

Form **990-T**

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2017

For calendar year 2017 or other tax year beginning 07/01/17, and ending 06/30/18

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Go to www.irs.gov/Form990T for instructions and the latest information

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

A Check box if address changed

B Exempt under section

501(c) (C) (03)

408(e) 220(e)

408A 530(a)

529(a)

Name of organization (Check box if name changed and see instructions)

Print Candler Hospital, Inc.

or

Type 5353 Reynolds Street

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

Savannah GA 31405-6015

D Employer identification number (Employees' trust, see instructions)

58-0593388

E Unrelated business activity codes (See instructions)

621500 | 713940

C Book value of all assets at end of year

184,764,999

F Group exemption number (See instructions) ▶

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity

▶ See Statement 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? ▶ Yes No

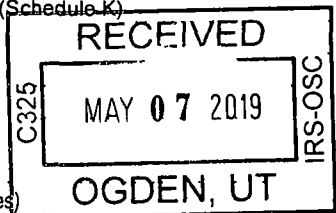
If "Yes," enter the name and identifying number of the parent corporation

▶ St. Joseph's/Candler Health System, Inc. 58-2288758

J The books are in care of ▶ Gregory J. Schaack Telephone number ▶ 912-819-6162

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
c Balance ▶		1c		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit Subtract line 2 from line 1c	3		
4a	Capital gain net income (attach Schedule D)	4a		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c	Capital loss deduction for trusts	4c		
5	Income (loss) from partnerships and S corporations (attach statement)	5		
6	Rent income (Schedule C)	6		
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10	Exploited exempt activity income (Schedule I)	10		
11	Advertising income (Schedule J)	11		
12	Other income (See instructions, attach schedule) <u>See Stmt 2</u>	12	1,793,042	1,793,042
13	Total. Combine lines 3 through 12	13	1,793,042	1,793,042

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions) (Except for contributions, deductions must be directly connected with the unrelated business income)			
14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	1,312,093
16	Repairs and maintenance	16	40,198
17	Bad debts	17	873
18	Interest (attach schedule)	18	27,937
19	Taxes and licenses	19	
20	Charitable contributions (See instructions for limitation rules)	20	
21	Depreciation (attach Form 4562)	21	55,223
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	55,223
23	Depletion	23	
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	138,957
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule)	28	779,116
29	Total deductions. Add lines 14 through 28	29	2,354,397
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	-561,355
31	Net operating loss deduction (limited to the amount on line 30)	31	
32	Unrelated business taxable income before specific deduction Subtract line 31 from line 30	32	-561,355
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000
34	Unrelated business taxable income. Subtract line 33 from line 32 If line 33 is greater than line 32, enter the smaller of zero or line 32	34	-561,355



See Statement 3

See Statement 4

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Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here. 36 Trusts Taxable at Trust Rates. See instructions for tax computation. 37 Proxy tax. See instructions. 38 Alternative minimum tax. 39 Tax on Non-Compliant Facility Income. See instructions. 40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies.

Part IV Tax and Payments

41a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116). 41b Other credits (see instructions). 41c General business credit. Attach Form 3800 (see instructions). 41d Credit for prior year minimum tax (attach Form 8801 or 8827). 41e Total credits. Add lines 41a through 41d. 42 Subtract line 41e from line 40. 43 Other taxes. Check if from Form 4255, Form 8611, Form 8697, Form 8866, or Other (all sch). 44 Total tax. Add lines 42 and 43. 45a Payments. A 2016 overpayment credited to 2017. 45b 2017 estimated tax payments. 45c Tax deposited with Form 8868. 45d Foreign organizations. Tax paid or withheld at source (see instructions). 45e Backup withholding (see instructions). 45f Credit for small employer health insurance premiums (Attach Form 8941). 45g Other credits and payments. Form 2439, Form 4136, or Other. Total. 46 Total payments. Add lines 45a through 45g. 47 Estimated tax penalty (see instructions). Check if Form 2220 is attached. 48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed. 49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid. 50 Enter the amount of line 49 you want credited to 2018 estimated tax. Refunded.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

51 At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here. 52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. 53 Enter the amount of tax-exempt interest received or accrued during the tax year.

Sign Here. 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 taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: Jacqueline G. Atkins. Date: 5/30/19. Title: Trustee/CFO. May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No.

Paid Preparer Use Only. Print preparer's name: Jacqueline G. Atkins. Preparer's signature: Jacqueline Atkins CPA. Date: 4/30/19. Check self-employed if PTIN: P00861721. Firm's name: Draffin & Tucker LLP. Firm's EIN: 58-0914992. Firm's address: PO Box 71309, Albany, GA 31708-1309. Phone no: 229-883-7878.

Schedule A – Cost of Goods Sold. Enter method of inventory valuation ►

1	Inventory at beginning of year	1		6	Inventory at end of year	6		
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7		
3	Cost of labor	3						
4a	Additional sec. 263A costs (attach schedule)	4a						
b	Other costs (attach schedule)	4b		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes	No
5	Total. Add lines 1 through 4b	5						

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1 Description of property		
(1)	N/A	
(2)		
(3)		
(4)		
2 Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ►
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ►		

Schedule E – Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property		2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)	N/A			
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
Total dividends-received deductions included in column 8				

Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1) N/A					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7 Taxable income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals			Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col 3 plus col 4)
(1) N/A				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26

Schedule J – Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or loss (col 2 minus col 3). If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						
Totals from Part I ▶						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1) N/A		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			

Statement 1 - Form 990-T - Primary Unrelated Business ActivityDescription

Candler Hospital, Inc. operates a child day care facility for children of employees and non-employees. The day care service that is provided to children of non-employees generates unrelated business income.

Candler Hospital, Inc. maintains a reference lab (not used for inpatient or outpatient lab needs), which is used by hospital physicians for patients they see in their offices. This outside lab generates unrelated business income.

Candler Hospital, Inc. operates a wellness center that is used by patients, employees, and non-employees in order to promote emotion wellness, life management, and other social services. The services provided to non-employees generate unrelated business income.

Statement 2 - Form 990-T, Part I, Line 12 - Other Income

<u>Description</u>	<u>Amount</u>
Reference Lab	\$ 750,441
Children's House	433,751
Wellness Center	608,850
Total	<u>\$ 1,793,042</u>

Statement 3 - Form 990-T, Part II, Line 18 - Interest

<u>Description</u>	<u>Amount</u>
Miscellaneous interest	\$ 27,937
Total	<u>\$ 27,937</u>

Statement 4 - Form 990-T, Part II, Line 28 - Other Deductions

<u>Description</u>	<u>Amount</u>
Medical professional fees	\$ 201,284
Non-medical professional fees	1,689
Materials and supplies	443,309
Purchased services	49,868
Utilities	50,425
Insurance	23,225
Other operating expenses	9,316
Total	<u>\$ 779,116</u>

Net Operating Loss Carryover Worksheet

Form **990-T**

2017

For calendar year 2017, or tax year beginning 07/01/17, ending 06/30/18

Name Candler Hospital, Inc. Employer Identification Number 58-0593388

Preceding Taxable Year	Prior Year			Current Year	Next Year Carryover
	Adj To NOL Inc/(Loss) After Adj.	NOL Utilized (Income Offset)	Carryovers to Current Year	Income Offset By NOL Carryback / Carryover Utilized	
20th 06/29/98					
19th 06/29/99	-591,623		591,623		591,623
18th 06/30/00	-971,679		971,679		971,679
17th 06/30/01	-561,860		561,860		561,860
16th 06/30/02	-814,139		814,139		814,139
15th 06/30/03	-333,106		333,106		333,106
14th 06/30/04	-76,531		76,531		76,531
13th 06/30/05	-79,337		79,337		79,337
12th 06/30/06	-304,221		304,221		304,221
11th 06/30/07	-363,431		363,431		363,431
10th 06/30/08	-603,322		603,322		603,322
9th 06/30/09	-57,999		57,999		57,999
8th 06/30/10	-125,082		125,082		125,082
7th 06/30/11	-228,451		228,451		228,451
6th 06/30/12	-91,941		91,941		91,941
5th 06/30/13	-99,676		99,676		99,676
4th 06/30/14	-6,622		6,622		6,622
3rd 06/30/15	-346,542		346,542		346,542
2nd 06/30/16	-590,322		590,322		590,322
1st 06/30/17	-1,138,745		1,138,745		1,138,745
NOL carryover available to current year			7,384,629		
Current year	-561,355				561,355
NOL carryover available to next year					7,945,984