</b> <b>136,425.</b>
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) ..... <b>343,358.</b> <b>1,354,931.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) ..... <b>268,319,818.</b> <b>286,194,321.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) ..... <b>2,623,577.</b> <b>2,195,773.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) ..... <b>493,184.</b> <b>1,226,134.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) ..... <b>271,779,937.</b> <b>290,971,159.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) ..... <b>296,111.</b> <b>248,567.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) ..... <b>0.</b> <b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) ..... <b>140,388,582.</b> <b>146,946,168.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) ..... <b>0.</b> <b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) ..... <b>129,615,439.</b> <b>131,756,365.</b>
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) ..... <b>270,300,132.</b> <b>278,951,100.</b>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 ..... <b>1,479,805.</b> <b>12,020,059.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) ..... <b>226,751,193.</b> <b>224,588,428.</b>
	<b>21</b> Total liabilities (Part X, line 26) ..... <b>129,197,734.</b> <b>147,413,153.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 ..... <b>97,553,459.</b> <b>77,175,275.</b>

**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.

<b>Sign Here</b>	Signature of officer		Date		
	<b>LAURIE ELDRIDGE, CFO</b> Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	<b>KURT BENNION, CPA</b>	<b>KURT BENNION, CPA</b>	<b>09/04/20</b>		<b>P01469618</b>
Firm's name ▶ <b>CLIFTONLARSONALLEN LLP</b>			Firm's EIN ▶ <b>41-0746749</b>		
Firm's address ▶ <b>925 HIGHLAND POINTE DRIVE, SUITE 450</b> <b>ROSEVILLE, CA 95678</b>			Phone no. (916) 784-7800		

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: MARSHALL MEDICAL CENTER PROUDLY SERVES THE WESTERN SLOPE OF EL DORADO COUNTY. OUR MISSION IS TO IMPROVE THE HEALTH OF OUR COMMUNITY AND OFFER HEALTH SERVICES OF SUPERIOR VALUE AND QUALITY, CENTERED ON THE GOALS AND NEEDS OF OUR PATIENTS.

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ 223,964,615. including grants of \$ 248,567. ) (Revenue \$ 286,194,321. )

IN KEEPING WITH THE COMMITMENT TO IMPROVE THE HEALTH OF OUR COMMUNITY AND OFFER HEALTH SERVICES OF SUPERIOR VALUE AND QUALITY, THE FOLLOWING WILL BE CONSIDERED WHEN INDIVIDUALS WHO NEED HEALTH CARE CANNOT PAY:

- PROVIDING FREE CARE AND/OR SUBSIDIZED CARE;
- PROVIDING CARE TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST; AND
- PROVIDING HEALTH/WELLNESS ACTIVITIES AND COMMUNITY EDUCATION PROGRAMS.

(CONTINUED IN SCHEDULE O)

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

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

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

4e Total program service expenses 223,964,615.

**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 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <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
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	

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>22</b> 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> .....	<b>22</b> X	
<b>23</b> 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> .....	<b>23</b> X	
<b>24a</b> 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> .....	<b>24a</b> X	
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....	<b>24b</b> X	
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....	<b>24c</b>	X
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....	<b>24d</b>	X
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....	<b>25a</b>	X
<b>b</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> .....	<b>25b</b>	X
<b>26</b> 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> .....	<b>26</b>	X
<b>27</b> 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> .....	<b>27</b>	X
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28a</b>	X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28b</b>	X
<b>c</b> 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> .....	<b>28c</b>	X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	<b>29</b>	X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....	<b>30</b>	X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....	<b>31</b>	X
<b>32</b> 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> .....	<b>32</b>	X
<b>33</b> 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> .....	<b>33</b>	X
<b>34</b> 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> .....	<b>34</b> X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	<b>35a</b> X	
<b>b</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> .....	<b>35b</b> X	
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....	<b>36</b>	X
<b>37</b> 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> .....	<b>37</b>	X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	<b>38</b> X	

**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
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....	<b>1a</b> 188	
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....	<b>1b</b> 0	
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	<b>1c</b> X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No checkboxes. Includes questions 2a through 16 regarding employee counts, tax returns, business income, foreign accounts, prohibited transactions, and charitable contributions.

**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
<b>1a</b>	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.		
	<b>1a</b> 16		
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent		
	<b>1b</b> 15		
<b>2</b>	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	
<b>3</b>	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
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	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
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	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
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>10b</b>			
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>12c</b>			
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	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?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>b</b>	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	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	
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		X
<b>16b</b>			

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A 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 **Laurie Eldridge - (530) 626-2786**  
**1100 Marshall Way, Placerville, CA 95667**

**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) JOHN DRISCOLL CHAIR & DIRECTOR	2.00 0.00	X		X			0.	0.	0.	
(2) GABRIELLE MARCHINI VICE CHAIR & CHAIR	2.00 0.00	X		X			0.	0.	0.	
(3) JIM ABERCROMBIE SECRETARY/TREASURER & VICE CHAIR	2.00 0.00	X		X			0.	0.	0.	
(4) GEORGE NIELSEN DIRECTOR & SECRETARY/TREASURER	2.00 0.00	X		X			0.	0.	0.	
(5) BRAD BARNHILL, MD CHIEF OF STAFF (THROUGH DEC 2018)	2.00 0.00	X					66,000.	0.	0.	
(6) PETER BARBA, MD DIRECTOR	2.00 0.00	X					0.	0.	0.	
(7) TOM CHANDLER DIRECTOR	2.00 0.00	X					0.	0.	0.	
(8) TOM CUMPSTON DIRECTOR	2.00 0.00	X					0.	0.	0.	
(9) RICHARD DETWILER, MD DIRECTOR	2.00 0.00	X					0.	0.	0.	
(10) JON HAUGAARD DIRECTOR	2.00 0.00	X					0.	0.	0.	
(11) STANLEY HENJUM, MD DIRECTOR	2.00 0.00	X					0.	0.	0.	
(12) ANDREA HOWARD DIRECTOR	2.00 0.00	X					0.	0.	0.	
(13) HARRY NORRIS DIRECTOR (THROUGH MARCH 2019)	2.00 0.00	X					0.	0.	0.	
(14) CHRISTEEN REEG DIRECTOR	2.00 0.00	X					0.	0.	0.	
(15) SUE REES DIRECTOR	2.00 0.00	X					0.	0.	0.	
(16) WENDY THOMAS DIRECTOR	2.00 0.00	X					0.	0.	0.	
(17) TAYLOR VANCE, MD CHIEF OF STAFF	2.00 0.00	X					0.	0.	0.	

**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) JAMES WHIPPLE PRESIDENT/CEO	40.00 0.00	X		X				628,979.	0.	421,294.
(19) SHANNON TRUESDELL CHIEF OPERATING OFFICER	40.00 1.00			X				314,851.	0.	268,865.
(20) LAURIE ELDRIDGE CHIEF FINANCIAL OFFICER	40.00 1.00			X				314,632.	0.	340,548.
(21) KATHY KREJCI CHIEF NURSING OFFICER	40.00 1.00			X				292,155.	0.	339,616.
(22) PATRICIA DOLPHIN CHIEF AMBULATORY OFFICER	40.00 0.00			X				315,186.	0.	67,606.
(23) ROBERT DIPONTI DIRECTOR OF PHARMACY	40.00 0.00				X			208,209.	0.	296,470.
(24) CYNTHIA RICE VP OF CLINICAL NURSING SERVICES	40.00 0.00				X			190,828.	0.	89,700.
(25) JONATHAN RUSSELL VP OF OPERATIONS - MMF	40.00 0.00				X			204,990.	0.	135,778.
(26) MELANIE BARNES NUCLEAR MEDICINE TECH	40.00 0.00					X		230,349.	0.	170,294.
<b>1b Sub-total</b>								2,766,179.	0.	2130171.
<b>c Total from continuation sheets to Part VII, Section A</b>								869,592.	0.	552,845.
<b>d Total (add lines 1b and 1c)</b>								3,635,771.	0.	2683016.

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 **342**

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	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>	4	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>	5	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
SIERRA HEART MED GROUP INC 404 ASHLAND CT, CAMERON PARK, CA 95682	CARDIOLOGY CARE SERVICES	11,678,051.
MARSHALL PRIMARY CARE MED ASSOCIATES INC, 2882 PROSPECT PARK DR, #300, RANCHO EL DORADO WOMENS HEALTH GROUP, 1095 MARSHALL WAY, 2ND FL, PLACERVILLE, CA	PHYSICIAN PRIMARY CARE SERVICES	11,522,687.
EL DORADO ANESTHESIA MED GROUP 113 MIRAMONT CT, EL DORADO HILLS, CA 95762	OB/GYN CARE SERVICES	7,127,676.
WESTERN SIERRA ORTHO CTR, 4300 GOLDEN CTR DR, STE C, PLACERVILLE, CA 95667	ANESTHESIA SERVICES	4,906,141.
	ORTHOPEDICS SERVICES	3,708,974.

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 **51**

SEE PART VII, SECTION A CONTINUATION SHEETS



**Part VIII Statement of Revenue**

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions) .....	<b>1e</b>	79,928.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>	1,275,003.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....						
	<b>h Total.</b> Add lines 1a-1f .....		1,354,931.				
	<b>Program Service Revenue</b>	<b>2 a</b> PATIENT REVENUE, NET	<b>Business Code</b> 900099	284,691,127.	284,395,530.	295,597.	
<b>b</b> EL DORADO SURGERY CENTER		621400	826,118.	826,118.			
<b>c</b> CAFETERIA		722210	651,294.	651,294.			
<b>d</b> EDUCATIONAL CLASSES		900099	25,782.	25,782.			
<b>e</b> .....							
<b>f</b> All other program service revenue .....							
<b>g Total.</b> Add lines 2a-2f .....			286,194,321.				
<b>Other Revenue</b>		<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		1,822,663.			1,822,663.
	<b>4</b> Income from investment of tax-exempt bond proceeds .....		97,026.			97,026.	
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	(i) Real	288,472.				
		(ii) Personal					
		<b>b</b> Less: rental expenses .....	192,342.				
		<b>c</b> Rental income or (loss) .....	96,130.				
	<b>d</b> Net rental income or (loss) .....		96,130.			96,130.	
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities					
		(ii) Other	295,768.				
		<b>b</b> Less: cost or other basis and sales expenses .....	19,684.				
		<b>c</b> Gain or (loss) .....	276,084.				
	<b>d</b> Net gain or (loss) .....		276,084.			276,084.	
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>					
		<b>b</b> Less: direct expenses .....	<b>b</b>				
<b>c</b> Net income or (loss) from fundraising events .....							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>						
	<b>b</b> Less: direct expenses .....	<b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities .....						
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>						
	<b>b</b> Less: cost of goods sold .....	<b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory .....						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> EHR INCENTIVE	900099	448,489.			448,489.		
<b>b</b> MISC REVENUE	900099	360,269.			360,269.		
<b>c</b> REBATES	900099	321,246.			321,246.		
<b>d</b> All other revenue .....							
<b>e Total.</b> Add lines 11a-11d .....		1,130,004.					
<b>12 Total revenue.</b> See instructions .....		290,971,159.	285,898,724.	295,597.	3,421,907.		

**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  X

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	243,567.	243,567.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	5,000.	5,000.		
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	4,381,212.		4,381,212.	
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	95,995,016.	79,513,142.	16,481,874.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	7,253,727.	7,237,669.	16,058.	
9 Other employee benefits	31,219,303.	24,774,193.	6,445,110.	
10 Payroll taxes	8,096,910.	6,566,394.	1,530,516.	
11 Fees for services (non-employees):				
a Management	141,665.	781.	140,884.	
b Legal	717,767.		717,767.	
c Accounting	196,184.		196,184.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	120,206.		120,206.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	57,762,033.	53,101,845.	4,660,188.	
12 Advertising and promotion	20,159.		20,159.	
13 Office expenses	1,074,484.	441,989.	632,495.	
14 Information technology	6,478,835.		6,478,835.	
15 Royalties				
16 Occupancy	4,975,134.	1,741,123.	3,234,011.	
17 Travel	386,723.	194,119.	192,604.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	240,367.	74,544.	165,823.	
20 Interest	1,753,077.	1,753,077.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	12,353,340.	5,837,748.	6,515,592.	
23 Insurance	1,105,320.	422,773.	682,547.	
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 <b>UBI TAXES</b>	41,751.		41,751.	
b <b>MEDICAL SUPPLIES</b>	32,974,140.	32,394,355.	579,785.	
c <b>BAD DEBT EXPENSE</b>	5,572,245.	5,572,245.		
d <b>REPAIRS &amp; MAINTENANCE</b>	2,683,896.	2,256,828.	427,068.	
e All other expenses	3,159,039.	1,833,223.	1,325,816.	
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>278,951,100.</b>	<b>223,964,615.</b>	<b>54,986,485.</b>	<b>0.</b>
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	24,526,325.	<b>1</b>	21,874,502.
	<b>2</b> Savings and temporary cash investments .....	5,339,221.	<b>2</b>	3,527,944.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	34,743,478.	<b>4</b>	40,744,632.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> 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 .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....	1,806,061.	<b>7</b>	2,248,858.
	<b>8</b> Inventories for sale or use .....	3,878,583.	<b>8</b>	4,299,676.
	<b>9</b> Prepaid expenses and deferred charges .....	2,938,817.	<b>9</b>	1,952,415.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 272,044,992.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 153,695,561.	117,123,607.	<b>10c</b> 118,349,431.
	<b>11</b> Investments - publicly traded securities .....	24,983,033.	<b>11</b>	19,614,631.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	2,183,733.	<b>12</b>	2,263,598.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	7,772,810.	<b>13</b>	7,695,790.
	<b>14</b> Intangible assets .....	13,973.	<b>14</b>	13,973.
	<b>15</b> Other assets. See Part IV, line 11 .....	1,441,552.	<b>15</b>	2,002,978.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	226,751,193.	<b>16</b>	224,588,428.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	33,680,724.	<b>17</b>	33,115,352.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....	57,365,469.	<b>20</b>	54,862,950.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> 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 .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	1,043,721.	<b>23</b>	531,572.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> 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 .....	37,107,820.	<b>25</b>	58,903,279.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	129,197,734.	<b>26</b>	147,413,153.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	97,312,344.	<b>27</b>	76,945,000.
	<b>28</b> Temporarily restricted net assets .....	241,115.	<b>28</b>	230,275.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	97,553,459.	<b>33</b>	77,175,275.	
<b>34</b> Total liabilities and net assets/fund balances .....	226,751,193.	<b>34</b>	224,588,428.	

**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	290,971,159.
2	Total expenses (must equal Part IX, column (A), line 25)	2	278,951,100.
3	Revenue less expenses. Subtract line 2 from line 1	3	12,020,059.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	97,553,459.
5	Net unrealized gains (losses) on investments	5	632,309.
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	-33,030,552.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	77,175,275.

**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 _____		

Form 990 (2018)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

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

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

Open to Public Inspection

Name of the organization **MARSHALL MEDICAL CENTER** Employer identification number **94-1450151**

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

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations .....
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2017 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2018.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2017.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2018.</b> 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 <b>stop here.</b> 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>b 10% -facts-and-circumstances test - 2017.</b> 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 <b>stop here.</b> 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>18 Private foundation.</b> 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 10 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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 .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (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**

<b>15</b> Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2017 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2017 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2018.** 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 - 2017.** 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 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> 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>		
<b>2</b> 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>		
<b>3a</b> 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>b</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>		
<b>c</b> 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>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</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>		
<b>c</b> 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>		
<b>5a</b> 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>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> 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>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as 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>		
<b>8</b> 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>		
<b>9a</b> 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>b</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>		
<b>c</b> 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>		
<b>10a</b> 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>b</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
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> 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>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> 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? <i>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.</i>		
<b>2</b> 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? <i>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.</i>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> 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)? <i>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).</i>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> 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?		
<b>2</b> 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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>3</b> 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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> 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? <i>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.</i>		
<b>b</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? <i>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.</i>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> 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? <i>Provide details in Part VI.</i>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

**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 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(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	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(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	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
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	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			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	<b>Distributable Amount.</b> 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
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2018 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
<b>1</b> Distributable amount for 2018 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2018			
<b>a</b> From 2013			
<b>b</b> From 2014			
<b>c</b> From 2015			
<b>d</b> From 2016			
<b>e</b> From 2017			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2018 distributable amount			
<b>i</b> Carryover from 2013 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2018 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2018 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2019.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2014			
<b>b</b> Excess from 2015			
<b>c</b> Excess from 2016			
<b>d</b> Excess from 2017			
<b>e</b> Excess from 2018			



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. Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Name of the organization

MARSHALL MEDICAL CENTER

Employer identification number

94-1450151

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

[X] 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

[X] 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 (entering "N/A" in column (b) instead of the contributor name and address), 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. Don't 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 isn't covered by the General Rule and/or the Special Rules doesn't 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 doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization  <b>MARSHALL MEDICAL CENTER</b>	Employer identification number  <b>94-1450151</b>
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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/>	\$ 566,139.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ 79,928.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/>	\$ 565,938.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	<hr/> <hr/> <hr/>	\$ 140,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization  <b>MARSHALL MEDICAL CENTER</b>	Employer identification number  <b>94-1450151</b>
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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  <b>MARSHALL MEDICAL CENTER</b>	Employer identification number  <b>94-1450151</b>
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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.

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

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2018**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

**For Organizations Exempt From Income Tax Under section 501(c) and section 527**  
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

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

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

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

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

**If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then**

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

Name of organization <b>MARSHALL MEDICAL CENTER</b>	Employer identification number <b>94-1450151</b>
--	---

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political campaign activity expenditures ..... ▶ \$ \_\_\_\_\_
- 3 Volunteer hours for political campaign activities .....

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ..... ▶ \$ \_\_\_\_\_
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ \$ \_\_\_\_\_
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? .....  Yes  No
- 4a Was a correction made? .....  Yes  No
- b If "Yes," describe in Part IV.

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ..... ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file **Form 1120-POL** for this year? .....  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

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

**For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.** **Schedule C (Form 990 or 990-EZ) 2018**

LHA

832041 11-08-18

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

- A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check  if the filing organization checked box A and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying) .....	0.													
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) .....	19,474.													
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b) .....	19,474.													
<b>d</b>	Other exempt purpose expenditures .....	278931626.													
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d) .....	278951100.													
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000.													
<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f) .....	250,000.													
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0- .....	0.													
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0- .....	0.													
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) Total
<b>2a</b> Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000.
<b>c</b> Total lobbying expenditures	15,274.	16,210.	16,653.	19,474.	67,611.
<b>d</b> Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000.
<b>f</b> Grassroots lobbying expenditures					

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

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

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

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

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

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

**Part IV Supplemental Information**

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

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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.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018 Open to Public Inspection

Name of the organization: MARSHALL MEDICAL CENTER; Employer identification number: 94-1450151

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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...?, 6 Did the organization inform all grantees...?

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). 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution... 3 Number of conservation easements modified... 4 Number of states where property subject to conservation easement is located... 5 Does the organization have a written policy regarding the periodic monitoring... 6 Staff and volunteer hours devoted to monitoring... 7 Amount of expenses incurred in monitoring... 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...

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. 1b 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? <input type="checkbox"/> | 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		4,729,305.		4,729,305.
b Buildings		135,322,848.	72,014,517.	63,308,331.
c Leasehold improvements		28,895,791.	16,688,787.	12,207,004.
d Equipment		96,003,198.	64,992,257.	31,010,941.
e Other		7,093,850.		7,093,850.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				<b>118,349,431.</b>

**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)		
<b>Total.</b> (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)		
<b>Total.</b> (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)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**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 BENEFITS	58,903,279.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	58,903,279.

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	281,704,061.
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		
	e Add lines 2a through 2d	2e		0.
3	Subtract line 2e from line 1		3	281,704,061.
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		35,207.
	b Other (Describe in Part XIII.)	4b		9,231,891.
	c Add lines 4a and 4b	4c		9,267,098.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	290,971,159.

**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	273,067,564.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2a		
	b Prior year adjustments	2b		
	c Other losses	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d	2e		0.
3	Subtract line 2e from line 1		3	273,067,564.
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		35,207.
	b Other (Describe in Part XIII.)	4b		5,848,329.
	c Add lines 4a and 4b	4c		5,883,536.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	278,951,100.

**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 II, LINE 9:**

MARSHALL MEDICAL CENTER HAS ONE CONSERVATION EASEMENT FOR THE PROTECTION OF NATURAL HABITAT, WHICH WAS OBTAINED ON APRIL 16, 2003. THE CONSERVATION EASEMENT IS INCLUDED AS PART OF LAND THAT IS INCLUDED IN PROPERTY & EQUIPMENT ON THE BALANCE SHEET. NO REVENUE OR MATERIAL EXPENSES ARE ASSOCIATED WITH THE EASEMENT.

**PART XI, LINE 4B - OTHER ADJUSTMENTS:**

PROVISION FOR BAD DEBTS	5,572,245.
INVESTMENT INCOME	1,884,483.
OTHER NONOPERATING INCOME	922,247.
CONTRIBUTIONS WITH DONOR RESTRICTIONS	576,832.

**Part XIII** Supplemental Information *(continued)*

GAIN ON SALE OF FIXED ASSETS 276,084.

TOTAL TO SCHEDULE D, PART XI, LINE 4B 9,231,891.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

PROVISION FOR BAD DEBTS 5,572,245.

GAIN ON SALE OF FIXED ASSETS 276,084.

TOTAL TO SCHEDULE D, PART XII, LINE 4B 5,848,329.







**Part IV Foreign Forms**

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* .....  Yes  No
  
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; don't file with Form 990)* .....  Yes  No
  
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)* .....  Yes  No
  
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* .....  Yes  No
  
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* .....  Yes  No
  
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; don't file with Form 990)* .....  Yes  No

Schedule F (Form 990) 2018



**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.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

Open to Public Inspection

Name of the organization **MARSHALL MEDICAL CENTER** Employer identification number **94-1450151**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .....	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," was it a written policy? .....	<input checked="" type="checkbox"/>	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> 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.		
<b>a</b> 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 type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>138</u> %		
<b>b</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 type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input checked="" type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
<b>c</b> 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.		
<b>4</b> 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"/>	
<b>5a</b> 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>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? .....		<input checked="" type="checkbox"/>
<b>c</b> 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? .....		
<b>6a</b> Did the organization prepare a community benefit report during the tax year? .....	<input checked="" type="checkbox"/>	
<b>b</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
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1) .....	10	664	5044487.	2724768.	2319719.	.85%
<b>b</b> Medicaid (from Worksheet 3, column a) .....	2	14,020	55076218.	33264132.	21812086.	7.98%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....	1	6	267,434.	82,428.	185,006.	.07%
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs .....	13	14,690	60388139.	36071328.	24316811.	8.90%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....	16	4,482	3313644.	14,440.	3299204.	1.21%
<b>f</b> Health professions education (from Worksheet 5) .....	30	364	207,818.		207,818.	.08%
<b>g</b> Subsidized health services (from Worksheet 6) .....						
<b>h</b> Research (from Worksheet 7) .....						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....	12	25,070	262,145.		262,145.	.10%
<b>j Total.</b> Other Benefits .....	58	29,916	3783607.	14,440.	3769167.	1.39%
<b>k Total.</b> Add lines 7d and 7j .....	71	44,606	64171746.	36085768.	28085978.	10.29%

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development	2	4,000	3,854.		3,854.	.00%
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building	1	22	11,149.		11,149.	.00%
7 Community health improvement advocacy	1	150,000	7,491.		7,491.	.00%
8 Workforce development	3	2,209	21,534.		21,534.	.01%
9 Other						
10 Total	7	156,231	44,028.		44,028.	.01%

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? .....	1 X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount .....	2 5,572,245.	
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit .....	3 184,999.	
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) .....	5 69,824,752.
6 Enter Medicare allowable costs of care relating to payments on line 5 .....	6 102,866,507.
7 Subtract line 6 from line 5. This is the surplus (or shortfall) .....	7 -33,041,755.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

**Section C. Collection Practices**

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 EL DORADO SURGERY CENTER LLC	OUTPATIENT SURGERY CENTER	87.00%	.00%	13.00%

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

1 MARSHALL MEDICAL CENTER
1100 MARSHALL WAY
PLACERVILLE, CA 95667
WWW.MARSHALLMEDICAL.ORG
30000059

Table with 8 columns: Licensed hospital, Gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, and Facility reporting group. Row 1 contains 'X' marks in the first, second, and seventh columns.

**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 MARSHALL 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
<b>Community Health Needs Assessment</b>		
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? .....		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 .....		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 .....	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 checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</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 .....	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 .....		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 .....		X
7 Did the hospital facility make its CHNA report widely available to the public? .....	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>SEE LINE 7D</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 checked="" 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 .....	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
a If "Yes," (list url): <u>SEE LINE 7D</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
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)? .....		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
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 MARSHALL MEDICAL CENTER

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
<b>13</b>	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	<b>X</b>	
If "Yes," indicate the eligibility criteria explained in the FAP:			
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>138</u> % and FPG family income limit for eligibility for discounted care of <u>350</u> %		
<b>b</b>	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input type="checkbox"/> Insurance status		
<b>f</b>	<input checked="" type="checkbox"/> Underinsurance status		
<b>g</b>	<input checked="" type="checkbox"/> Residency		
<b>h</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>14</b>	Explained the basis for calculating amounts charged to patients? .....	<b>X</b>	
<b>15</b>	Explained the method for applying for financial assistance? .....	<b>X</b>	
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):			
<b>a</b>	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</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		
<b>c</b>	<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		
<b>d</b>	<input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>16</b>	Was widely publicized within the community served by the hospital facility? .....	<b>X</b>	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE LINE 16J</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE LINE 16J</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE LINE 16J</u>		
<b>d</b>	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b>	<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)		
<b>f</b>	<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)		
<b>g</b>	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b>	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b>	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
<b>j</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group MARSHALL MEDICAL CENTER

	Yes	No
<b>17</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment? .....	<b>X</b>	
<b>18</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>f</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
<b>19</b> 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? .....		<b>X</b>
If "Yes," check all actions in which the hospital facility or a third party engaged:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>20</b> 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):		
<b>a</b> <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)		
<b>b</b> <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
<b>c</b> <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
<b>d</b> <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
<b>e</b> <input type="checkbox"/> Other (describe in Section C)		
<b>f</b> <input type="checkbox"/> None of these efforts were made		

**Policy Relating to Emergency Medical Care**

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

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

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

Name of hospital facility or letter of facility reporting group MARSHALL MEDICAL CENTER

		Yes	No			
<p><b>22</b> Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.</p> <p><b>a</b> <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period</p> <p><b>b</b> <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period</p> <p><b>c</b> <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period</p> <p><b>d</b> <input checked="" type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method</p>						
<p><b>23</b> During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? .....</p> <p>If "Yes," explain in Section C.</p>		<b>23</b>	<b>X</b>			
<p><b>24</b> During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? .....</p> <p>If "Yes," explain in Section C.</p>		<b>24</b>	<b>X</b>			

Schedule H (Form 990) 2018

**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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

MARSHALL MEDICAL CENTER:

PART V, SECTION B, LINE 5: MARSHALL MEDICAL CENTER CONDUCTED TARGETED INTERVIEWS TO GATHER INFORMATION AND OPINIONS FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL. SIXTEEN (16) INTERVIEWS WERE COMPLETED FROM MARCH TO APRIL 2019. COMMUNITY STAKEHOLDERS IDENTIFIED BY THE HOSPITAL WERE CONTACTED AND ASKED TO PARTICIPATE IN THE NEEDS ASSESSMENT. INTERVIEWEES INCLUDED INDIVIDUALS WHO ARE LEADERS AND/OR REPRESENTATIVES OF MEDICALLY UNDERSERVED, LOW-INCOME, AND MINORITY POPULATIONS, LOCAL HEALTH OR OTHER DEPARTMENTS OR AGENCIES THAT HAVE CURRENT DATA OR OTHER INFORMATION RELEVANT TO THE HEALTH NEEDS OF THE COMMUNITY. INPUT WAS ALSO OBTAINED FROM EL DORADO COUNTY PUBLIC HEALTH.

MARSHALL MEDICAL CENTER:

PART V, SECTION B, LINE 7D: THE COMMUNITY HEALTH NEEDS ASSESSMENT REPORT AND IMPLEMENTATION STRATEGY ARE AVAILABLE ONLINE AT [HTTPS://WWW.MARSHALLMEDICAL.ORG/ABOUT-US/COMMUNITY-BENEFIT.ASPX](https://www.marshallmedical.org/about-us/community-benefit.aspx).

MARSHALL MEDICAL CENTER:

PART V, SECTION B, LINE 11: DURING TAX YEAR 2018, MARSHALL MEDICAL CENTER ENGAGED IN ACTIVITIES AND PROGRAMS THAT ADDRESSED THE TOP 3 PRIORITY HEALTH NEEDS IDENTIFIED IN THE 2015 IMPLEMENTATION STRATEGY. THE PRIORITY HEALTH NEEDS IDENTIFIED FOR THE MARSHALL MEDICAL CENTER SERVICE AREA AND ACTIONS TAKEN DURING TAX YEAR WERE AS FOLLOWS:

**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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

**1. ACCESS TO BEHAVIORAL HEALTH SERVICES**

- SUCCESSFULLY RECRUITED A SECOND PSYCHIATRIST, WHO BEGAN OFFERING SERVICES IN SEPTEMBER 2019.

- CARES (CLINICALLY ASSISTED RECOVERY AND EDUCATION SERVICES) CLINIC WAS OPENED TO SUPPORT TREATMENT OF PATIENTS WITH SUBSTANCE DEPENDENCY, INCLUDING ALCOHOL, TOBACCO, STIMULANTS, OPIOIDS, BENZODIAZEPINES AND OTHER SEDATIVE HYPNOTICS. A SUBSTANCE USE NAVIGATOR WAS HIRED TO EDUCATE CARES CLINIC PATIENTS ON RESOURCES AVAILABLE FOR TREATMENT, AND NAVIGATING THE HEALTHCARE SYSTEM FOR RECEIVING FOLLOW-UP VISITS.

- PARTICIPATED IN A JOINT EFFORT WITH THE EL DORADO COMMUNITY HEALTH CENTER AND THE CALIFORNIA HEALTHCARE FOUNDATION IN AN EFFORT TO MOVE PEOPLE THROUGH MEDICATION ASSISTED TREATMENT (MAT) WITH OPIOID ADDICTION. MARSHALL MEDICAL CENTER WAS RECOGNIZED AS A START SITE IN CALIFORNIA AND IS BEING USED AS A MODEL FOR OTHER HOSPITALS TO ROLL OUT SIMILAR PROGRAMS. THE TOTAL NUMBER OF PARTICIPANTS IN THE MAT PROGRAM FOR TAX YEAR 2018 WAS 338.

- PARTICIPATED IN ACCEL PROVIDER CAPACITY WORKGROUP MEETINGS, WHICH INCLUDED DISCUSSION OF SUBSTANCE ABUSE, COMMUNITY AND AGENCY PLANNING, AND COLLABORATION IN SUPPORT OF THE EL DORADO COMMUNITY HEALTH CENTER'S "C3 CLINIC" SUBSTANCE ABUSE CLINIC.

- VP OF CLINICAL NURSING SERVICES, EMERGENCY SERVICES DIRECTOR, AND DIRECTOR OF EMERGENCY MEDICINE HELD MONTHLY MEETINGS WITH EL DORADO COUNTY PUBLIC HEALTH AND LEADERSHIP FROM TELECARE (WHO OPERATES A PSYCHIATRIC HEALTHCARE FACILITY) TO IMPROVE CONTINUITY AMONG THE THREE ENTITIES.

- PRESENTATIONS AND TRAINING ON MEDICATION ASSISTED TRAINING AND HARM REDUCTION WERE PROVIDED.

- PROVIDED MEDICAL AND EDUCATION SERVICES WITH THE HOMELESS OUTREACH TEAM

**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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

IN PLACERVILLE.

## 2. DISEASE PREVENTION, MANAGEMENT AND TREATMENT

- COMMUNITY CARE NETWORK (CCN) ASSISTED RECENTLY DISCHARGED HIGH-RISK PATIENTS BY PROVIDING IN-HOME AND TELEPHONIC SUPPORT SERVICES, REDUCING READMISSIONS AND UNNECESSARY EMERGENCY ROOM VISITS. DURING TAX YEAR 2018, CCN ASSISTED 2,137 PATIENTS WITH 12% OF PATIENTS VISITING THE EMERGENCY DEPARTMENT FOR ROUTINE CARE, WHICH IS CONSIDERABLY LOWER THAN THE OVERALL EMERGENCY DEPARTMENT RATE OF 29% FOR ROUTINE CARE VISITS.
- CONGESTIVE HEART ACTIVE TELEPHONE TREATMENT (CHAT) PROGRAM ASSISTED PATIENTS WITH CONGESTIVE HEART FAILURE, IMPROVING QUALITY OF LIFE AND REDUCING COMPLICATIONS.
- CANCER RESOURCE CENTER SUPPORTED 350 PATIENTS DURING TAX YEAR 2018, THROUGH PATIENT NAVIGATION, EDUCATION, SUPPORT GROUPS, SOCIAL SERVICES AND EMOTIONAL SUPPORT.
- MARSHALL MEDICAL CENTER HOSTED OR PARTICIPATED IN VARIOUS HEALTH FAIRS AND OFFERED HEALTH EDUCATION/CLASSES TO THE COMMUNITY.

## 3. ACCESS TO HIGH QUALITY HEALTH CARE AND SERVICES

- ONBOARDED TWO PEDIATRIC AND FOUR FAMILY MEDICINE PROVIDERS.
- IMPLEMENTED A STANDARD PROCESS TO ENSURE PATIENTS DISCHARGED FROM THE HOSPITAL HAVE AN APPOINTMENT WITH A PRIMARY CARE PROVIDER FOR FOLLOW UP.
- CASE MANAGEMENT AND SOCIAL SERVICES ASSISTED THE HOMELESS COMMUNITY WITH FINDING SHELTER, TRANSPORTATION, CLOTHING, AND REHABILITATION, AS WELL AS PROVIDING FREE MEDICATION PROGRAMS AND NECESSARY MEDICAL EQUIPMENT.
- CHIEF EXECUTIVE OFFICER, CHIEF NURSING OFFICER, AND CHIEF OPERATING OFFICER SERVED AS BOARD MEMBERS OF VARIOUS COMMUNITY ORGANIZATIONS, WHICH

**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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

PROVIDE INSIGHT AND SUPPORT INTO IMPROVING PUBLIC HEALTH IN THE COMMUNITY.

- EXECUTIVE DIRECTOR OF BUSINESS DEVELOPMENT AND CHIEF EXECUTIVE OFFICER

ATTENDED ACCEL MEETINGS WITH ELECTED OFFICIALS WITH A FOCUS ON IMPROVING COMMUNITY HEALTH.

THE OTHER HEALTH NEEDS THAT MARSHALL MEDICAL CENTER IS ADDRESSING

INDIRECTLY, INCLUDE THE FOLLOWING:

1. SAFE, CRIME-AND-VIOLENCE-FREE COMMUNITIES

- ALTHOUGH MARSHALL MEDICAL CENTER DOES NOT HAVE A SPECIFIC STRATEGY TO CONFRONT THIS HEALTH NEED DUE TO ITS LIMITED CAPACITY AND ABILITY TO IMPACT THIS ISSUE, THE HOSPITAL DOES INTEND TO INDIRECTLY ADDRESS THE NEED FOR SAFE, CRIME-AND-VIOLENCE-FREE COMMUNITIES THROUGH THE STRATEGIES AND INTERVENTIONS IDENTIFIED FOR ACCESS TO BEHAVIORAL HEALTH SERVICES.

- MARSHALL MEDICAL CENTER WILL ALSO CONTINUE TO SUPPORT COMMUNITY-BASED ORGANIZATIONS ADDRESSING THIS ISSUE THROUGH SPONSORSHIPS AND COLLABORATION. IN ADDITION, MARSHALL MEDICAL CENTER HAS TAKEN AND WILL CONTINUE TO DEVELOP MEASURES WORKING WITH LAW ENFORCEMENT TO CREATE A SAFE, CRIME-AND-VIOLENCE-FREE ENVIRONMENT ON THEIR CAMPUSES FOR ALL PATIENTS AND EMPLOYEES.

2. ACTIVE LIVING AND HEALTHY EATING

- ALTHOUGH MARSHALL MEDICAL CENTER DOES NOT HAVE A SPECIFIC STRATEGY TO CONFRONT THIS HEALTH ISSUE, THE HOSPITAL INTENDS TO INDIRECTLY ADDRESS THIS ISSUE THROUGH THE STRATEGIES AND INTERVENTIONS IDENTIFIED FOR DISEASE PREVENTION, MANAGEMENT AND TREATMENT. IN ADDITION, MARSHALL MEDICAL CENTER WILL CONTINUE TO PLAY A SUPPORTIVE ROLE IN COMMUNITY EFFORTS THAT

**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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

ARE ADDRESSING THE NEED FOR ACTIVE LIVING AND HEALTHY EATING INCLUDING EL DORADO COUNTY'S COMMUNITY HEALTH IMPROVEMENT PLAN ACTIVE LIVING AND HEALTHY EATING TEAMS.

- THE HOSPITAL WILL ALSO REMAIN ENGAGED AND COMMITTED TO ITS CURRENT PRACTICES THAT ADDRESS THIS ISSUE IN THE COMMUNITY, INCLUDING ITS COMMUNITY HEALTH EDUCATION PROGRAMS, NUTRITIONAL COUNSELING AND SPONSORSHIP OF COMMUNITY HEALTH FAIRS AND EVENTS THROUGH ITS COMMUNITY RELATIONS FUND, ALONG WITH MAINTAINING ITS SMOKE-FREE ENVIRONMENT.

### 3. AFFORDABLE AND ACCESSIBLE TRANSPORTATION

- GIVEN MARSHALL MEDICAL CENTER'S LIMITED CAPACITY AND ABILITY TO IMPACT TRANSPORTATION ISSUES IN THE COMMUNITY, MARSHALL MEDICAL CENTER HAS NOT DEVELOPED SPECIFIC STRATEGIES TO ADDRESS THIS HEALTH NEED. ALTHOUGH THE HOSPITAL DOES NOT INTEND TO PLAY A LEAD ROLE IN ADDRESSING THIS HEALTH NEED, IT DOES INTEND TO SEEK OPPORTUNITIES TO ADVOCATE FOR AFFORDABLE AND ACCESSIBLE TRANSPORTATION SERVICES IN THE COMMUNITY. IN ADDITION, MARSHALL MEDICAL CENTER WILL CONTINUE TO ASSIST SOME OF ITS PATIENTS WITH TRANSPORTATION SUPPORT, SUCH AS CANCER PATIENTS THROUGH MARSHALL CANCER SERVICES.

### 4. BASIC NEEDS

- GIVEN THE BREADTH OF THE ISSUE AND MARSHALL MEDICAL CENTER'S LIMITED CAPACITY AND EXPERTISE FOR ADDRESSING THIS ISSUE, THE HOSPITAL HAS NOT DEVELOPED SPECIFIC STRATEGIES TO ADDRESS BASIC NEEDS IN THE COMMUNITY. ALTHOUGH THERE ARE NO STRATEGIES IDENTIFIED FOR COMBATTING THIS NEED, MARSHALL MEDICAL CENTER DOES INTEND TO COLLABORATE WITH COMMUNITY EFFORTS AND ORGANIZATIONS THAT ARE COMMITTED TO ADDRESSING THIS HEALTH ISSUE.

**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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

**5. POLLUTION-FREE LIVING AND WORK ENVIRONMENT**

- GIVEN MARSHALL MEDICAL CENTER'S LIMITED EXPERTISE AND ABILITY TO IMPACT POLLUTION ISSUES IN THE COMMUNITY, THE HOSPITAL HAS NOT DEVELOPED SPECIFIC STRATEGIES TO ADDRESS THIS HEALTH NEED. ALTHOUGH THERE ARE NO STRATEGIES IDENTIFIED FOR COMBATTING HIS NEED, MARSHALL MEDICAL CENTER DOES INTEND TO MAINTAIN A SMOKE-FREE ENVIRONMENT AND COLLABORATE WITH COMMUNITY EFFORTS AND ORGANIZATIONS THAT ARE COMMITTED TO ADDRESSING THIS NEED FOR POLLUTION-FREE LIVING AND WORK ENVIRONMENTS.

MARSHALL MEDICAL CENTER ALSO CONDUCTED A COMPREHENSIVE, UPDATED COMMUNITY HEALTH NEEDS ASSESSMENT DURING TAX YEAR 2018, AND HAS IDENTIFIED SIGNIFICANT HEALTH NEEDS TO ADDRESS IN FUTURE TAX YEARS.

**MARSHALL MEDICAL CENTER:**

PART V, SECTION B, LINE 13B: WHEN ANY PATIENT'S SINGLE VISIT RESPONSIBILITY EXCEEDS \$50,000 THE BALANCE ABOVE \$50,000 WILL BE DISCOUNTED BY 50% AS CATASTROPHIC ADJUSTMENT AUTOMATICALLY UPON FINAL BILLING. PATIENTS ARE NOT REQUIRED TO APPLY FOR THIS PRGORAM TO BE ENTITLED TO THIS 50% OVER \$50,000 DISCOUNT. IF THE PATIENT APPLIES AND QUALIFIES FOR THE FINANCIAL ASSISTANCE PROGRAM, THE REMAINING BALANCE WILL RECEIVE THE APPROPRIATE REDUCTION IN ADDITION TO THE CATASTROPHIC ADJUSTMENT.

A PATIENT WHOSE FAMILY INCOME DOES NOT EXCEED 350 PERCENT OF THE FEDERAL POVERTY LEVEL MAY QUALIFY FOR CHARITY CARE ON THE BASIS OF HIGH MEDICAL

**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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

**COSTS, WHICH IS DEFINED TO MEAN ANY OF THE FOLLOWING:**

1. ANNUAL OUT-OF-POCKET COSTS PAID AT THIS FACILITY EXCEED 10% OF SUCH PATIENTS' FAMILY GROSS INCOME AND ESSENTIAL LIVING EXPENSES IN THE PRIOR 12 MONTHS; OR

2. ANNUAL OUT-OF-POCKET EXPENSES THAT EXCEED 10% OF SUCH PATIENT'S FAMILY GROSS INCOME AND ESSENTIAL LIVING EXPENSES, IF THE PATIENT PROVIDES DOCUMENTATION OF THE PATIENT'S MEDICAL EXPENSES PAID BY THE PATIENT OR THE PATIENT'S FAMILY IN THE PRIOR 12 MONTHS.

THIS SHALL NOT INCLUDE OUT-OF-POCKET EXPENSES FOR INSURANCE PREMIUMS.

**MARSHALL MEDICAL CENTER:**

PART V, SECTION B, LINE 16J: THE FINANCIAL ASSISTANCE POLICY, PLAIN LANGUAGE SUMMARY AND APPLICATION ARE AVAILABLE ONLINE AT [HTTPS://WWW.MARSHALLMEDICAL.ORG/PATIENTS-VISITORS/PATIENT-INFORMATION/INSURANCE-BILLING-INFORMATION/BUSINESS-OFFICE/FINANCIAL-ASSISTANCE.ASPX](https://www.marshallmedical.org/patients-visitors/patient-information/insurance-billing-information/business-office/financial-assistance.aspx).

MARSHALL MEDICAL CENTER'S HOSPITAL BILLING DEPARTMENT ALSO ATTEMPTS TO MAKE CONTACT WITH PATIENTS TO INFORM THEM THAT THEY SHOULD APPLY FOR FINANCIAL ASSISTANCE.



**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.

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**PART I, LINE 7:**

BEGINNING WITH TAX YEAR 2014, MARSHALL MEDICAL CENTER IMPLEMENTED A COST ACCOUNTING SYSTEM TO ESTIMATE DIRECT AND INDIRECT COSTS OF PROVIDING PATIENT CARE. THE RESULTING COST-TO-CHARGE RATIO WAS APPLIED TO GROSS REVENUES ASSOCIATED WITH FINANCIAL ASSISTANCE AND MEANS-TESTED PROGRAMS IN ORDER TO CALCULATE FINANCIAL ASSISTANCE AT COST.

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**PART I, LINE 7, COLUMN (F):**

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25(A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 5,572,245.

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**PART II, COMMUNITY BUILDING ACTIVITIES:**

**ECONOMIC DEVELOPMENT:**

- EL DORADO COUNTY ECONOMIC DEVELOPMENT CORP - SUPPORT THIS CONSORTIUM OF PRIVATE AND PUBLIC ENTITIES THAT ARE INTERESTED IN BRINGING AND RETAINING JOBS IN THE COUNTY.

- CHAMBERS OF COMMERCE - PARTICIPATE IN FOSTERING A HEALTHIER ECONOMIC

**Part VI** Supplemental Information (Continuation)

DEVELOPMENT AND ENVIRONMENT IN EL DORADO COUNTY.

COALITION BUILDING:

- LEADERSHIP EL DORADO - SUPPORT THIS PROGRAM THAT FOSTERS RELATIONSHIPS WITH LOCAL REGULATORY AGENCIES (EL DORADO COUNTY, EID, COUNTY JAIL, ETC.).

COMMUNITY HEALTH IMPROVEMENT ADVOCACY:

- EL DORADO EMS JPA (JOINT POWERS AUTHORITY) - HELP DEVELOP NEW MODELS FOR FIRE SERVICES AND PARAMEDICS FOR EL DORADO COUNTY.

WORKFORCE DEVELOPMENT:

- HIGH SCHOOL HEALTH CAREER FAIRS - EDUCATE STUDENTS ABOUT CAREER OPTIONS IN HEALTHCARE.

- EL DORADO UNION HIGH SCHOOL DISTRICT TECHNICAL EDUCATION ADVISORY COMMITTEE - PARTICIPATE IN A PROGRAM OF PRIVATE ENTITIES THAT HELP THE HIGH SCHOOL DISTRICT PLAN AND PREPARE FOR TECHNICAL CAREERS AND EDUCATIONAL OFFERINGS.

- HEALTH CAREER EXPLORATION - PARTICIPATE IN A SERIES OF ALL-DAY EVENTS THAT ALLOW PARTICIPANTS TO SHADOW PROFESSIONALS AT MARSHALL MEDICAL CENTER.

PART III, LINE 2:

MARSHALL MEDICAL CENTER MAKES A BEST EFFORT TO APPLY ALL KNOWN DISCOUNTS AND PAYMENTS POSTED TO THE PATIENT ACCOUNT PRIOR TO DETERMINATION OF BAD DEBT WRITE-OFF. NON-COMPLIANT PATIENTS MAY RESULT IN THE DELAY OF PROPERLY APPLIED DISCOUNTS.

IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 127400 ET

**Part VI** Supplemental Information (Continuation)

SEQ., MARSHALL MEDICAL CENTER DISCOUNTS PAYMENTS AND PROVIDES CHARITY CARE TO FINANCIALLY QUALIFIED PATIENTS. PATIENTS WHO QUALIFY FOR THESE DISCOUNTS OR CHARITY CARE UNDER OUR POLICIES INCLUDE PATIENTS WHO MEET BOTH OF THE FOLLOWING QUALIFICATIONS:

- 1. THE PATIENT EITHER IS SELF-PAY OR HAS HIGH MEDICAL COSTS, AS DEFINED IN OUR DISCOUNT PAYMENT AND CHARITY CARE POLICIES; AND
- 2. THE PATIENT HAS A FAMILY INCOME (AS DEFINED IN THE POLICIES) THAT DOES NOT EXCEED 350% OF THE FEDERAL POVERTY LEVEL.

PART III, LINE 3:

MARSHALL MEDICAL CENTER ESTIMATES THAT APPROXIMATELY 3.32% OF ALL PATIENT ACCOUNTS ASSIGNED TO BAD DEBT MIGHT BE ATTRIBUTABLE TO PATIENTS WHO MIGHT HAVE QUALIFIED FOR FINANCIAL ASSISTANCE HAD THOSE PATIENTS PROVIDED SUFFICIENT INFORMATION TO BECOME QUALIFIED.

PART III, LINE 4:

SEE THE "PATIENT ACCOUNTS RECEIVABLE" AND "ALLOWANCE FOR DOUBTFUL ACCOUNTS" SECTIONS IN NOTE 1, PAGES 10-11, IN THE ATTACHED AUDITED FINANCIAL STATEMENTS FOR A DISCUSSION OF THE ORGANIZATION'S BAD DEBT EXPENSE.

PART III, LINE 8:

MARSHALL MEDICAL CENTER USES A COST ACCOUNTING SYSTEM, MAKING A BEST EFFORT TO APPLY ALL KNOWN DISCOUNTS AND PAYMENTS POSTED TO THE PATIENT ACCOUNT PRIOR TO DETERMINATION OF BAD DEBT WRITE-OFFS. NON-COMPLIANT PATIENTS MAY RESULT IN THE DELAY OF PROPERLY APPLIED DISCOUNTS.

THE SHORTFALL INCURRED ON MEDICARE PATIENTS CAN BE CONSIDERED A COMMUNITY

**Part VI** Supplemental Information (Continuation)

BENEFIT BECAUSE MARSHALL MEDICAL CENTER IS THE ONLY HOSPITAL FACILITY WITHIN APPROXIMATELY 25 MILES. THEREFORE, PATIENTS WOULD HAVE TO TRAVEL OUTSIDE OF THE COMMUNITY TO OBTAIN HEALTHCARE SERVICES. THE ONLY OTHER HOSPITAL FACILITY IN EL DORADO COUNTY IS APPROXIMATELY 50 MILES FROM PLACERVILLE AND PATIENTS WOULD HAVE TO TRAVERSE A 7,000+ FOOT ELEVATION MOUNTAIN PASS TO OBTAIN HEALTHCARE SERVICES FROM THAT FACILITY. OUR PATIENT POPULATION IS HEAVILY MEDICARE-WEIGHTED AND MARSHALL PROVIDES A VAST AMOUNT OF CARE TO THIS MEDICARE POPULATION, WHICH TEND TOWARDS MORE ACUTE ILLNESSES THAT MAKE TRAVEL DIFFICULT. BECAUSE WE ARE A COMMUNITY-BASED HOSPITAL, WE HAVE TO PROVIDE A BROAD RANGE OF SERVICES TO MEET THE NEEDS OF THE COMMUNITY, WHICH IMPACTS OUR ABILITY TO SPECIALIZE IN MORE FOCUSED SERVICES.

PART III, LINE 9B:

AT THE TIME OF REGISTRATION AND IN THE FIRST BILLING STATEMENT, PATIENTS ARE PRESENTED WITH ALL DISCOUNT AND PROGRAM OPTIONS AVAILABLE. BILLING STATEMENTS 2 THROUGH 5 REMIND THE PATIENT OF DISCOUNTS AVAILABLE. FOR PATIENTS WHO HAVE AN APPLICATION PENDING FOR EITHER GOVERNMENT-SPONSORED COVERAGE OR FOR MARSHALL MEDICAL CENTER'S OWN FINANCIAL ASSISTANCE PROGRAM, MARSHALL MEDICAL CENTER SHALL NOT KNOWINGLY SEND OR ASSIGN SUCH PATIENT'S BILL TO AN OUTSIDE COLLECTION AGENCY PRIOR TO 180 DAYS FROM THE DATE OF MARSHALL MEDICAL CENTER'S INITIAL BILLING OF THAT ACCOUNT. PRIOR TO FILING ANY LEGAL ACTION AGAINST A PATIENT, THE DEBT COLLECTION AGENCY WILL (A) PERFORM AN ANALYSIS OF THE PATIENT'S ASSETS AND INCOME TO DETERMINE WHETHER THE PATIENT HAS ASSETS AND INCOME SUFFICIENT TO JUSTIFY FILING THE LEGAL ACTION, (B) PRESENT THE ANALYSIS TO MARSHALL MEDICAL CENTER'S DIRECTOR OF HOSPITAL PATIENT BILLING, IN SUCH FORMAT AS MARSHALL MEDICAL CENTER MAY REQUEST, AND (C) OBTAIN THE DIRECTOR'S APPROVAL FOR

Schedule H (Form 990)

**Part VI** Supplemental Information (Continuation)

FILING THE LEGAL ACTION AGAINST THE PATIENT.

PART VI, LINE 2:

THE COMMUNITY'S HEALTHCARE NEEDS ARE DETERMINED BASED ON MANY FACTORS INCLUDING BUT NOT LIMITED TO MARKET STUDIES, PHYSICIAN FEEDBACK BASED ON THE NEEDS OF THEIR PATIENTS, HEALTH MANPOWER STUDIES, SURVEYS, AND A COMMUNITY HEALTH NEEDS ASSESSMENT EVERY THREE YEARS.

PART VI, LINE 3:

AT THE TIME OF REGISTRATION, EVERY UNINSURED PATIENT IS PRESENTED WITH A DOCUMENT THAT OUTLINES ALL THE FEDERAL, STATE OR LOCAL GOVERNMENT PROGRAMS, AS WELL AS THE ORGANIZATIONAL CHARITY CARE POLICY THAT THEY MAY BE ABLE TO QUALIFY FOR. MARSHALL MEDICAL CENTER PROVIDES, AT ITS EXPENSE, PRIVATE CONSULTANTS AND COUNTY MEDICAL EMPLOYEES WHO WORK WITH PATIENTS DURING AND AFTER SERVICES TO ASSIST THEM IN COMPLETING THE NECESSARY FORMS, TO FILE ALL THE NECESSARY DOCUMENTS, AND TO ATTEND ANY REQUISITE APPOINTMENTS WITH PROVIDING AGENCIES. FINANCIAL COUNSELORS ARE ALSO PROVIDED TO ASSIST PATIENTS IN UNDERSTANDING ELIGIBILITY REQUIREMENTS RELATED TO QUALIFYING FOR CHARITY CARE.

PART VI, LINE 4:

MARSHALL MEDICAL CENTER SERVES APPROXIMATELY 156,000 RESIDENTS ON THE WESTERN SLOPE OF THE SIERRAS IN EL DORADO COUNTY. OTHER PERTINENT DEMOGRAPHICS ABOUT OUR HOSPITAL SERVICE AREA FOR TAX YEAR 2018 INCLUDE:

- 21.1% IS UNDER AGE 18 AND 19.6% IS AGE 65 AND OVER
- MEDIAN HOUSEHOLD INCOME IS \$83,922
- PERCENTAGE LIVING IN POVERTY IS 9.1%

**Part VI** Supplemental Information (Continuation)

- PERCENTAGE UNEMPLOYED IS 4.4% (EL DORADO COUNTY)

- PERCENTAGE UNINSURED IS 5.1%

- ETHNIC PERCENTAGES ARE: WHITE 80%, HISPANIC 10.7%, ASIAN 4.4%, AFRICAN AMERICAN 0.8%, NATIVE AMERICAN 0.6%, PACIFIC ISLANDER 0.2%

PART VI, LINE 5:

MARSHALL MEDICAL CENTER PROMOTES THE HEALTH OF THE COMMUNITY THROUGH A LARGE AND VARIED ARRAY OF HEALTHCARE SERVICES INCLUDING, BUT NOT LIMITED TO, INPATIENT SERVICES (OBSTETRICS, SURGERIES, RADIOLOGY, DIAGNOSTIC CARDIAC CATHETERIZATIONS) AND OUTPATIENT SERVICES (EMERGENCY ROOM, OUTPATIENT SURGERIES, RADIOLOGY, LABORATORY, DIAGNOSTIC CARDIAC CATHETERIZATIONS, NUMEROUS FAMILY AND SPECIALTY CLINICS, RURAL HEALTH CLINIC, CANCER PROGRAMS, AND HOME HEALTH VISITS). WE RECOGNIZE THAT WE HAVE AN OBLIGATION TO PROVIDE SERVICES ABOVE AND BEYOND OUR ROLE AS A HEALING FACILITY.

-OPEN MEDICAL STAFF: WE OFFER AN "OPEN MEDICAL STAFF" MODEL EXCEPT FOR A FEW SELECT SPECIALTIES, WHICH ARE "EXCLUSIVE CONTRACTS".

-COMMUNITY BOARD: OUR BOARD OF DIRECTORS IS COMPRISED OF 15 VOLUNTEER COMMUNITY MEMBERS. THEY DEDICATE NUMEROUS HOURS OF THEIR OWN TIME TO CONTRIBUTE TO A POSITIVE HEALTH ENVIRONMENT THROUGH MARSHALL MEDICAL CENTER.

-USE OF SURPLUS FUNDS: EXCESS REVENUE (SURPLUS FUNDS) ARE RETAINED FOR FUTURE COMMUNITY NEEDS INCLUDING BUT NOT LIMITED TO CAPITAL IMPROVEMENTS, EXPANSION OF NEW SERVICES AND TECHNOLOGICAL IMPROVEMENTS. THE COMMUNITY-BASED BOARD OF DIRECTORS CONTROLS THE DIRECTION OF THE USE OF SURPLUS FUNDS.

**Part VI** Supplemental Information (Continuation)

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

CA

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED OCTOBER 31, 2019 AND 2018**



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CONSULTING

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Marshall Medical Center and Subsidiary  
Placerville, California

We have audited the accompanying consolidated financial statements of Marshall Medical Center and Subsidiary which comprise the consolidated balance sheet as of October 31, 2019, and the related consolidated statement of operations and changes in net assets, and the consolidated statement of cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 from material misstatement.

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

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

***Opinion***

In our opinion, the 2019 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Marshall Medical Center and Subsidiary as of October 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

The 2018 consolidated financial statements of Marshall Medical Center and Subsidiary were audited by other auditors whose report dated March 1, 2019, expressed an unmodified opinion on those statements.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the 2019 consolidated financial statements as a whole. The 2019 supplementary information on pages 35 through 42 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The 2018 supplementary information on pages 35 through 42 was subjected to the auditing procedures applied in the 2018 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2018 consolidated financial statements as a whole.



**CliftonLarsonAllen LLP**

Roseville, California  
February 21, 2020

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
OCTOBER 31, 2019 AND 2018**

<b>ASSETS</b>	2019	2018
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 22,097,361	\$ 24,760,264
Current Portion of Bond Funds – Held by Trustee	3,040,319	3,014,894
Patient Accounts Receivable, Net	36,959,352	31,193,192
Estimated Third-Party Payor Settlements Receivable	307,396	290,384
Other Receivables	4,135,897	3,863,587
Inventories	4,453,341	4,008,434
Prepaid Expenses	1,952,415	2,938,817
Total Current Assets	72,946,081	70,069,572
<b>ASSETS LIMITED AS TO USE</b>		
Bond Funds – Held by Trustee	7,894,746	7,795,155
Board Designated	17,281,152	23,752,578
Beneficial Interest Held by Marshall Foundation for Community Health	230,275	241,115
Less Current Portion of Bond Funds - Held by Trustee	(3,040,319)	(3,014,894)
Assets Limited as to Use, Net	22,365,854	28,773,954
<b>PROPERTY AND EQUIPMENT, NET</b>	118,734,703	117,651,035
<b>OTHER ASSETS</b>		
Prepaid Bond Insurance, Net	1,249,826	1,422,777
Intangible Assets, Net	6,789,687	6,789,687
Other Assets	2,705,057	2,312,550
Total Other Assets	10,744,570	10,525,014
Total Assets	\$ 224,791,208	\$ 227,019,575

See accompanying Notes to Consolidated Financial Statements.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS (CONTINUED)  
OCTOBER 31, 2019 AND 2018**

	2019	2018
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 2,654,342	\$ 2,768,670
Bond Interest Payable	816,922	824,337
Accounts Payable and Accrued Expenses	20,862,673	21,223,917
Accrued Compensation and Related Costs	10,448,654	9,975,877
Estimated Third-Party Payor Settlements Liabilities	514,031	1,019,083
Total Current Liabilities	35,296,622	35,811,884
<b>NONCURRENT LIABILITIES</b>		
Long-Term Debt, Net of Current Portion	52,799,607	55,739,795
Accrued Expenses	525,815	685,876
Liability for Pension Benefits	58,903,279	37,107,820
Total Noncurrent Liabilities	112,228,701	93,533,491
Total Liabilities	147,525,323	129,345,375
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Controlling	76,945,000	97,312,344
Noncontrolling	90,610	120,741
Total Without Donor Restrictions	77,035,610	97,433,085
With Donor Restrictions	230,275	241,115
Total Net Assets	77,265,885	97,674,200
Total Liabilities and Net Assets	\$ 224,791,208	\$ 227,019,575

See accompanying Notes to Consolidated Financial Statements.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEARS ENDED OCTOBER 31, 2019 AND 2018**

	2019	2018
<b>OPERATING REVENUES</b>		
Net Patient Service Revenue	\$ 288,902,222	\$ 271,181,772
Less Provision for Bad Debts	<u>(5,572,245)</u>	<u>(5,209,131)</u>
	283,329,977	265,972,641
Other Revenue	<u>2,551,062</u>	<u>1,194,041</u>
Total Operating Revenues	<u>285,881,039</u>	<u>267,166,682</u>
<b>OPERATING EXPENSES</b>		
Salaries and Wages	99,773,872	97,284,951
Employee Benefits	48,774,205	46,509,920
Professional Fees	50,863,510	48,894,898
Supplies	34,460,292	30,971,642
Depreciation and Amortization	12,495,499	12,741,181
Purchased Services	17,014,360	17,523,494
Registry	1,860,303	2,780,063
Interest	1,754,011	1,727,131
Other	<u>9,299,305</u>	<u>10,107,885</u>
Total Operating Expenses	<u>276,295,357</u>	<u>268,541,165</u>
<b>OPERATING INCOME (LOSS)</b>	9,585,682	(1,374,483)
<b>NONOPERATING INCOME (EXPENSE)</b>		
Investment Income	1,884,483	2,707,182
Other	<u>96,130</u>	<u>17,743</u>
Net Nonoperating Income	<u>1,980,613</u>	<u>2,724,925</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	11,566,295	1,350,442
Unrealized Gains (Losses) on Investments, Net	632,309	(1,844,246)
Pension Related Changes Other than Net Periodic Pension Cost	(33,030,552)	4,619,225
Net Assets Released from Restriction for Purchase of Property and Equipment	<u>587,672</u>	<u>135,093</u>
<b>CHANGE IN NET ASSETS</b>	(20,244,276)	4,260,514
Net Assets Without Donor Restrictions - Beginning of Year	97,433,085	93,231,341
Member Distributions	<u>(153,199)</u>	<u>(58,770)</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 77,035,610</u>	<u>\$ 97,433,085</u>

See accompanying Notes to Consolidated Financial Statements.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF OPERATIONS AND  
CHANGES IN NET ASSETS (CONTINUED)  
YEARS ENDED OCTOBER 31, 2019 AND 2018**

	2019	2018
<b>CONTRIBUTIONS</b>	\$ 576,832	\$ 252,366
Net Assets Released from Restriction for Purchase of Property and Equipment	(587,672)	(135,093)
<b>(DECREASE) INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	(10,840)	117,273
Net Assets With Donor Restrictions - Beginning of Year	241,115	123,842
<b>NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR</b>	\$ 230,275	\$ 241,115
<b>(DECREASE) INCREASE IN NET ASSETS</b>	\$ (20,408,315)	\$ 4,319,017
Net Assets - Beginning of Year	97,674,200	93,355,183
<b>NET ASSETS - END OF YEAR</b>	\$ 77,265,885	\$ 97,674,200

*See accompanying Notes to Consolidated Financial Statements.*

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED OCTOBER 31, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (20,255,116)	\$ 4,377,787
Adjustments to Reconcile the Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	12,495,499	12,741,181
Amortization of Bond Premium	(374,087)	(373,430)
Amortization of Bond Issuance Costs	86,568	96,448
Provision for Bad Debts	5,572,245	5,209,131
Net Unrealized (Gains) Losses on Investments	(632,309)	1,844,246
Pension Related Changes Other than Net Periodic		
Pension Cost	33,030,552	(4,619,225)
Losses on Disposal of Assets	19,684	128,213
Restricted Contributions	(576,832)	(252,366)
Changes in Operating Assets and Liabilities:		
Patient Accounts Receivable	(11,338,405)	(5,261,662)
Estimated Third-Party Payor Settlements Receivable	(17,012)	(105,519)
Inventories	(444,907)	(559,642)
Prepaid Expenses	986,402	(1,181,409)
Other Receivables	(272,310)	(240,984)
Other Noncurrent Assets	(392,507)	(381,180)
Bond Interest Payable	(7,415)	(44,011)
Accounts Payable and Accrued Expenses	(2,367,823)	(3,234,211)
Accrued Compensation and Related Costs	472,777	246,789
Liability for Pension Benefits	(11,235,093)	-
Estimated Third-Party Payor Settlements Liabilities	(505,052)	(567,309)
Net Cash Provided by Operating Activities	4,244,859	7,822,847
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(11,579,382)	(8,445,595)
Purchases of Assets Limited as to Use	(8,610,305)	(8,441,714)
Proceeds from Sale of Assets Limited as to Use	15,625,290	14,276,933
Net Cash Used by Investing Activities	(4,564,397)	(2,610,376)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Long-Term Debt	(2,766,998)	(2,712,398)
Restricted Contributions	576,832	252,366
Member Distributions	(153,199)	(58,770)
Net Cash Used by Financing Activities	(2,343,365)	(2,518,802)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(2,662,903)	2,693,669
Cash and Cash Equivalents - Beginning of Year	24,760,264	22,066,595
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 22,097,361	\$ 24,760,264

See accompanying Notes to Consolidated Financial Statements.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED OCTOBER 31, 2019 AND 2018**

	2019	2018
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 2,235,672	\$ 2,192,026
Cash Paid for Taxes	\$ 101,025	\$ 45,163
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisitions of Property and Equipment	\$ 13,721,668	\$ 10,503,051
Less: Trade-In Value	295,768	44,608
Less: Purchases of Property and Equipment Included in Accounts Payable	1,846,518	2,012,848
Cash Paid for Property and Equipment	\$ 11,579,382	\$ 8,445,595

*See accompanying Notes to Consolidated Financial Statements.*

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Marshall Medical Center (the Medical Center) is a nonprofit corporation located in Placerville, California, providing health care services to the residents of El Dorado County and the surrounding areas. The Medical Center operates a 125-bed general acute care hospital with a full range of medical, surgical, emergency and obstetric services. Marshall Medical Foundation is a division of the Medical Center and is comprised of rural outpatient primary and specialty clinics, focusing on population health to meet the needs of the community.

The Medical Center maintained an 88% membership interest in El Dorado Surgery Center, LLC, a California limited liability company (the Surgery Center), from October 31, 2008 through August 31, 2018. On September 1, 2018, the Medical Center sold a 1% minority interest in the Surgery Center to El Dorado Surgery, Inc., a California professional medical corporation (the Professional Corporation), bringing the Professional Corporation's membership interest to 13% and the Medical Center's membership interest to 87%. The Medical Center is the managing member of the Surgery Center.

Collectively, the Medical Center, and the Surgery Center, are defined as "the Organization."

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Medical Center and its majority-owned subsidiary, the Surgery Center. Noncontrolling interest represents the minority members' proportionate share of the members' interest. All material intercompany transactions and balances have been eliminated in the consolidation.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers highly liquid investments, such as money market accounts and certificates of deposit with maturities of less than 90 days, as cash equivalents.

**Inventories**

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets Limited as to Use**

Assets limited as to use consist of board-designated assets set aside by the Medical Center's board of directors (the Board) for future capital improvements, assets held by a trustee under indenture agreements, and beneficial interest held by Marshall Foundation for Community Health (the Foundation). The Board retains control over Board-designated assets and at its discretion may subsequently use them for other purposes. Assets held by the trustee under indenture agreements are used by the trustee to make interest, principal, and insurance payments related to the bonds and to maintain reserve funds.

**Prepaid Bond Insurance, Net**

Prepaid bond insurance costs are deferred and amortized using the *effective* interest method over the life of the bonds. As of October 31, 2019 and 2018, prepaid bond insurance costs were \$3,297,000. As of October 31, 2019 and 2018 accumulated amortization of the bond insurance costs was \$2,047,000 and \$1,874,000, respectively, and amortization expense was \$173,000 and \$183,000 for the years ended October 31, 2019 and 2018, respectively.

**Patient Accounts Receivable**

Patient accounts receivable consist of amounts reimbursable by various governmental agencies and insurance companies, through the assignment process, and by private patients. The Organization provides for estimated losses on accounts receivable based on prior bad debt experience and generally does not charge interest on past due balances. Past due status is based on the date of services provided. Uncollectible receivables are charged off when deemed uncollectible. Recoveries from previously charged-off accounts are recorded when received.

**Allowance for Doubtful Accounts**

Patient accounts receivable are reduced by an allowance for doubtful accounts in addition to contractual allowances and allowance for charity care. The allowance for doubtful accounts represents amounts patients are unwilling or unable to pay. Contractual allowances include differences between established billing rates and amounts reimbursable under various contractual agreements. Amounts receivable from patients who are unable to pay and qualify under certain criteria established by the Organization are recorded as charity care.

To estimate the appropriate allowance for doubtful accounts, the Organization evaluates the collectability of accounts receivable by analyzing its past history and identifying trends of each of its major sources of revenue by payor. Management regularly reviews recent data in light of historical data and updates the trend analysis. For the years ended October 31, 2019 and 2018, net patient service revenue increased by \$2,800,000 and \$-0-, respectively, due to changes in estimates related to prior years.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allowance for Doubtful Accounts (Continued)**

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

The Organization's allowance for doubtful accounts consists primarily of self-pay accounts and self-pay accounts after insurance. The allowance for bad debts increased \$810,000 from \$7,209,000 to \$8,019,000 at October 31, 2018 and 2019, respectively. The related provision for bad debts increased \$363,000, from \$5,209,000 for the year ended October 31 2018, to \$5,572,000 for the year ended October 31, 2019. The Organization's self-pay write-offs were \$3,103,000 and \$4,762,000 during the years ended October 31, 2018 and 2019, respectively, reflecting an increase of \$1,659,000.

**Intangible Assets**

Intangible assets include goodwill and a covenant not to compete. Goodwill primarily consists of the excess of cost over net tangible assets of the Surgery Center acquired in October 2008. As of October 31, 2019 and 2018, goodwill amounted to \$7,146,000 and the covenant not to compete was \$200,000. Accumulated amortization of intangible assets was \$557,000 at October 31, 2019 and 2018.

The Organization accounts for goodwill pursuant to Accounting Standards Codification (ASC) 350 *Intangibles - Goodwill and Other*. Goodwill represents the excess of cost over fair value of assets of businesses acquired. In order to evaluate goodwill for impairment, the Organization assesses qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying amount at its measurement date of October 31 each year. If this were the case, the Organization would perform a more detailed two-step goodwill impairment test, used to identify potential goodwill impairments and to measure the amount of goodwill impairment losses to be recognized, if any.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Intangible Assets (Continued)**

In assessing the qualitative factors to determine whether it was more likely than not that the fair value of a reporting unit was less than its carrying amount, the Organization assessed relevant events and circumstances that would impact the fair value and the carrying amount of the reporting unit. The identification of relevant events and circumstances and how they may impact a reporting unit's fair value or carrying amount involve significant judgments and assumptions. Based upon the Organization's qualitative impairment analysis, conducted in accordance with Accounting Standards Update (ASU) No. 2011-08, the Organization concluded that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount and that there was no requirement to do a quantitative annual goodwill impairment test. There were no impairments recognized during the years ended October 31, 2019 and 2018.

**Impairment of Long-Lived Assets**

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell or dispose. During the years ended October 31, 2019 and 2018, the Organization did not have any impairment losses.

**Property and Equipment**

Property and equipment are recorded at cost. Interest cost incurred on borrowed funds during the construction period of capital assets is capitalized as a component of the cost of acquiring those assets. The Organization capitalizes fixed assets with a cost greater than \$3,500 or groups of like assets with costs greater than \$5,000. Depreciation is computed using the straight-line method over the estimated useful life of each class of depreciable assets as follows (with leasehold improvements depreciated over the lesser of the lease term and the estimated useful life of the asset):

Land Improvements	10 to 25 Years
Buildings and Improvements	10 to 50 Years
Equipment	3 to 25 Years

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

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets**

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization's net assets with donor restrictions consist of restricted contributions held by the Foundation to be used for the benefit of the Organization.

**Malpractice and Employment Practices Insurance Coverage**

The Organization has purchased claims-made insurance to cover hospital and contracted clinicians' malpractice claims reported to the insurance carriers during the terms of the policies. The hospital policy has a \$1,000 deductible per claim and maximum liability coverage of \$5 million per claim. Additionally, the policy is limited to a maximum aggregate payout of \$15 million per year. The contracted clinicians' policy has a maximum liability of \$1 million to \$2 million per claim for anesthesiologists and \$1 million per claim for other health care professionals. Additionally, the policy is limited to a maximum aggregate payout of \$3 million to \$4 million per year for anesthesiologists, \$3 million per year for other physicians, and \$10 million per year inclusive of all named entities, including nonphysician health care professionals. Separately, the hospital has purchased a Directors and Officers policy for employment practices with limits of \$5 million per claim and \$5 million in aggregate with a per claim deductible of \$35,000. Claims-made insurance policies cover only malpractice and employment practices claims reported to the insurance carrier during the terms of the policies, regardless of the dates of the incidents giving rise to the claims. Costs related to losses from both reported and unreported claims are estimated by the Organization and accrued as a long-term liability. Those estimates are based on the Organization's experience of reported claims and eventual losses. The full deductible of malpractice and employment practices liability is recorded in accounts payable and accrued expenses and the related insurance claims receivable is recorded in other receivables.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Workers' Compensation**

The Organization maintains an insurance policy against workers' compensation losses. For the years ended October 31, 2019 and 2018, the Organization had a \$-0- deductible per occurrence with no aggregate limit for its workers' compensation policy. As of October 31, 2006 and prior, the Organization was self-insured for workers' compensation claims with a \$250,000 deductible per occurrence and no aggregate limit. Losses from asserted and unasserted claims identified under the Organization's reporting system are accrued based on estimates that incorporate the Organization's past experience and relevant trend factors. The workers' compensation liability is recorded in accounts payable and accrued expenses, and the related insurance benefits receivable is recorded in other receivables on the consolidated balance sheets. The Organization had \$509,000 in deposits and restricted cash, of which \$9,000 was classified as prepaid expenses, in reserve for future claims as of October 31, 2019 and 2018.

**Excess of Revenues over Expenses**

The Organization's primary purpose is to provide comprehensive health care services to the community. As such, all activities related to the ongoing operations of the Organization are classified as operating activities. Operating revenues include those generated from direct patient care, related support services, and sundry revenues related to the operation of the Organization. Changes in net assets without donor restrictions, which are excluded from excess of revenues over expenses, include unrealized gains and losses on investments, contributions of long-lived assets, and pension related changes other than net periodic pension cost.

**Net Patient Service Revenue**

The Organization has agreements with third-party payors that provide payments to the Organization at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as tentative and final settlement amounts are determined.

**Charity Care**

The Organization provides care to patients who meet certain criteria under its charity policy without charge or at amounts less than its established rates. The Organization does not pursue collection of amounts determined to qualify as charity care. Charity care provided during the years ended October 31, 2019 and 2018, measured on the basis of estimated uncompensated costs was \$1,245,000 and \$1,130,000, respectively. The estimated cost of providing charity care is calculated by multiplying the ratio of cost to gross charges for the Organization by the gross uncompensated charges associated with providing charity care to its patients.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Medical Center is a tax-exempt organization and is not subject to federal or state income taxes, except for unrelated business income, in accordance with Section 501(c)(3) of the Internal Revenue Code. In addition, the Medical Center qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation. The provision for income taxes was \$83,000 and \$49,000 for the years ended October 31, 2019 and 2018, respectively.

Although the Medical Center is a nonprofit organization under the provisions of Section 501(c)(3) of the Internal Revenue Code, the Medical Center's subsidiary, the Surgery Center, pays an annual state franchise fee and a limited liability company fee based on gross revenue. Income taxes on the Surgery Center's net earnings are payable by the members of the Surgery Center.

**Fair Value of Financial Instruments**

Due to the short-term nature of cash and cash equivalents, accounts payable and accrued expenses, and third-party reimbursement contracts, their carrying values approximate their fair values. The fair value amounts of assets limited as to use are determined based on quoted market prices and dealer quotes for similar investments (Notes 5 and 6). Considerable judgment is required to develop estimates of fair value. The use of different market assumptions and/or estimation methodologies may affect the estimated fair value amounts. The fair value estimates are based on pertinent information available to management as of October 31, 2019 and 2018. Accordingly, the estimates are not necessarily indicative of the amounts the Organization could have realized in a current market exchange. The fair value of long-term debt is estimated based on quoted market prices for the bonds or similar financial instruments and approximates its carrying value.

**Adoption of New Accounting Pronouncements**

On August 18, 2016, Financial Accounting Standards Board (FASB) issued (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The Organization implemented ASU 2016-14 during the year ended October 31, 2019, and adjusted the presentation retrospectively to all periods presented in the Organization's consolidated financial statements. The ASU has no impact on the comparative amounts presented for net assets with and without donor restrictions.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reclassifications**

Certain amounts in prior-year consolidated financial statements have been reclassified for comparative purposes to conform to presentation in the current-year consolidated financial statements.

**Subsequent Events**

Subsequent events are events or transactions that occur after the consolidated balance sheet date but before the consolidated financial statements are issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheet but arose after the consolidated balance sheet date and before the consolidated financial statements are issued. The Organization has evaluated subsequent events through February 21, 2020, which is the date the consolidated financial statements were issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised by the following:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 22,097,361	\$ 24,760,264
Patient Accounts Receivable, Less Allowance for Doubtful Accounts	<u>36,959,352</u>	<u>31,193,192</u>
Total Available to Meet Cash Needs Within One Year	<u><u>\$ 59,056,713</u></u>	<u><u>\$ 55,953,456</u></u>

As part of the Organization's liquidity management plan, cash in excess of daily requirements may be invested in accordance with the Organizations investment policy. Additionally, board-designated assets may be utilized at the discretion of the Board if necessary.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019 AND 2018**

**NOTE 3 THIRD-PARTY PAYOR ARRANGEMENTS**

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

**Medicare**

Inpatient acute services rendered to Medicare program beneficiaries are paid at prospectively-determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services related to Medicare beneficiaries are paid based on a fee schedule. Annual cost reports are submitted and are subject to audits by the Medicare fiscal intermediary. The Organization's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Organization. The Organization's Medicare cost reports have been audited by the Medicare fiscal intermediary and final settlements have been received through October 31, 2009. The Organization's Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended October 31, 2015, with related final settlement subject to filed appeal for the year ended October 31, 2014.

**Medi-Cal**

Inpatient acute services rendered to Medi-Cal program beneficiaries are paid at prospectively-determined rates per discharge, varying according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are paid at prospectively-determined rates per procedure. Medi-Cal cost reports have been audited by the Department of Health Care Services through October 31, 2014, and final settlements have been received through 2014.

Revenue from the Medicare and Medi-Cal programs accounted for 38% and 21% of net patient service revenue, respectively, for the year ended October 31, 2019, and 36% and 20% of net patient service revenue, respectively, for the year ended October 31, 2018. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is a reasonable possibility that recorded estimates of net realizable amounts and estimates of retroactive revenue adjustments due to future audits, reviews, and investigations could change by a material amount in the near term. Net patient service revenue increased by \$493,000 and \$397,000 for the years ended October 31, 2019 and 2018, respectively, due to the impact of tentative or final settlements compared to prior years' estimates.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019 AND 2018**

**NOTE 3 THIRD-PARTY PAYOR ARRANGEMENTS (CONTINUED)**

**Other Payors**

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

**NOTE 4 HOSPITAL FEE PROGRAM**

The California Hospital Fee Program (the Program) began July 1, 2011 and is comprised of laws enacted by the state of California. Program periods which impact financial results in 2018 and 2019 include January 1, 2014 through December 31, 2016 (the Thirty-Six Month Program) and January 1, 2017 through June 30, 2019 (the Thirty-Month Program). The next segment of the Program will cover 30 months from July 1, 2019 through December 31, 2021 and is awaiting CMS approval. The Program requires a Quality Assurance Fee (QA Fee) to be paid by certain hospitals to a state fund established to accumulate the assessed QA Fees and receive matching federal funds. As a designated rural hospital for Medi-Cal purposes, the Organization is not required to pay QA Fees. QA Fees are supplemented by matching federal funds and paid to participating hospitals in two payment methodologies: a fee for service methodology and a managed care plan methodology.

In December 2014, CMS approved the fee for services portion of the Thirty-Six-Month Program. For the years ended October 31, 2019 and 2018, net patient service revenue included estimated supplemental payments of \$-0- and \$3,533,000, respectively, for the fee for services portion of the program and \$418,000 and \$0, respectively, for managed care. The \$418,000 in managed care funds was received during fiscal 2018 and was reflected in current liabilities as of October 31, 2018; it was recognized as net patient service revenue upon CMS approval in fiscal 2019. This program has been fully reconciled except for the managed care portion.

On December 15, 2017, CMS approved the fee for services portion of the Thirty-Month Program for the period January 1, 2017 through June 30, 2019. As of July 1, 2017, the managed care plan methodology began transitioning from a pass-through approach, based on historical Medi-Cal visits, to a directed payment model, based on current encounter data for only those plans with which the Medical Center is contracted for Medi-Cal managed care. For the years ended October 31, 2019 and 2018, net patient service revenue included estimated supplemental payments of \$9,814,000 and \$24,729,000, respectively, for the fee for services portion of the program, and \$12,811,000 and \$-0-, respectively, for managed care.

No net patient service revenue has been recognized for the Program period July 1, 2019 through December 31, 2021, pending CMS approval.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
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**NOTE 5 CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk include cash and cash equivalents, assets limited as to use (primarily cash and cash equivalents, certificates of deposit, marketable equity, and debt securities), and patient accounts receivable. Cash and cash equivalents are held in various financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Organization has not experienced any losses on its deposits of cash and cash equivalents.

The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows as of October 31:

	2019	2018
Medicare - Traditional	29%	32%
Medicare - Managed Care	6%	7%
Medi-Cal - Traditional	6%	5%
Medi-Cal - Managed Care	16%	10%
Individual Patients	14%	9%
Private Insurance/Other Contracted Payors - Traditional	8%	7%
Private Insurance/Other Contracted Payors - Managed Care	21%	30%
Total	100%	100%

**NOTE 6 FAIR VALUE OF ASSETS AND LIABILITIES**

ASC 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value (Notes 8 and 10). The standard describes three levels of inputs that may be used to measure fair value:

*Level 1* – Quoted prices in active markets for identical assets or liabilities

*Level 2* – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active 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 3* – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
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**NOTE 6 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)**

**Available-for-Sale Securities**

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market securities, U.S. treasury and agency debt securities, mutual funds, and exchange-traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

**Closely Held Securities**

Cayman Islands Exempted Company - The Lighthouse Diversified Fund Limited (the Fund) is a Cayman Islands Exempted Company valued at estimated fair value of the underlying net assets in the Fund. The Fund is a fund of funds whose investment objective is to seek consistent stable returns by allocating the Fund's assets to subadvisors who use a variety of investment strategies and invest across a wide range of investments. There is no secondary market for the Fund. In determining the Fund net asset value (NAV), the fund manager relies significantly on the subadvisors for fund investments. Except upon the death or bankruptcy of a shareholder, participating shares are not transferable without the prior written consent of the Fund, which consent may be withheld in its sole discretion.

There are also significant restrictions on redemptions of participating shares (which may be settled in securities rather than cash), as well as a "holdback" on redemptions pending the completion of the Fund's annual audit. Consequently, shareholders are likely to be able to dispose of their participating shares only by means of a redemption at the net asset value at the close of business monthly on 90 days' prior written notice to the Fund, in the absence of an active secondary market. The risk of any decline in the value of participating shares during the period from the date of notice of redemption until the redemption date will be borne by the shareholder requesting a redemption. Shareholders may not be able to liquidate their investments readily in the event of emergency or for any other reason. An investment in the Fund is illiquid and subject to risk. The Fund may need to suspend or postpone redemptions if it is not able to liquidate investments in a timely manner. Further, if significant redemptions of participating shares are requested, it may not be possible to liquidate the Fund's investments at the time such redemptions are requested or the Fund may be able to do so only at prices which the Investment Manager believes do not reflect the true value of such investments, resulting in an adverse effect on the return to the investors.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
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**NOTE 6 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)**

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within fair value hierarchy in which the fair value measurements fall as of October 31.

	2019			Balance
	Level 1	Level 2	Level 3	
Money Market Securities	\$ 3,527,944	\$ -	\$ -	\$ 3,527,944
U.S. Treasury and Agency Debt Securities	4,759,116	-	-	4,759,116
Mutual Funds:				
Large Cap Core	5,681,066	-	-	5,681,066
Small Cap Value	996,486	-	-	996,486
International Core	2,699,543	-	-	2,699,543
Fixed Income	4,551,568	-	-	4,551,568
Total Mutual Funds	<u>13,928,663</u>	<u>-</u>	<u>-</u>	<u>13,928,663</u>
Equities:				
Health Care	230,323	-	-	230,323
Financials	20,669	-	-	20,669
Consumer Staples	33,830	-	-	33,830
Consumer Discretionary	131,613	-	-	131,613
Information Technology	359,989	-	-	359,989
Industrials	150,428	-	-	150,428
Total Equities	<u>926,852</u>	<u>-</u>	<u>-</u>	<u>926,852</u>
Total	<u>\$ 23,142,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>23,142,575</u>
Investments at NAV:				
Closely Held Securities				<u>2,263,598</u>
Total				<u>\$ 25,406,173</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 6 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)**

	2018			Balance
	Level 1	Level 2	Level 3	
Money Market Securities	\$ 4,622,083	\$ -	\$ -	\$ 4,622,083
U.S. Treasury and Agency Debt Securities	4,745,044	-	-	4,745,044
Mutual Funds:				
Large Cap Core	7,551,069	-	-	7,551,069
Small Cap Value	1,281,652	-	-	1,281,652
International Core	3,327,765	-	-	3,327,765
Fixed Income	6,682,983	-	-	6,682,983
Total Mutual Funds	<u>18,843,469</u>	<u>-</u>	<u>-</u>	<u>18,843,469</u>
Equities:				
Health Care	303,872	-	-	303,872
Financials	40,163	-	-	40,163
Consumer Staples	61,918	-	-	61,918
Consumer Discretionary	175,853	-	-	175,853
Information Technology	518,324	-	-	518,324
Industrials	294,389	-	-	294,389
Total Equities	<u>1,394,519</u>	<u>-</u>	<u>-</u>	<u>1,394,519</u>
	<u>\$ 29,605,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>29,605,115</u>
Investments at NAV:				
Closely Held Securities				<u>2,183,733</u>
Total				<u>\$ 31,788,848</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 7 ASSETS LIMITED TO USE**

Assets limited as to use consist primarily of money market securities, mutual funds, equity securities, closely held securities, and U.S. treasury and agency debt securities.

The composition of assets limited as to use is set forth in the following table as of October 31:

	<u>2019</u>	<u>2018</u>
Board Designated:		
Money Market Securities	\$ 162,039	\$ 1,330,857
Mutual Funds	13,928,663	18,843,469
Equities	926,852	1,394,519
Closely Held Securities	<u>2,263,598</u>	<u>2,183,733</u>
Subtotal	17,281,152	23,752,578
Bond Funds - Held by Trustee:		
Money Market Securities	3,135,630	3,050,111
U.S. Treasury and Agency Debt Securities	<u>4,759,116</u>	<u>4,745,044</u>
Subtotal	7,894,746	7,795,155
Beneficial Interest Held by Marshall Foundation for Community Health		
Money Market Securities	<u>230,275</u>	<u>241,115</u>
Assets Limited as to Use	<u>\$ 25,406,173</u>	<u>\$ 31,788,848</u>

Investment income and gains (losses) on assets limited as to use, cash equivalents, and other investments are as follows for the years ended October 31:

	<u>2019</u>	<u>2018</u>
Investment Income	\$ 1,884,483	\$ 2,707,182
Unrealized Gains (Losses)	<u>632,309</u>	<u>(1,844,246)</u>
Total Investment Income	<u>\$ 2,516,792</u>	<u>\$ 862,936</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
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**NOTE 8 PROPERTY AND EQUIPMENT**

The cost of property and equipment by major class consists of the following as of October 31:

	<u>2019</u>	<u>2018</u>
Land and Improvements	\$ 23,271,043	\$ 22,992,279
Buildings and Improvements	145,956,736	144,088,162
Equipment	<u>97,267,269</u>	<u>91,539,040</u>
	266,495,048	258,619,481
Less Accumulated Depreciation	<u>154,854,195</u>	<u>144,643,854</u>
	111,640,853	113,975,627
Construction in Progress	<u>7,093,850</u>	<u>3,675,408</u>
Property and Equipment, Net	<u>\$ 118,734,703</u>	<u>\$ 117,651,035</u>

During fiscal 2019 and 2018, the Organization was engaged in construction contracts of \$8,618,000 and \$6,715,000, respectively. Remaining commitments on the contracts as of October 31, 2019 and October 31, 2018 were \$1,068,000 and \$3,447,000, respectively, which primarily consists of ongoing improvements to the pharmacy, MRI, and cardio departments. These projects are anticipated to be completed in the next fiscal year and are being funded by operations.

Interest costs incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Net interest costs capitalized during the years ended October 31, 2019 and 2018 were \$206,000 and \$161,000, respectively.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
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**NOTE 9 LONG-TERM DEBT**

Long-term debt is summarized as follows as of October 31:

	<u>2019</u>	<u>2018</u>
California Health Facilities Financing Authority Insured Hospital Revenue Bonds, 2004 Series B	\$ 20,000,000	\$ 20,000,000
California Health Facilities Financing Authority Insured Hospital Revenue Bonds, 2012 Series A	5,790,000	7,870,000
Unamortized Bond Premium	<u>549,727</u>	<u>732,969</u>
Total Insured Hospital Revenue Bonds, 2012 Series A	6,339,727	8,602,969
California Health Facilities Financing Authority Insured Hospital Revenue Bonds, 2015 Series A	26,380,000	26,515,000
Unamortized Bond Premium	<u>2,671,826</u>	<u>2,862,671</u>
Total Insured Hospital Revenue Bonds, 2015 Series A	29,051,826	29,377,671
Note payable to United States Department of Agriculture, in monthly installments of \$35,730, including interest of 3.375% per annum, through June 2020	236,833	650,008
Other Long-Term Debt	<u>354,166</u>	<u>492,988</u>
	55,982,552	59,123,636
Less Unamortized Bond Issuance Costs	<u>528,603</u>	<u>615,171</u>
	55,453,949	58,508,465
Less Amount Required to Meet Current Portion	<u>2,654,342</u>	<u>2,768,670</u>
Long-Term Debt, Net	<u>\$ 52,799,607</u>	<u>\$ 55,739,795</u>

In April 2015, the California Health Facilities Financing Authority issued \$26,895,000 of Insured Hospital Revenue Bonds, 2015 Series A (2015 Bonds), on behalf of the Organization to advance refund \$29,010,000 of 2004 Series A Bonds outstanding, to fund certain reserve accounts, and to pay the cost of issuance.

Interest on the 2015 Bonds is payable semiannually at rates ranging from 3.0% to 5.0%. Future principal maturities of the 2015 Bonds aggregating \$26,515,000 range from \$135,000 to \$2,515,000 per year and are due annually on November 1 through 2033.

In September 2012, the California Health Facilities Financing Authority issued \$17,805,000 of Insured Hospital Revenue Bonds, 2012 Series A (2012 Bonds), on behalf of the Organization to advance refund \$4,485,000 and \$16,610,000 of 1993 Series A and 1998 Series A Bonds outstanding, respectively, to fund certain reserve accounts, and to pay the cost of issuance.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

Interest on the 2012 Bonds is payable semiannually at 5.0%. Future principal maturities of the 2012 Bonds aggregating \$5,790,000 range from \$1,355,000 to \$1,535,000 per year and are due annually on November 1 through 2022.

In March 2004, the California Health Facilities Financing Authority issued \$30,000,000 of Series A and \$20,000,000 of Series B Insured Organization Revenue Bonds on behalf of the Organization to finance certain capital projects, fund certain reserve accounts, and pay the cost of issuance. With the issuance of the 2015 Bonds in April 2015, the Organization advance refunded the outstanding balance of \$29,010,000, thereby retiring 2004 Series A.

Interest on the 2004 Series B Bonds is payable every 35 days at auction rates established periodically by the underwriter, subject to certain maximum rates. Payments to retire Series B Bonds ranging from \$1,550,000 to \$2,125,000 are due annually on November 1 from 2023 through 2033.

The bonds are secured by a pledge of gross revenues and a first deed of trust on substantially all Organization property and equipment with the exception of equipment acquired with proceeds from the promissory note with the U.S. Department of Agriculture. Repayment is insured through the California Health Facility Construction Loan Insurance Program administered by the state of California, Office of Statewide Health Planning and Development.

The Organization is required to maintain a debt service coverage ratio of at least 1.25 to 1. The Organization is also required to make monthly deposits to the trustee for serial bond principal payments and interest payments becoming due and payable within the next 12 months. Aggregate monthly deposits required were \$307,000 and \$313,000 at October 31, 2019 and 2018, respectively.

A promissory note agreement was made in 2012 with the U.S. Department of Agriculture, acting through the Rural Housing Service, to finance the acquisition of various medical center equipment to furnish a new Emergency Room, Maternity and Diagnostic Imaging, and is known as the South Wing Phase I equipment purchase. Payments on the promissory note are secured by the equipment.

At October 31, 2019, the fair value of 2015 and 2012 Series A Bonds, and 2004 Series B Bonds (the Bonds) was estimated at \$55,942,000. The Bonds are measured on a recurring basis and are valued using third-party pricing services calculated utilizing observable market-based data. Since pricing inputs for 2015 Bonds and 2012 Series A Bonds, estimated at \$36,141,000, are based on quoted prices for identical or similar instruments in markets that are not active, those are classified as Level 2. Since pricing for 2004 Series B Bonds, estimated at \$19,801,000, is calculated using assumptions regarding discounted cash flow and other present value techniques, 2004 B Bonds are classified as Level 3.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

Bond issuance costs are deferred and amortized using the effective interest method over the life of the bonds as part of interest expense. As of October 31, 2019 and 2018, bond issuance costs totaled \$1,500,000. As of October 31, 2019 and 2018, and for the years then ended, accumulated amortization of the bond issuance costs were \$971,000 and \$885,000, and amortization, as included in interest expense, was \$86,000 and \$97,000, respectively.

Maturities of long-term debt are as follows:

<u>Years Ending October 31,</u>	<u>Long-Term Debt</u>	<u>Capital Leases</u>
2020	\$ 2,511,833	\$ 157,367
2021	2,385,000	141,955
2022	2,495,000	79,872
2023	2,605,000	-
2024	3,145,000	-
Thereafter	39,265,000	-
Total	<u>52,406,833</u>	<u>379,194</u>
Add Net Unamortized Bond Premium	3,221,553	-
Less Net Unamortized Bond Issuance Costs	(528,603)	-
Less Amounts Representing Interest	-	(25,028)
	<u>55,099,783</u>	<u>354,166</u>
Less Amount Required to Meet Current Obligations	2,511,833	142,509
Total	<u><u>\$ 52,587,950</u></u>	<u><u>\$ 211,657</u></u>

**NOTE 10 RELATED-PARTY TRANSACTIONS**

The Foundation exists to promote health care in the community. The Foundation's efforts benefit the Organization and other health care related entities. The Foundation is authorized by the Organization to solicit contributions on the Organization's behalf; however, the Organization exercises no control over the Foundation and therefore it is not consolidated in these financial statements. The Foundation periodically contributes to the Organization, generally designating contributions for property and equipment acquisition or for community-based education and wellness programs. For the years ended October 31, 2019 and 2018, the Foundation directly contributed \$570,000 and \$103,000 to the Organization, and provided indirect support to the Organization through programs and services paid to other vendors in the amount of \$34,000 and \$18,000, respectively. Beneficial interest held by the Foundation at October 31, 2019 and 2018 amounted to \$230,000 and \$241,000, respectively. The Organization also provides support to the Foundation in the form of office space, utilities, support services, and salary and benefit costs. The value of this support was \$203,000 and \$222,000 during the years ended October 31, 2019 and 2018, respectively.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS**

The Organization classifies net assets with donor restrictions based on restrictions of time and purpose.

Net assets with donor restrictions at October 31 consisted of the following

	2019	2018
Subject to Expenditure for Specified Purpose:		
Other Funds Designated for Specified Purposes	\$ 75,817	\$ 63,896
Kitchen Campaign	52,117	97,833
Intensive Care Unit Fund	43,608	21,477
Pediatric Fund	41,828	43,713
Capital Equipment	15,757	12,618
Cancer Center Campaign	1,148	1,578
Total Net Assets with Donor Restrictions	\$ 230,275	\$ 241,115

Net assets released from donor restrictions for the years ended October 31 were released for the following purposes:

	2019	2018
Restricted-Purpose Spending-Rate		
Distributions and Appropriations:		
Kitchen Campaign	\$ 500,000	\$ 217
Capital Equipment	47,898	31,091
Cancer Center Campaign	18,900	62,893
Other Funds Designated for Specified Purposes	17,560	40,082
Pediatric Fund	1,885	-
Intensive Care Unit Fund	1,429	810
Total Net Assets Released from Donor Restrictions	\$ 587,672	\$ 135,093

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
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**NOTE 12 DEFINED BENEFIT PENSION PLAN**

The Organization provides a defined benefit pension plan (the Plan) covering substantially all full-time employees. Benefits, which are paid from a trust established for the Plan, are based on compensation and years of service. The Organization makes annual contributions to the Plan based on the minimum amounts required to keep the trust sufficiently funded. The following tables set forth the changes in benefit obligations, changes in Plan assets, and components of net periodic benefit cost for the years ended October 31:

	<u>2019</u>	<u>2018</u>
Change in Benefit Obligation:		
Benefit Obligation - Beginning of Year	\$ 169,340,646	\$ 175,781,976
Service Cost	8,874,583	9,009,029
Interest Cost	7,543,721	6,974,635
Change in Assumptions	41,379,087	(13,484,478)
Actuarial Loss	(1,565,520)	2,795,310
Benefits Paid	<u>(3,724,626)</u>	<u>(11,735,826)</u>
Benefit Obligation - End of Year	<u><u>\$ 221,847,891</u></u>	<u><u>\$ 169,340,646</u></u>
Change in Plan Assets:		
Fair Value of Plan Assets - Beginning of Year	\$ 132,232,826	\$ 134,054,931
Actual Return on Plan Assets	15,312,746	2,205,964
Employer Contributions	19,123,666	7,707,757
Benefits Paid	<u>(3,724,626)</u>	<u>(11,735,826)</u>
Fair Value of Plan Assets - End of Year	<u><u>\$ 162,944,612</u></u>	<u><u>\$ 132,232,826</u></u>
Funded Status:		
Unrecognized Net Actuarial Loss	\$ (73,138,372)	\$ (40,107,820)
Prepaid Pension Costs	14,235,093	3,000,000
Funded Status	<u><u>\$ (58,903,279)</u></u>	<u><u>\$ (37,107,820)</u></u>

The Organization recognizes the full funding status of the Plan in the consolidated balance sheets as an asset (for overfunded plans) or as a liability (for underfunded plans). Items not yet recognized as a component of net periodic pension cost include the unrecognized net actuarial loss and the unrecognized prior service cost. No deferred amounts were recognized during the years ended October 31, 2019 and 2018.

The accumulated benefit obligation for the Plan was \$191,003,000 and \$144,684,000 at October 31, 2019 and 2018, respectively.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

	<u>2019</u>	<u>2018</u>
Components of Net Periodic Benefit Cost:		
Service Cost	\$ 8,874,583	\$ 9,009,029
Interest Cost	7,543,721	6,974,635
Expected Return on Plan Assets	(10,757,977)	(10,919,417)
Recognized Net Actuarial Loss	2,228,246	2,643,510
Net Periodic Benefit Cost	<u>\$ 7,888,573</u>	<u>\$ 7,707,757</u>

	<u>2019</u>	<u>2018</u>
Assumptions:		
Weighted-Average Assumptions Used to Determine Benefit Obligations at October 31		
Discount Rate	3.25%	4.50%
Rate of Compensation Increase	3.50%	3.50%
Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost for Years Ended October 31		
Discount Rate	4.50%	4.00%
Expected Long-Term Return on Plan Assets	8.00%	8.00%
Rate of Compensation Increase	3.50%	3.50%

The Organization's expected long-term rate of return on Plan assets is determined by historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class as of October 31:

	<u>2019</u>	<u>2018</u>
Plan Assets:		
Equity Securities and Mutual Funds	67%	64%
Fixed Income Mutual Funds	26%	27%
Other Hedge Funds	7%	9%
Total	<u>100%</u>	<u>100%</u>

The allowable asset mix range and weighted-average target asset allocations are:

	<u>Acceptable Ranges</u>	<u>Target Allocation</u>
Equity Securities and Mutual Funds	55 to 75%	65%
Fixed Income Mutual Funds	15 to 35%	25%
Other Hedge Funds	0 to 20%	10%

The Organization's investment goals are to achieve growth through a balance of principal and income. It is expected that dividend and interest income will comprise a significant portion of the total return with some growth through capital appreciation. Appropriate investments include a targeted mix of fixed income and equity mutual funds. Up to 20% of Plan assets may be invested in marketable alternative asset managers or hedge funds for the purpose of reducing volatility.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
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**NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The following tables present the Plan assets measured at fair value at October 31:

	2019			Balance
	Level 1	Level 2	Level 3	
Cash and Cash Equivalents	\$ 1,152,811	\$ -	\$ -	\$ 1,152,811
Mutual Funds:				
Large Cap Core	59,140,778	-	-	59,140,778
Small Cap Value	8,811,785	-	-	8,811,785
International Core	32,421,784	-	-	32,421,784
Fixed Income	41,196,565	-	-	41,196,565
Total Mutual Funds	<u>141,570,912</u>	<u>-</u>	<u>-</u>	<u>141,570,912</u>
Equity Securities:				
Health Care	2,145,017	-	-	2,145,017
Financials	192,490	-	-	192,490
Consumer Staples	315,063	-	-	315,063
Consumer Discretionary	1,225,724	-	-	1,225,724
Information Technology	3,352,463	-	-	3,352,463
Industrials	1,400,951	-	-	1,400,951
Total Equity Securities	<u>8,631,708</u>	<u>-</u>	<u>-</u>	<u>8,631,708</u>
Total	<u>\$ 151,355,431</u>	<u>\$ -</u>	<u>\$ -</u>	151,355,431
Investments at NAV				
Closely Held Securities				<u>11,589,181</u>
Total				<u>\$ 162,944,612</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 2019 AND 2018**

**NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

	2018			Balance
	Level 1	Level 2	Level 3	
Cash and Cash Equivalents	\$ 545,725	\$ -	\$ -	\$ 545,725
Mutual Funds:				
Large Cap Core	49,280,301	-	-	49,280,301
Small Cap Value	6,625,905	-	-	6,625,905
International Core	23,819,160	-	-	23,819,160
Fixed Income	33,084,877	-	-	33,084,877
Total Mutual Funds	<u>112,810,243</u>	<u>-</u>	<u>-</u>	<u>112,810,243</u>
Equity Securities:				
Health Care	1,677,095	-	-	1,677,095
Financials	221,663	-	-	221,663
Consumer Staples	341,730	-	-	341,730
Consumer Discretionary	970,545	-	-	970,545
Information Technology	2,860,836	-	-	2,860,836
Industrials	1,624,758	-	-	1,624,758
Total Equity Securities	<u>7,696,627</u>	<u>-</u>	<u>-</u>	<u>7,696,627</u>
Total	<u>\$ 121,052,595</u>	<u>\$ -</u>	<u>\$ -</u>	121,052,595
Investments at NAV				
Closely Held Securities				<u>11,180,231</u>
Total				<u>\$ 132,232,826</u>

**Contributions**

The Organization expects to contribute \$10,346,000 to its pension plan in 2019.

**Estimated Future Benefit Payments**

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

<u>Years Ending October 31,</u>	<u>Amount</u>
2020	\$ 4,138,312
2021	4,723,200
2022	5,352,389
2023	6,019,047
2024	6,658,717
2025-2028	<u>41,553,509</u>
Total	<u>\$ 68,445,174</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 2019 AND 2018**

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

The Organization has entered into various operating leases for office space and equipment. Future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year are as follows:

<u>Years Ending October 31,</u>	
2020	\$ 2,655,166
2021	2,296,277
2022	1,733,773
2023	1,072,100
2024	699,329
Thereafter	964,967
Total minimum lease payments	\$ 9,421,612

Operating lease expense was \$2,604,000 and \$2,505,000 for the years ended October 31, 2019 and 2018, respectively.

**Litigation**

The Organization is involved in claims and other litigation arising in the normal course of business. The Organization intends to vigorously defend itself, but no estimates of liability, if any, have been reached and there can be no assurance that resolution will not adversely affect the Organization's financial position or results of operations.

**Seismic Retrofit**

The state of California has adopted certain seismic legislation, which requires all hospitals providing acute care patient services to conduct engineering evaluations of the structural and nonstructural systems in their buildings and to upgrade these systems to meet certain standards. The Organization engaged a structural engineer and an architect to assist management with its seismic evaluation and management's plan of compliance which ensured compliance by 2030, as approved by the state of California, Office of Statewide Health Planning and Development. The Organization has engaged a structural engineer to formulate a strategy to strengthen the components of the hospital that will require updates in order to remain in service beyond 2030.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019 AND 2018**

**NOTE 14 FUNCTIONAL EXPENSES**

The Organization provides general health care services to residents within its geographic location. Expenses related to providing these services were as follows for the years ended October 31:

	Healthcare Services	General and Administration	Total
<b>2019</b>			
Salaries and Wages	\$ 80,433,633	\$ 19,340,239	\$ 99,773,872
Employee Benefits	38,752,157	10,022,048	48,774,205
Professional Fees	48,359,938	2,503,572	50,863,510
Supplies	33,725,809	734,483	34,460,292
Depreciation and Amortization	5,967,021	6,528,478	12,495,499
Purchased Services	7,221,956	9,792,404	17,014,360
Registry	1,551,353	308,950	1,860,303
Interest	1,753,077	934	1,754,011
Other	2,897,531	6,401,774	9,299,305
Total	<u>\$ 220,662,475</u>	<u>\$ 55,632,882</u>	<u>\$ 276,295,357</u>
<b>2018</b>	<u>\$ 212,973,086</u>	<u>\$ 55,568,079</u>	<u>\$ 268,541,165</u>

**NOTE 15 SELF-INSURANCE OF HEALTH CARE BENEFITS**

The Organization has a self-insurance program for its employees to provide health and dental care benefits. An estimate of amounts due and payable on existing claims for which the Organization is self-insured was included in accounts payable and accrued expenses and totaled \$2,123,000 and \$1,831,000 as of October 31, 2019 and 2018, respectively. The Organization has a self-insurance reinsurance agreement with an insurance company for a specific stop-loss limit of \$200,000 per participant per year, plus an additional \$50,000 aggregate annually for certain selected claims. An estimate of amounts receivable for existing claims that met the stop-loss limit was included in other receivables and totaled \$599,000 and \$331,000 as of October 31, 2019 and 2018, respectively.

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**CONSOLIDATING BALANCE SHEET**  
**OCTOBER 31, 2019**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

<b>ASSETS</b>	Marshall Medical	Surgery Center	Subtotal	Eliminations	Consolidated
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 21,874,503	\$ 222,858	\$ 22,097,361	\$ -	\$ 22,097,361
Current Portion of Bond Funds – Held by Trustee	3,040,319	-	3,040,319	-	3,040,319
Patient Accounts Receivable, Net	36,598,290	361,062	36,959,352	-	36,959,352
Estimated Third-Party Payor Settlements Receivable	307,396	-	307,396	-	307,396
Other Receivables	4,135,897	-	4,135,897	-	4,135,897
Inventories	4,299,676	153,665	4,453,341	-	4,453,341
Prepaid Expenses	1,952,415	-	1,952,415	-	1,952,415
Total Current Assets	<u>72,208,496</u>	<u>737,585</u>	<u>72,946,081</u>	<u>-</u>	<u>72,946,081</u>
<b>ASSETS LIMITED AS TO USE</b>					
Bond Funds – Held by Trustee	7,894,746	-	7,894,746	-	7,894,746
Board Designated	17,281,152	-	17,281,152	-	17,281,152
Beneficial Interest Held by Marshall Foundation for Community Health	230,275	-	230,275	-	230,275
Less Current Portion of Bond Funds - Held by Trustee	<u>(3,040,319)</u>	<u>-</u>	<u>(3,040,319)</u>	<u>-</u>	<u>(3,040,319)</u>
Assets Limited as to Use, Net	22,365,854	-	22,365,854	-	22,365,854
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>118,349,432</u>	<u>385,271</u>	<u>118,734,703</u>	<u>-</u>	<u>118,734,703</u>
<b>OTHER ASSETS</b>					
Long-Term Investments	7,695,790	-	7,695,790	(7,695,790)	-
Prepaid Bond Insurance, Net	1,249,826	-	1,249,826	-	1,249,826
Intangible Assets, Net	13,973	6,775,714	6,789,687	-	6,789,687
Other Assets	2,705,057	-	2,705,057	-	2,705,057
Total Other Assets	<u>11,664,646</u>	<u>6,775,714</u>	<u>18,440,360</u>	<u>(7,695,790)</u>	<u>10,744,570</u>
Total Assets	<u>\$ 224,588,428</u>	<u>\$ 7,898,570</u>	<u>\$ 232,486,998</u>	<u>\$ (7,695,790)</u>	<u>\$ 224,791,208</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
CONSOLIDATING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019  
(SEE INDEPENDENT AUDITORS' REPORT)**

<b>LIABILITIES AND NET ASSETS</b>	Marshall Medical	Surgery Center	Subtotal	Eliminations	Consolidated
<b>CURRENT LIABILITIES</b>					
Current Portion of Long-Term Debt	\$ 2,616,901	\$ 37,441	\$ 2,654,342	\$ -	\$ 2,654,342
Bond Interest Payable	816,922	-	816,922	-	816,922
Accounts Payable and Accrued Expenses	20,846,562	16,111	20,862,673	-	20,862,673
Accrued Compensation and Related Costs	10,412,022	36,632	10,448,654	-	10,448,654
Estimated Third-Party Payor Settlements Liabilities	514,031	-	514,031	-	514,031
Total Current Liabilities	<u>35,206,438</u>	<u>90,184</u>	<u>35,296,622</u>	<u>-</u>	<u>35,296,622</u>
<b>NONCURRENT LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	52,777,621	21,986	52,799,607	-	52,799,607
Accrued Expenses	525,815	-	525,815	-	525,815
Liability for Pension Benefits	58,903,279	-	58,903,279	-	58,903,279
Total Noncurrent Liabilities	<u>112,206,715</u>	<u>21,986</u>	<u>112,228,701</u>	<u>-</u>	<u>112,228,701</u>
Total Liabilities	147,413,153	112,170	147,525,323	-	147,525,323
<b>NET ASSETS</b>					
Without Donor Restrictions:					
Controlling	76,945,000	7,695,790	84,640,790	(7,695,790)	76,945,000
Noncontrolling	-	90,610	90,610	-	90,610
Total Without Donor Restrictions	<u>76,945,000</u>	<u>7,786,400</u>	<u>84,731,400</u>	<u>(7,695,790)</u>	<u>77,035,610</u>
With Donor Restrictions	<u>230,275</u>	<u>-</u>	<u>230,275</u>	<u>-</u>	<u>230,275</u>
Total Net Assets	<u>77,175,275</u>	<u>7,786,400</u>	<u>84,961,675</u>	<u>(7,695,790)</u>	<u>77,265,885</u>
Total Liabilities and Net Assets	<u>\$ 224,588,428</u>	<u>\$ 7,898,570</u>	<u>\$ 232,486,998</u>	<u>\$ (7,695,790)</u>	<u>\$ 224,791,208</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
CONSOLIDATING BALANCE SHEET  
OCTOBER 31, 2018  
(SEE INDEPENDENT AUDITORS' REPORT)**

<b>ASSETS</b>	Marshall Medical	Surgery Center	Subtotal	Eliminations	Consolidated
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 24,526,326	\$ 233,938	\$ 24,760,264	\$ -	\$ 24,760,264
Current Portion of Bond Funds – Held by Trustee	3,014,894	-	3,014,894	-	3,014,894
Patient Accounts Receivable, Net	30,829,574	363,618	31,193,192	-	31,193,192
Estimated Third-Party Payor Settlements Receivable	290,384	-	290,384	-	290,384
Other Receivables	3,852,945	10,642	3,863,587	-	3,863,587
Inventories	3,878,583	129,851	4,008,434	-	4,008,434
Prepaid Expenses	2,938,817	-	2,938,817	-	2,938,817
Total Current Assets	<u>69,331,523</u>	<u>738,049</u>	<u>70,069,572</u>	<u>-</u>	<u>70,069,572</u>
<b>ASSETS LIMITED AS TO USE</b>					
Bond Funds – Held by Trustee	7,795,155	-	7,795,155	-	7,795,155
Board Designated	23,752,578	-	23,752,578	-	23,752,578
Beneficial Interest Held by Marshall Foundation for Community Health	241,115	-	241,115	-	241,115
Less Current Portion of Bond Funds - Held by Trustee	<u>(3,014,894)</u>	<u>-</u>	<u>(3,014,894)</u>	<u>-</u>	<u>(3,014,894)</u>
Assets Limited as to Use, Net	28,773,954	-	28,773,954	-	28,773,954
<b>PROPERTY AND EQUIPMENT,</b>					
Net of Accumulated Depreciation and Amortization	117,123,606	527,429	117,651,035	-	117,651,035
<b>OTHER ASSETS</b>					
Long-Term Investments	7,772,810	-	7,772,810	(7,772,810)	-
Prepaid Bond Insurance, Net	1,422,777	-	1,422,777	-	1,422,777
Intangible Assets, Net	13,973	6,775,714	6,789,687	-	6,789,687
Other Assets	2,312,550	-	2,312,550	-	2,312,550
Total Other Assets	<u>11,522,110</u>	<u>6,775,714</u>	<u>18,297,824</u>	<u>(7,772,810)</u>	<u>10,525,014</u>
Total Assets	<u>\$ 226,751,193</u>	<u>\$ 8,041,192</u>	<u>\$ 234,792,385</u>	<u>\$ (7,772,810)</u>	<u>\$ 227,019,575</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY  
CONSOLIDATING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2018  
(SEE INDEPENDENT AUDITORS' REPORT)**

<b>LIABILITIES AND NET ASSETS</b>	Marshall Medical	Surgery Center	Subtotal	Eliminations	Consolidated
<b>CURRENT LIABILITIES</b>					
Current Portion of Long-Term Debt	\$ 2,727,149	\$ 41,521	\$ 2,768,670	\$ -	\$ 2,768,670
Bond Interest Payable	824,337	-	824,337	-	824,337
Accounts Payable and Accrued Expenses	21,187,276	36,641	21,223,917	-	21,223,917
Accrued Compensation and Related Costs	9,964,152	11,725	9,975,877	-	9,975,877
Estimated Third-Party Payor Settlements Liabilities	1,019,083	-	1,019,083	-	1,019,083
Total Current Liabilities	<u>35,721,997</u>	<u>89,887</u>	<u>35,811,884</u>	<u>-</u>	<u>35,811,884</u>
<b>NONCURRENT LIABILITIES</b>					
Long-Term Debt, Net of Current Portion	55,682,041	57,754	55,739,795	-	55,739,795
Accrued Expenses	685,876	-	685,876	-	685,876
Liability for Pension Benefits	37,107,820	-	37,107,820	-	37,107,820
Total Noncurrent Liabilities	<u>93,475,737</u>	<u>57,754</u>	<u>93,533,491</u>	<u>-</u>	<u>93,533,491</u>
Total Liabilities	129,197,734	147,641	129,345,375	-	129,345,375
<b>NET ASSETS</b>					
Without Donor Restrictions:					
Controlling	97,312,344	7,772,810	105,085,154	(7,772,810)	97,312,344
Noncontrolling	-	120,741	120,741	-	120,741
Total Without Donor Restrictions	<u>97,312,344</u>	<u>7,893,551</u>	<u>105,205,895</u>	<u>(7,772,810)</u>	<u>97,433,085</u>
With Donor Restrictions:	<u>241,115</u>	<u>-</u>	<u>241,115</u>	<u>-</u>	<u>241,115</u>
Total Net Assets	<u>97,553,459</u>	<u>7,893,551</u>	<u>105,447,010</u>	<u>(7,772,810)</u>	<u>97,674,200</u>
Total Liabilities and Net Assets	<u>\$ 226,751,193</u>	<u>\$ 8,041,192</u>	<u>\$ 234,792,385</u>	<u>\$ (7,772,810)</u>	<u>\$ 227,019,575</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEAR ENDED OCTOBER 31, 2019**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Marshall Medical	Surgery Center	Subtotal	Eliminations	Consolidated
<b>OPERATING REVENUES</b>					
Net Patient Service Revenue	\$ 284,725,244	\$ 4,176,978	\$ 288,902,222	\$ -	\$ 288,902,222
Less Provision for Bad Debts	(5,572,245)	-	(5,572,245)	-	(5,572,245)
	279,152,999	4,176,978	283,329,977	-	283,329,977
Other Revenue	2,551,062	-	2,551,062	-	2,551,062
Total Operating Revenues	281,704,061	4,176,978	285,881,039	-	285,881,039
<b>OPERATING EXPENSES</b>					
Salaries and Wages	98,426,509	1,347,363	99,773,872	-	99,773,872
Employee Benefits	48,519,657	254,548	48,774,205	-	48,774,205
Professional Fees	50,845,008	18,502	50,863,510	-	50,863,510
Supplies	33,505,417	954,875	34,460,292	-	34,460,292
Depreciation and Amortization	12,353,340	142,159	12,495,499	-	12,495,499
Purchased Services	16,765,969	248,391	17,014,360	-	17,014,360
Registry	1,853,708	6,595	1,860,303	-	1,860,303
Interest	1,753,077	934	1,754,011	-	1,754,011
Other	9,044,879	254,426	9,299,305	-	9,299,305
Total Operating Expenses	273,067,564	3,227,793	276,295,357	-	276,295,357
<b>OPERATING INCOME</b>	8,636,497	949,185	9,585,682	-	9,585,682
<b>NONOPERATING INCOME (EXPENSE)</b>					
Investment Income	1,884,483	-	1,884,483	-	1,884,483
Other	922,247	-	922,247	(826,117)	96,130
Total Nonoperating Income (Expense)	2,806,730	-	2,806,730	(826,117)	1,980,613
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENSES</b>	11,443,227	949,185	12,392,412	(826,117)	11,566,295
Unrealized Losses on Investments, Net	632,309	-	632,309	-	632,309
Pension Related Changes Other than Net Periodic Pension Cost	(33,030,552)	-	(33,030,552)	-	(33,030,552)
Net Assets Released from Restriction for Purchase of Property and Equipment	587,672	-	587,672	-	587,672
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	(20,367,344)	949,185	(19,418,159)	(826,117)	(20,244,276)
Net Assets Without Donor Restrictions - Beginning of Year	97,312,344	7,893,551	105,205,895	(7,772,810)	97,433,085
Member Distributions	-	(1,056,336)	(1,056,336)	903,137	(153,199)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 76,945,000</u>	<u>\$ 7,786,400</u>	<u>\$ 84,731,400</u>	<u>\$ (7,695,790)</u>	<u>\$ 77,035,610</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED OCTOBER 31, 2019**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Marshall Medical	Surgery Center	Subtotal	Eliminations	Consolidated
<b>CONTRIBUTIONS</b>	\$ 576,832	\$ -	\$ 576,832	\$ -	\$ 576,832
Net Assets Released from Restriction for Purchase of Property and Equipment	(587,672)	-	(587,672)	-	(587,672)
<b>DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	(10,840)	-	(10,840)	-	(10,840)
Net Assets With Donor Restrictions - Beginning of Year	241,115	-	241,115	-	241,115
<b>NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 230,275</u>	<u>\$ -</u>	<u>\$ 230,275</u>	<u>\$ -</u>	<u>\$ 230,275</u>
<b>DECREASE IN NET ASSETS</b>	\$ (20,378,184)	\$ (107,151)	\$ (20,485,335)	\$ 77,020	\$ (20,408,315)
Net Assets - Beginning of Year	97,553,459	7,893,551	105,447,010	(7,772,810)	97,674,200
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 77,175,275</u>	<u>\$ 7,786,400</u>	<u>\$ 84,961,675</u>	<u>\$ (7,695,790)</u>	<u>\$ 77,265,885</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEAR ENDED OCTOBER 31, 2018**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Marshall Medical	Surgery Center	Subtotal	Eliminations	Consolidated
<b>OPERATING REVENUES</b>					
Net Patient Service Revenue	\$ 266,793,685	\$ 4,388,087	\$ 271,181,772	\$ -	\$ 271,181,772
Less Provision for Bad Debts	(5,209,131)	-	(5,209,131)	-	(5,209,131)
	<u>261,584,554</u>	<u>4,388,087</u>	<u>265,972,641</u>	<u>-</u>	<u>265,972,641</u>
Other Revenue	1,194,041	-	1,194,041	-	1,194,041
Total Operating Revenues	<u>262,778,595</u>	<u>4,388,087</u>	<u>267,166,682</u>	<u>-</u>	<u>267,166,682</u>
<b>OPERATING EXPENSES</b>					
Salaries and Wages	95,926,539	1,358,412	97,284,951	-	97,284,951
Employee Benefits	46,243,169	266,751	46,509,920	-	46,509,920
Professional Fees	48,874,208	20,690	48,894,898	-	48,894,898
Supplies	29,937,258	1,034,384	30,971,642	-	30,971,642
Depreciation and Amortization	12,570,335	170,846	12,741,181	-	12,741,181
Purchased Services	17,272,061	251,433	17,523,494	-	17,523,494
Registry	2,771,796	8,267	2,780,063	-	2,780,063
Interest	1,725,700	1,431	1,727,131	-	1,727,131
Other	9,853,540	254,345	10,107,885	-	10,107,885
Total Operating Expenses	<u>265,174,606</u>	<u>3,366,559</u>	<u>268,541,165</u>	<u>-</u>	<u>268,541,165</u>
<b>OPERATING INCOME (LOSS)</b>	(2,396,011)	1,021,528	(1,374,483)	-	(1,374,483)
<b>NONOPERATING INCOME (EXPENSE)</b>					
Investment Income	2,707,182	-	2,707,182	-	2,707,182
Other	916,268	-	916,268	(898,525)	17,743
Total Nonoperating Income (Expense)	<u>3,623,450</u>	<u>-</u>	<u>3,623,450</u>	<u>(898,525)</u>	<u>2,724,925</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENSES</b>	1,227,439	1,021,528	2,248,967	(898,525)	1,350,442
Unrealized Gains on Investments, Net	(1,844,246)	-	(1,844,246)	-	(1,844,246)
Pension Related Changes Other than Net Periodic Pension Cost	4,619,225	-	4,619,225	-	4,619,225
Net Assets Released from Restriction for Purchase of Property and Equipment	135,093	-	135,093	-	135,093
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	4,137,511	1,021,528	5,159,039	(898,525)	4,260,514
Net Assets Without Donor Restrictions - Beginning of Year	93,174,833	7,829,137	101,003,970	(7,772,629)	93,231,341
Member Distributions	-	(957,114)	(957,114)	898,344	(58,770)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 97,312,344</u>	<u>\$ 7,893,551</u>	<u>\$ 105,205,895</u>	<u>\$ (7,772,810)</u>	<u>\$ 97,433,085</u>

**MARSHALL MEDICAL CENTER AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED OCTOBER 31, 2018**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Marshall Medical	Surgery Center	Subtotal	Eliminations	Consolidated
<b>CONTRIBUTIONS</b>	\$ 252,366	\$ -	\$ 252,366	\$ -	\$ 252,366
Net Assets Released from Restriction for Purchase of Property and Equipment	(135,093)	-	(135,093)	-	(135,093)
<b>DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	117,273	-	117,273	-	117,273
Net Assets With Donor Restrictions - Beginning of Year	123,842	-	123,842	-	123,842
<b>NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 241,115</u>	<u>\$ -</u>	<u>\$ 241,115</u>	<u>\$ -</u>	<u>\$ 241,115</u>
<b>INCREASE IN NET ASSETS</b>	\$ 4,254,784	\$ 64,414	\$ 4,319,198	\$ (181)	\$ 4,319,017
Net Assets - Beginning of Year	93,298,675	7,829,137	101,127,812	(7,772,629)	93,355,183
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 97,553,459</u>	<u>\$ 7,893,551</u>	<u>\$ 105,447,010</u>	<u>\$ (7,772,810)</u>	<u>\$ 97,674,200</u>

**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.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

OMB No. 1545-0047

**2018**

**Open to Public  
Inspection**

Name of the organization **MARSHALL MEDICAL CENTER** Employer identification number **94-1450151**

**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.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section (if applicable)	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of noncash assistance	<b>(h)</b> Purpose of grant or assistance
MARSHALL FOUNDATION FOR COMMUNITY HEALTH - P.O. BOX 1996 - PLACERVILLE, CA 95667	23-7419011	501(C)(3)	237,767.	0.			PROGRAM SUPPORT
CAMERON PARK COMMUNITY FOUNDATION 2502 COUNTRY CLUB DR CAMERON PARK, CA 95682	27-4503112	501(C)(3)	5,800.	0.			SPONSORSHIP

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

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

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

Schedule I (Form 990) (2018)

**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 noncash assistance
MARKETING SCHOLARSHIPS	5	5,000.	0.		

**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:

MARSHALL MEDICAL CENTER'S ASSISTANCE TO EITHER AN ORGANIZATION OR AN INDIVIDUAL IS LIMITED. THE PROCEDURES FOR MONITORING THE GRANTS ARE DIFFERENT FOR EACH TYPE OF ASSISTANCE.

\* MARKETING SPONSORSHIP ASSISTANCE - THE AMOUNTS TO EACH ORGANIZATION ARE NOMINAL AND USUALLY GIVEN TO NONPROFIT ORGANIZATIONS. NO MONITORING IS NEEDED ON THESE DONATED MONIES BASED ON MATERIALITY AND CRITERIA FOR SELECTION.

**Part IV** Supplemental Information

\* PROGRAM SUPPORT RELATED TO PAYROLL FUNDING - MONITORING IS CONDUCTED AS THE FUNDS ARE ISSUED TO COVER THE PAYROLL AND BENEFIT EXPENSES OF A RELATED NONPROFIT ORGANIZATION. ADDITIONALLY, THE GRANT RECIPIENT SHARES A BOARD MEMBER WITH MARSHALL MEDICAL CENTER AND RECIPIENT MANAGEMENT REPORTS TO MARSHALL MEDICAL CENTER'S BOARD OF DIRECTORS ON AN ANNUAL BASIS.

\* PROGRAM SUPPORT RELATED TO COMMUNITY HEALTH ISSUES - THIS FINANCIAL ASSISTANCE IS GIVEN TO A HEALTHCARE NONPROFIT FOR COMMUNITY HEALTH NEEDS. THE CARE MANAGER FOR THE RECEIVING ORGANIZATION ATTENDS CASE MANAGEMENT MEETINGS HERE AT MARSHALL AND GIVES PERIODIC VERBAL REPORTS ON PROGRESS MADE WITH THE GRANTED MONEY. THE ORGANIZATION ALSO PROVIDES COMPREHENSIVE WRITTEN REPORTS REGARDING PROGRESS ON AN ANNUAL BASIS TO MANAGEMENT.

\* ASSISTANCE TO INDIVIDUALS IN THE FORM OF EDUCATIONAL SCHOLARSHIPS - THESE ASSISTANCE AWARDS ARE NOMINAL AND ARE GIVEN TO RECIPIENTS FOR EDUCATIONAL NEEDS WITHOUT FOLLOW-UP MONITORING. RECIPIENTS MUST MEET SELECTION CRITERIA BEFORE SUPPORT IS PROVIDED.

Multiple horizontal lines for additional text input.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2018**

Open to Public Inspection

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.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization **MARSHALL MEDICAL CENTER** Employer identification number **94-1450151**

**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 checked="" type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as 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 ..... **1b**  Yes  No

**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 on line 1a? ..... **2**  Yes  No

**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 checked="" 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? ..... **4a**  Yes  No
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? ..... **4b**  Yes  No
- c** Participate in, or receive payment from, an equity-based compensation arrangement? ..... **4c**  Yes  No
- 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? ..... **5a**  Yes  No
- b** Any related organization? ..... **5b**  Yes  No
- If "Yes" on 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? ..... **6a**  Yes  No
- b** Any related organization? ..... **6b**  Yes  No
- 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 nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III ..... **7**  Yes  No

**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 ..... **8**  Yes  No

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? ..... **9**  Yes  No

	Yes	No
<b>1b</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>2</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4a</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4b</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4c</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>5a</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>5b</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>6a</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>6b</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>7</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>8</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>9</b>	<input type="checkbox"/>	<input type="checkbox"/>

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

Schedule J (Form 990) 2018

**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 aren't 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) JAMES WHIPPLE PRESIDENT/CEO	(i)	470,292.	157,499.	1,188.	381,562.	39,732.	1,050,273.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) SHANNON TRUESDELL CHIEF OPERATING OFFICER	(i)	272,813.	40,819.	1,219.	238,290.	30,575.	583,716.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) LAURIE ELDRIDGE CHIEF FINANCIAL OFFICER	(i)	262,732.	51,486.	414.	301,356.	39,192.	655,180.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) KATHY KREJCI CHIEF NURSING OFFICER	(i)	241,208.	50,173.	774.	326,080.	13,536.	631,771.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) PATRICIA DOLPHIN CHIEF AMBULATORY OFFICER	(i)	258,783.	55,989.	414.	42,447.	25,159.	382,792.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) ROBERT DIPONTI DIRECTOR OF PHARMACY	(i)	203,442.	3,579.	1,188.	281,434.	15,036.	504,679.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) CYNTHIA RICE VP OF CLINICAL NURSING SERVICES	(i)	171,233.	18,821.	774.	69,056.	20,644.	280,528.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) JONATHAN RUSSELL VP OF OPERATIONS - MMF	(i)	172,879.	31,931.	180.	94,254.	41,524.	340,768.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) MELANIE BARNES NUCLEAR MEDICINE TECH	(i)	229,582.	0.	767.	156,758.	13,536.	400,643.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) KELLY CORDOVA CHARGE NURSE/LEAD	(i)	227,222.	1,000.	774.	130,345.	209.	359,550.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) SCOTT COMER VP OF EMPLOYEE SERVICES	(i)	203,018.	19,585.	774.	280,205.	24,799.	528,381.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) LISA SCOTT CHARGE NURSE/LEAD	(i)	211,350.	1,000.	383.	61,260.	209.	274,202.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) MARY ANN GULUTZ DIRECTOR OF PERINATAL SERVICES	(i)	200,456.	2,842.	1,188.	41,532.	14,286.	260,304.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**Part III Supplemental Information**

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

**PART I, LINE 1A:**

THE CEO RECEIVES A STIPEND WHICH HE MAY USE AT HIS DISCRETION; MMC DOES NOT REQUIRE SUBSTANTIATION. UNSUBSTANTIATED STIPEND USED IS TREATED AS TAXABLE COMPENSATION TO THE CEO.

**PART I, LINE 7:**

BONUSES ARE CALCULATED USING A PRE-DETERMINED FORMULA, BUT THE BOARD HAS THE ABILITY TO TAKE INTO ACCOUNT OTHER FACTORS AND ADJUST IT AT THEIR DISCRETION.

**PART II, COLUMN C:**

THE AMOUNTS REPORTED IN PART II, COLUMN C ARE SIGNIFICANTLY HIGHER THAN IN PREVIOUS YEARS BECAUSE OF A CHANGE IN THE ACTUARIAL PRESENT VALUE FACTORS USED TO CALCULATE THE VALUE OF COMPENSATION DEFERRED TO FUTURE YEARS. THESE AMOUNTS ARE NOT A REFLECTION OF A CHANGE IN THE EMPLOYEES' VESTED PENSION BENEFIT, BUT ARE BASED ON MARKET CONDITIONS WHICH VARY WIDELY YEAR OVER YEAR.

**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.** ▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Name of the organization **MARSHALL MEDICAL CENTER** Employer identification number **94-1450151**

Part I	Bond Issues	SEE PART VI FOR COLUMN (A) 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
	<b>A</b>	CALIFORNIA HEALTH FACILITIES FINANCING AUT	52-1643828	13033L6R3	04/09/15	30423048.	SEE PART VI		X		X		X
	<b>B</b>	CALIFORNIA HEALTH FACILITIES FINANCING AUT	52-1643828	13033LD79	09/26/12	19682430.	SEE PART VI		X		X		X
	<b>C</b>	CALIFORNIA HEALTH FACILITIES FINANCING AUT	52-1643828	13033FRK8	03/25/04	49592200.	SEE PART VI		X		X		X
	<b>D</b>												

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	515,000.		12,015,000.		30,000,000.			
2	Amount of bonds legally defeased								
3	Total proceeds of issue	30,423,055.		19,682,432.		21,136,311.			
4	Gross proceeds in reserve funds	1,353,204.		2,493,970.		650,676.			
5	Capitalized interest from proceeds					1,506,748.			
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	498,389.		382,541.		363,778.			
8	Credit enhancement from proceeds	791,050.		414,659.		2,171,170.			
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds					16,399,231.			
11	Other spent proceeds	29,133,616.		18,885,232.		44,708.			
12	Other unspent proceeds								
13	Year of substantial completion					2013			
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	X		X		X		X	
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

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

Schedule K (Form 990) 2018

**Part III Private Business Use**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? .....		X				X		
2 Are there any lease arrangements that may result in private business use of bond-financed property? .....	X				X			
3a Are there any management or service contracts that may result in private business use of bond-financed property? .....	X				X			
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X				X			
c Are there any research agreements that may result in private business use of bond-financed property? .....		X				X		
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? .....								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government .....		.00 %		%		.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 %		%		.00 %		%
6 Total of lines 4 and 5 .....		.00 %		%		.00 %		%
7 Does the bond issue meet the private security or payment test? .....		X				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				X		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of .....		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? .....	X				X			

**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		X		X		
2 If "No" to line 1, did the following apply? .....								
a Rebate not due yet? .....	X			X		X		
b Exception to rebate? .....		X	X			X		
c No rebate due? .....		X	X		X			
If "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		X	X			

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....		X		X		X		
<b>b</b> Name of provider .....								
<b>c</b> Term of hedge .....								
<b>d</b> Was the hedge superintegrated? .....								
<b>e</b> Was the hedge terminated? .....								
<b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)? .....		X		X		X		
<b>b</b> Name of provider .....								
<b>c</b> Term of GIC .....								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? .....								
<b>6</b> Were any gross proceeds invested beyond an available temporary period? .....		X		X	X			
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148? .....	X		X		X			

	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 isn't available under applicable regulations? .....	X		X		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: CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

(A) ISSUER NAME: CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

(A) ISSUER NAME: CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

**SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:**

(A) ISSUER NAME: CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

DATE THE REBATE COMPUTATION WAS PERFORMED: 10/16/2017

(A) ISSUER NAME: CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

DATE THE REBATE COMPUTATION WAS PERFORMED: 03/25/2014

- ENTRY A - ISSUED 04/09/2015:

PART I, COLUMN F: THE BONDS CURRENTLY REFUNDED THE BORROWER'S SERIES

2004A BONDS (ORIGINALLY ISSUED ON MARCH 25, 2004).

PART II, LINE 4: THE SERIES 2015 BOND RESERVE ACCOUNT WAS FUNDED BY

BOND PROCEEDS OF THE SERIES 2004A AND SERIES 2012A BONDS.

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

PART II, LINE 13: PROCEEDS OF THE BONDS WERE ISSUED FOR THE PURPOSE OF CURRENT REFUNDING; THEREFORE, THE PROJECT PERIOD IS NOT APPLICABLE FOR THIS BOND ISSUE.

PART III, LINE 7: AS PROVIDED IN TREASURY REGULATION SECTION 1.141-4(C)(2)(I)(B), THE AMOUNT OF PRIVATE PAYMENTS TAKEN INTO ACCOUNT UNDER THE PRIVATE PAYMENT TEST MAY NOT EXCEED THE AMOUNT OF PRIVATE BUSINESS USE AND/OR UNRELATED TRADE OR BUSINESS USE. ACCORDINGLY, THE AMOUNT OF PRIVATE PAYMENTS FOR THE REPORTING PERIOD DOES NOT EXCEED THE AMOUNT STATED IN PART III, LINE 6. THE ORGANIZATION HAS NOT UNDERTAKEN AN ANALYSIS OF THE PRIVATE SECURITY TEST WITH RESPECT TO THE BONDS, AS THE LEVEL OF PRIVATE BUSINESS USE AND/OR UNRELATED TRADE OR BUSINESS REPORTED IN PART III, LINE 6, IS NOT IN EXCESS OF AMOUNTS PERMITTED UNDER SECTION 145 OF THE CODE.

- ENTRY B - ISSUED 09/26/2012:

PART I, COLUMN F: THE BONDS CURRENTLY REFUNDED SERIES 1993A BONDS (ISSUED ON OCTOBER 6, 1993) AND SERIES 1998A BONDS (ISSUED ON MAY 13, 1998).

PART II, LINE 4: THE SERIES 2012A BOND RESERVE ACCOUNT WAS FUNDED BY BOND PROCEEDS OF THE SERIES 1993 BONDS AND SERIES 1998 BONDS.

PART II, LINE 13: PROCEEDS OF THE BONDS WERE ISSUED FOR THE PURPOSE OF CURRENT REFUNDING; THEREFORE, THE PROJECT PERIOD IS NOT APPLICABLE FOR THIS BOND ISSUE.

PART III: BECAUSE PROCEEDS OF THE BONDS WERE USED TO REFUND BONDS ISSUED BEFORE JANUARY 1, 2003, THE ISSUER HAS NOT COMPLETED PART III WITH RESPECT TO THE BONDS.

PART IV, LINE 2B: THE PORTION OF BOND PROCEEDS USED FOR CURRENT REFUNDING HAS MET THE 6-MONTH EXPENDITURE EXCEPTION.

- ENTRY C - ISSUED 03/25/2004:

PART I, COLUMN F: BOND PROCEEDS WERE USED FOR THE FINANCING AND RENOVATIONS TO CERTAIN HEALTH FACILITIES, FUND A DEBT SERVICE RESERVE, TO PAY RELATED CAPITALIZED INTEREST AND TO PAY COSTS OF ISSUANCE RELATING TO THE BONDS.

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

PART II, LINE 1: SERIES 2004A BONDS WERE CURRENT REFUNDED BY THE SERIES 2015 BONDS ON MAY 11, 2015.

PART II, LINE 3: THE DIFFERENCE BETWEEN PART I, COLUMN E AND PART II, LINE 3 IS DUE TO INTEREST EARNED ON BOND PROCEEDS.

PART III, LINE 7: AS PROVIDED IN TREASURY REGULATION SECTION 1.141-4(C)(2)(I)(B), THE AMOUNT OF PRIVATE PAYMENTS TAKEN INTO ACCOUNT UNDER THE PRIVATE PAYMENT TEST MAY NOT EXCEED THE AMOUNT OF PRIVATE BUSINESS USE AND/OR UNRELATED TRADE OR BUSINESS USE. ACCORDINGLY, THE AMOUNT OF PRIVATE PAYMENTS FOR THE REPORTING PERIOD DOES NOT EXCEED THE AMOUNT STATED IN PART III, LINE 6. THE ORGANIZATION HAS NOT UNDERTAKEN AN ANALYSIS OF THE PRIVATE SECURITY TEST WITH RESPECT TO THE BONDS, AS THE LEVEL OF PRIVATE BUSINESS USE AND/OR UNRELATED TRADE OR BUSINESS REPORTED IN PART III, LINE 6, IS NOT IN EXCESS OF AMOUNTS PERMITTED UNDER SECTION 145 OF THE CODE.

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2018**

Open to Public  
Inspection

Name of the organization

**MARSHALL MEDICAL CENTER**

Employer identification number

**94-1450151**

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

**NOT ONLY DOES MARSHALL MEDICAL CENTER PROVIDE LOW-COST CARE TO  
INDIVIDUALS COVERED BY GOVERNMENT PROGRAMS AND THOSE UNABLE TO AFFORD  
HEALTH CARE, BUT IT ALSO HELPS PATIENTS FIND AND ACCESS PRIVATE AND  
GOVERNMENTAL RESOURCES FOR HEALTH CARE BENEFITS. MARSHALL MEDICAL  
CENTER RECOGNIZES BELOW-COST REIMBURSEMENTS AS CHARITY AND  
UNCOMPENSATED CARE IN MEETING ITS MISSION TO THE ENTIRE COMMUNITY.**

**INPATIENT SERVICES IN TAX YEAR 2018 WERE PROVIDED TO 5,470 PATIENTS.**

**SOME EXAMPLES OF INPATIENT SERVICES INCLUDED:**

- 326 BABIES DELIVERED
- 121 SPECIAL PROCEDURES PERFORMED
- 177 CARDIAC CATHETERIZATIONS
- 153,341 LABORATORY TESTS PERFORMED
- 4,538 CT SCANS
- 9,668 RADIOLOGY PROCEDURES PERFORMED

**OUTPATIENT SERVICES IN TAX YEAR 2018 WERE PROVIDED TO 182,686 PATIENTS.**

**SOME EXAMPLES FOR OUTPATIENT SERVICES INCLUDED:**

- 26,993 EMERGENCY ROOM VISITS
- 2,013 OUTPATIENT SPECIAL PROCEDURES PERFORMED
- 36,595 RADIOLOGY PROCEDURES PERFORMED
- 510 CARDIAC CATHETERIZATIONS
- 426,326 LABORATORY TESTS PERFORMED
- 12,540 CT SCANS

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

Schedule O (Form 990 or 990-EZ) (2018)

832211 10-10-18

Name of the organization <b>MARSHALL MEDICAL CENTER</b>	Employer identification number <b>94-1450151</b>
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- 3,290 RURAL HEALTH CLINIC VISITS
- 21,616 CARDIOLOGY CLINIC VISITS
- 3,390 PULMONOLOGY CLINIC VISITS
- 6,570 ONCOLOGY CLINIC VISITS
- 7,975 OP INFUSION CLINIC VISITS
- 2,434 RHEUMATOLOGY CLINIC VISITS
- 18,854 PEDIATRIC CLINIC VISITS
- 15,583 OB CLINIC VISITS
- 8,778 CANCER PROGRAM CASES
- 72,085 FAMILY PRACTICE CLINIC VISITS
- 6,975 GASTROENTEROLOGY CLINIC VISITS
- 3,709 ENT CLINIC VISITS
- 3,721 HEARING CLINIC VISITS
- 17,166 ORTHOPEDIC CLINIC VISITS
- 8,746 SURGERY CLINIC VISITS
- 6,141 UROLOGY CLINIC VISITS
- 2,895 PSYCHIATRY CLINIC VISITS
- 2,736 PODIATRY CLINIC VISITS
- 3,817 HBO & WOUND CARE CLINIC VISITS
- 25,836 HOSPITALIST VISITS
- 3,099 CARES CLINIC VISITS

MARSHALL MEDICAL CENTER RECOGNIZES IT HAS AN OBLIGATION TO PROVIDE SERVICES ABOVE AND BEYOND ITS ROLE AS A HEALING FACILITY. THE FOLLOWING COMMUNITY BENEFITS DEMONSTRATE THE TANGIBLE WAYS IN WHICH THE ORGANIZATION IS FULFILLING ITS MISSION:

- HEALTH FAIRS (LOCAL COMPANIES AND OTHER HEALTH SERVICE AGENCIES)

Name of the organization MARSHALL MEDICAL CENTER	Employer identification number 94-1450151
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- BLOOD PRESSURE CLINICS
- FLU CLINICS
- VOLUNTEER PROGRAM
- AMERICAN CANCER SOCIETY (RELAY FOR LIFE AND HEART HEALTH AWARENESS)
- AMERICAN HEART ASSOCIATION (WOMEN'S HEART HEALTH AND RED DRESS EVENTS)
- FOR YOUR HEALTH (A COMMUNITY MAGAZINE)
- DIABETES PROGRAM
- CANCER RESOURCE CENTER
- PALLIATIVE CARE PROGRAM
- HOLIDAY FOOD DRIVE FOR VARIOUS FOOD BANKS
- SEXUAL ASSAULT RESPONSE TEAM PROGRAM
- COMMUNITY HEALTH LIBRARY
- CHILDBIRTH CLASSES
- CONGESTIVE HEART ACTIVE TELEPHONE TREATMENT PROGRAM
- SCHOLARSHIPS
- PHARMACEUTICAL TRIALS
- USE OF HOSPITAL CONFERENCE ROOMS FOR COMMUNITY-BASED ORGANIZATIONS
- SEMINARS AND SUPPORT GROUPS
- FREE TRAINING FOR PHARMACY STUDENTS, NURSING STUDENTS, LVN STUDENTS, AND OTHER HEALTHCARE PROFESSIONALS
- SMOKING CESSATION PROGRAM
- CONTRIBUTED TO THE COMMUNITY THROUGH VOLUNTEER SERVICE TO ORGANIZATIONS, INCLUDING ROTARY AND CHAMBERS OF COMMERCE
- LOW-COST MAMMOGRAPHY PROGRAM
- HELD NUMEROUS COMMUNITY HEALTH EDUCATION CLASSES
- MARSHALL MEDICAL CENTER'S CHAPLAIN PROVIDED 1,747 PATIENT VISITS, 253 PATIENT COUNSELING VISITS, AND CONDUCTED 4 MEMORIAL SERVICES

Name of the organization <b>MARSHALL MEDICAL CENTER</b>	Employer identification number <b>94-1450151</b>
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- ACCEL PROGRAM (LOCAL PROJECT TO COORDINATE THE SAFETY NETWORK FOR EL DORADO COUNTY)
- ELECTRONIC HEALTH INFORMATION EXCHANGE
- PROVIDED FREE TRANSPORTATION TO PATIENTS UNABLE TO AFFORD TRANSPORTATION
- PROVIDED MEETING LOCATION FOR NUMEROUS SUPPORT GROUPS (MENTAL HEALTH FIRST AID, STROKE EDUCATION SUPPORT AND MORE) AT NO CHARGE
- CLOTHES DRIVE TO ASSIST ER PATIENTS
- COMMUNITY SPONSORSHIPS INCLUDING BUT NOT LIMITED TO, CENTER FOR VIOLENCE-FREE RELATIONSHIPS, SOROPTIMIST INTERNATIONAL, BIG BROTHERS BIG SISTERS OF EL DORADO COUNTY, HANDS4HOPE, AND ROTARY CLUB OF EL DORADO HILLS
- ENCOURAGED EMPLOYEES TO PARTICIPATE IN VARIOUS COMMUNITY BENEFIT AND COMMUNITY-BUILDING ORGANIZATIONS INCLUDING, BUT NOT LIMITED TO, EL DORADO COMMUNITY HEALTH CLINIC BOARD, EL DORADO COUNTY ECONOMIC DEVELOPMENT CORP, LEADERSHIP EL DORADO, EVERY 15 MINUTES, EL DORADO UNION HIGH SCHOOL DISTRICT CAREER EDUCATION ADVISORY COMMITTEE, AND VARIOUS HEALTH ORGANIZATION BOARDS

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

THE BOARD OF DIRECTORS HAS AN EXECUTIVE COMMITTEE CONSISTING OF THE OFFICERS OF THE BOARD, THE PAST CHAIR, THE PRESIDENT/CEO, THE CHIEF OF THE MEDICAL STAFF, AND THE LONGEST-TENURED MEDICAL GROUP DIRECTOR. THE EXECUTIVE COMMITTEE HAS THE POWER TO TRANSACT ALL REGULAR BUSINESS OF THE HOSPITAL DURING THE INTERIM BETWEEN MEETINGS OF THE BOARD, PROVIDED THAT ANY ACTION IT TAKES CANNOT CONFLICT WITH THE POLICIES AND EXPRESSED WISHES OF THE BOARD.

Name of the organization MARSHALL MEDICAL CENTER	Employer identification number 94-1450151
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FORM 990, PART VI, SECTION A, LINE 2:

SHANNON TRUESDELL, KATHY KREJCI AND LAURIE ELDRIDGE WERE BOARD MEMBERS OF EL DORADO SURGERY CENTER DURING THE FISCAL YEAR ENDED OCTOBER 31, 2019.

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

PRIOR TO FILING THE FORM 990, MANAGEMENT (CFO AND DIRECTOR OF FINANCE) REVIEWED THE FORM 990 IN DETAIL. ANY APPROPRIATE CHANGES WERE MADE. THE FULL GOVERNING BOARD OF DIRECTORS (BOD) HAS DELEGATED THE RESPONSIBILITY OF REVIEWING THE FORM 990 PRIOR TO FILING WITH THE IRS TO THE BOD AUDIT COMMITTEE, A SUBCOMMITTEE OF THE FULL GOVERNING BOD, SO THE FORM 990 WAS THEN SUBMITTED TO THE GOVERNING BOD AUDIT COMMITTEE. THE AUDIT COMMITTEE PERFORMED A HIGH-LEVEL REVIEW OF THE FORM 990 AND REQUESTED MANAGEMENT TO MAKE ANY CHANGES THE COMMITTEE DEEMED NECESSARY. PRIOR TO FILING THE FORM 990 WITH THE IRS, THE AUDIT COMMITTEE PROVIDED A SUMMARY TO THE FULL GOVERNING BOD OF THE BOD AUDIT COMMITTEE'S REVIEW OF THE FORM 990. AT ANY TIME, BOTH BEFORE OR AFTER FILING, THE COMPLETE FORM 990 WAS AVAILABLE UPON REQUEST TO ANY MEMBER OF THE GOVERNING BOD.

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

OUR POLICY IS TO OBTAIN ON AN ANNUAL BASIS FROM CHIEF ADMINISTRATIVE OFFICERS, VICE PRESIDENTS, DIRECTORS, ASSISTANT DIRECTORS, PURCHASING STAFF, LEGAL STAFF, AND COMPLIANCE STAFF A DISCLOSURE STATEMENT NAMING ANY ORGANIZATIONS, INCLUDING THOSE AFFILIATED WITH MARSHALL MEDICAL CENTER, IN WHICH THE EMPLOYEE AND/OR A MEMBER OF HIS/HER IMMEDIATE FAMILY MAY HAVE AN INTEREST, WHETHER THROUGH EMPLOYMENT, STOCK OR SHARES OWNERSHIP OF FIVE PERCENT OR MORE, CONTRACTUAL AGREEMENT, BOARD MEMBERSHIP, OR DIRECT COMPENSATION OF \$1,000 OR MORE. IMMEDIATE FAMILY INCLUDES ANY SPOUSE, PARENT, CHILD/STEP-CHILD, AND/OR SIBLING THAT LIVES IN THE SAME HOUSEHOLD

Name of the organization MARSHALL MEDICAL CENTER	Employer identification number 94-1450151
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AS THE EMPLOYEE. DISCLOSURE STATEMENTS ARE REVIEWED BY THE CEO FOR ANY ACTUAL OR POTENTIAL CONFLICTS. THE CEO'S DISCLOSURE STATEMENT IS REVIEWED BY THE AUDIT AND COMPLIANCE COMMITTEES OF THE BOARD OF DIRECTORS. ADDITIONALLY, UPON CONSIDERATION OF ANY NEW CONTRACT AGREEMENT, POTENTIAL PARTIES MUST IDENTIFY ANY POTENTIAL INTERESTED PARTIES IN COMMON. SHOULD ANY TRANSACTION INVOLVING POTENTIAL OR ACTUAL CONFLICTS OF INTEREST ARISE, THE CEO APPOINTS A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE ARRANGEMENT IN QUESTION. DUE DILIGENCE IS EXERCISED TO DETERMINE WHETHER MARSHALL MEDICAL CENTER CAN, WITH REASONABLE EFFORTS, OBTAIN A MORE ADVANTAGEOUS TRANSACTION FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST. IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY ATTAINABLE UNDER CIRCUMSTANCES THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST, THE CEO MAKES THE DETERMINATION WHETHER THE TRANSACTION IS IN MARSHALL MEDICAL CENTER'S BEST INTEREST, BENEFIT, AND IS FAIR AND REASONABLE. IN THE EVENT THAT ANY OF THE AFOREMENTIONED EMPLOYEES OR IMMEDIATE FAMILY MEMBERS HAS AN OUTSIDE INTEREST THAT CONFLICTS OR SUGGESTS A POSSIBLE CONFLICT WITH MARSHALL MEDICAL CENTER'S BUSINESS INTERESTS, SAID EMPLOYEES ARE RECUSED FROM PARTICIPATING IN DELIBERATIONS AND/OR DECISIONS ABOUT A BUSINESS TRANSACTION.

OUR POLICY IS TO OBTAIN ON AN ANNUAL BASIS FROM MEMBERS OF THE GOVERNING BOARD A DISCLOSURE STATEMENT NAMING ANY ORGANIZATIONS, INCLUDING THOSE AFFILIATED WITH MARSHALL MEDICAL CENTER, IN WHICH THE BOARD MEMBER OR AN IMMEDIATE FAMILY MEMBER HAS AN INTEREST, WHETHER THROUGH EMPLOYMENT, OWNERSHIP, CONTRACTUAL AGREEMENT, BOARD MEMBERSHIP, OR COMPENSATION OF \$1,000 OR MORE. DISCLOSURE STATEMENTS ARE REVIEWED BY ADMINISTRATIVE OFFICE PERSONNEL FOR ANY ACTUAL OR POTENTIAL CONFLICTS AND ARE AVAILABLE TO

Name of the organization

MARSHALL MEDICAL CENTER

Employer identification number

94-1450151

ALL BOARD MEMBERS FOR REVIEW. ANY MATERIAL FINDINGS ARE FORWARDED TO ADMINISTRATION FOR RESOLUTION. ADDITIONALLY, UPON CONSIDERATION OF ANY NEW CONTRACT AGREEMENT, VENDORS ARE REVIEWED FOR POTENTIAL CONFLICTS OF INTEREST TO IDENTIFY ANY POTENTIAL INTERESTED PARTIES IN COMMON. SHOULD ANY TRANSACTION INVOLVING POTENTIAL OR ACTUAL CONFLICTS OF INTEREST ARISE, THE TRANSACTION MAY BE ENTERED INTO ONLY AFTER THE FOLLOWING STEPS ARE TAKEN BY THE BOARD:

A. CONCLUDE THAT THE TRANSACTION WILL BENEFIT THE HOSPITAL AND THAT THE HOSPITAL IS ENTERING INTO THE TRANSACTION FOR ITS OWN BENEFIT (THE MINUTES SHOULD DELINEATE THE BENEFIT);

B. CONCLUDE THAT THE TRANSACTION IS FAIR AND REASONABLE TO THE HOSPITAL AT THE TIME IT IS ENTERED;

C. AUTHORIZE OR APPROVE IT IN GOOD FAITH BY A VOTE OF THE DIRECTORS, WITHOUT COUNTING THE VOTE OF THE INTERESTED PERSON(S) AND WITH KNOWLEDGE OF THE MATERIAL FACTS CONCERNING THE TRANSACTION AND THE DIRECTOR(S)' INTEREST IN THE TRANSACTION; AND

D. PRIOR TO AUTHORIZING OR APPROVING THE TRANSACTION, THE BOARD DETERMINES AFTER REASONABLE INVESTIGATION AND IN GOOD FAITH THAT THE HOSPITAL COULD NOT OBTAIN THROUGH REASONABLE EFFORT A MORE ADVANTAGEOUS ARRANGEMENT UNDER THE CIRCUMSTANCES.

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

THE BOARD OF DIRECTORS DECIDES THE CEO'S COMPENSATION WITH INPUT FROM THE AUDIT AND COMPLIANCE COMMITTEES USING DATA COMPILED FROM THE CALIFORNIA HEALTHCARE ASSOCIATION'S ALLIED FOR HEALTH EXECUTIVE COMPENSATION SURVEY, WILLIS TOWERS WATSON EXECUTIVE COMPENSATION SURVEY AND OTHER SOURCES SUCH AS AN INDEPENDENT COMPENSATION CONSULTANT, AND FOLLOWING THE EXECUTIVE

Name of the organization MARSHALL MEDICAL CENTER	Employer identification number 94-1450151
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COMPENSATION PHILOSOPHY STATEMENT. THE DATA INCLUDES HOSPITALS FROM NORTHERN AND SOUTHERN CALIFORNIA, AS WELL AS RURAL AND URBAN HOSPITALS. THE DATA DIFFERENTIATES BY BED SIZE, OPERATING EXPENSES, AND FULL-TIME EQUIVALENTS (FTES). ALL INFORMATION UTILIZES AGGREGATE, HISTORICAL INFORMATION. THE AUDIT AND COMPLIANCE COMMITTEES MEET QUARTERLY BUT INCORPORATES COMPENSATION REVIEW ANNUALLY WHEN A REVIEW OF THE CEO'S COMPENSATION IS IN ORDER.

THE CEO (ADMINISTRATOR) DECIDES THE COMPENSATION FOR THE COO (ASSISTANT ADMINISTRATOR), CNO (CHIEF NURSING OFFICER), CFO (CHIEF FINANCIAL OFFICER), CAO (CHIEF AMBULATORY OFFICER) AND CMO (CHIEF MEDICAL OFFICER); REVIEWING THEM ANNUALLY. THE CHIEF EXECUTIVE TEAM DECIDES COMPENSATION FOR ALL DIVISION/INTERNAL LEADERSHIP VICE PRESIDENTS. THE ABOVE COMPENSATION WAS DETERMINED USING A STATEMENT OF EXECUTIVE COMPENSATION PHILOSOPHY CREATED WITH INPUT FROM AN INDEPENDENT COMPENSATION CONSULTANT WHICH USED DATA COMPILED FROM THE CALIFORNIA HEALTHCARE ASSOCIATION'S ALLIED FOR HEALTH EXECUTIVE COMPENSATION SURVEY AS WELL AS OTHER SURVEYS. THE DATA INCLUDES HOSPITALS FROM NORTHERN AND SOUTHERN CALIFORNIA, AS WELL AS RURAL AND URBAN HOSPITALS. THE DATA DIFFERENTIATES BY BED SIZE, OPERATING EXPENSES, AND FULL-TIME EQUIVALENTS (FTES). ALL INFORMATION UTILIZES AGGREGATE, HISTORICAL INFORMATION. IF NECESSARY, TEMPORARY PAY CUTS MAY ALSO BE APPROVED FOR OFFICERS TO MEET OPERATIONAL NEEDS.

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

- MARSHALL MEDICAL CENTER'S GOVERNING DOCUMENTS ARE MADE AVAILABLE ACCORDING TO THE CALIFORNIA CORPORATIONS CODE REQUIREMENTS.
- OUR CONFLICT OF INTEREST POLICY IS AVAILABLE UPON REQUEST.
- SELECTED FINANCIAL INFORMATION IS PUBLISHED ANNUALLY IN OUR PERIODIC

Name of the organization MARSHALL MEDICAL CENTER	Employer identification number 94-1450151
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PUBLICATION, "REPORT TO THE COMMUNITY". THIS PUBLICATION IS INCLUDED IN TWO LOCAL NEWSPAPERS WITH A CIRCULATION OF APPROXIMATELY 35,000 HOMES. THE PUBLICATION IS ALSO PLACED IN VARIOUS PUBLIC AREAS INCLUDING DOCTORS' OFFICES, LIBRARIES, THE CHAMBER OF COMMERCE, REAL ESTATE OFFICES, AND ALL OF OUR LOCATION WAITING ROOMS. MONTHLY SELECTED FINANCIAL INFORMATION IS POSTED ON THE "KAIZEN" BULLETIN BOARD IN THE HOSPITAL FOR PURPOSES OF OPERATIONAL TRANSPARENCY TO THE COMMUNITY. ALSO, AUDITED FINANCIAL STATEMENTS ARE MADE AVAILABLE FOR REVIEW UPON REQUEST.

FORM 990, PART VII, SECTION A, COLUMN F:

THE AMOUNTS REPORTED IN FORM 990, PART VII, SECTION A, COLUMN F ARE SIGNIFICANTLY HIGHER THAN IN PREVIOUS YEARS BECAUSE OF A CHANGE IN THE ACTUARIAL PRESENT VALUE FACTORS USED TO CALCULATE THE VALUE OF COMPENSATION DEFERRED TO FUTURE YEARS. THESE AMOUNTS ARE NOT A REFLECTION OF A CHANGE IN THE EMPLOYEES' VESTED PENSION BENEFIT, BUT ARE BASED ON MARKET CONDITIONS WHICH VARY WIDELY YEAR OVER YEAR.

FORM 990, PART IX, LINE 11G, OTHER FEES:

PHYSICIAN SERVICES:

PROGRAM SERVICE EXPENSES	39,596,516.
MANAGEMENT AND GENERAL EXPENSES	1,448,276.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	41,044,792.

OTHER PURCHASED SERVICES:

PROGRAM SERVICE EXPENSES	13,505,329.
MANAGEMENT AND GENERAL EXPENSES	3,211,912.

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FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 16,717,241.

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A 57,762,033.

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

PENSION-RELATED CHANGES -33,030,552.

**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.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

Open to Public Inspection

Name of the organization **MARSHALL MEDICAL CENTER** Employer identification number **94-1450151**

**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

**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	
EL DORADO SURGERY CENTER LLC - 45-0586784, 4300 GOLDEN CENTER DRIVE, SUITE E, PLACERVILLE, CA 95667	SURGICAL SERVICES	CA	MARSHALL MEDICAL CENTER	RELATED	456,289.	7,732,870.		X	N/A	X		87.00%

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

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

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

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

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

	Yes	No
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....		X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....		X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....		X
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> 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) EL DORADO SURGERY CENTER LLC	S	922,559.	CASH
(2)			
(3)			
(4)			
(5)			
(6)			

