

Name **LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.**

Employer identification number
52-1169362

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38, on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)		1	11,281.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1			
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method			
2c	Credit for federal tax paid on fuels (see instructions)			
2d	Total. Add lines 2a through 2c		2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty		3	11,281.
4	Enter the tax shown on the corporation's 2018 income tax return. See instructions. Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5		4	13,460.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	11,281.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty. See instructions.

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	10/15/19	12/15/19	03/15/20	06/15/20
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% (0.25) of line 5 above in each column	10	2,820.	2,821.	2,820.	2,820.
11 Estimated tax paid or credited for each period. For column (a) only, enter the amount from line 11 on line 15. See instructions	11			12,000.	
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12				3,539.
13 Add lines 11 and 12	13			12,000.	3,539.
14 Add amounts on lines 16 and 17 of the preceding column	14		2,820.	5,641.	
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	0.	0.	6,359.	3,539.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		2,820.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	2,820.	2,821.		
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18			3,539.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier. (C corporations with tax years ending June 30 and S corporations: Use 3rd month instead of 4th month. Form 990-PF and Form 990-T filers: Use 5th month instead of 4th month.) See instructions 19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2019 and before 7/1/2019	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 6\% (0.06)}{365}$...	22 \$	\$	\$	\$
23 Number of days on line 20 after 06/30/2019 and before 10/1/2019	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 5\% (0.05)}{365}$...	24 \$	\$	\$	\$
25 Number of days on line 20 after 9/30/2019 and before 1/1/2020	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 5\% (0.05)}{365}$...	26 \$	\$	\$	\$
27 Number of days on line 20 after 12/31/2019 and before 4/1/2020	27	SEE ATTACHED WORKSHEET		
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 5\% (0.05)}{366}$...	28 \$	\$	\$	\$
29 Number of days on line 20 after 3/31/2020 and before 7/1/2020	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{366}$	30 \$	\$	\$	\$
31 Number of days on line 20 after 6/30/2020 and before 10/1/2020	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{366}$	32 \$	\$	\$	\$
33 Number of days on line 20 after 9/30/2020 and before 1/1/2021	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{366}$	34 \$	\$	\$	\$
35 Number of days on line 20 after 12/31/2020 and before 3/16/2021	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	36 \$	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37 \$	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 34; or the comparable line for other income tax returns	38 \$			94.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Information Return of U.S. Persons With Respect to Certain Foreign Corporations

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JUL 1, 2019**, and ending **JUN 30, 2020**

Attachment
Sequence No. **121**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC. Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 2000 MEDICAL PARKWAY, NO. 606 City or town, state, and ZIP code ANNAPOLIS, MD 21401	A Identifying number 52-1169362 B Category of filer (See instructions. Check applicable box(es)): 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.00 %
Filer's tax year beginning JUL 1, 2019 , and ending JUN 30, 2020	

D Check box if this is a final Form 5471 for the foreign corporation

E Check if any excepted specified foreign financial assets are reported on this form (see instructions)

F Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
LUMINIS HEALTH, INC.	2000 MEDICAL PARKWAY, STE 606 ANNAPOLIS MD 21401	52-1622253	X		

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation COTTAGE INSURANCE COMPANY, LTD P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	b(1) Employer identification number, if any 98-0461499 b(2) Reference ID number (see instructions) c Country under whose laws incorporated CAYMAN ISLANDS			
d Date of incorporation 06/06/05	e Principal place of business CAYMAN ISLANDS	f Principal business activity code number 524150	g Principal business activity SELF INSURANCE	h Functional currency UNITED STATES, DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">(i) Taxable income or (loss)</td> <td style="width:50%;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)		
(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)				
c Name and address of foreign corporation's statutory or resident agent in country of incorporation ARTEX RISK SOLUTIONS (CAYMAN) LTD P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different				

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	120,000	120,000

Schedule C **Income Statement**

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	8,120,509.
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	8,120,509.
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	8,120,509.
	4 Dividends	4	1,037,365.
	5 Interest	5	
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
	7 Net gain or (loss) on sale of capital assets	7	-515,421.
8a Foreign currency transaction gain or loss - unrealized	8a		
	b Foreign currency transaction gain or loss - realized	8b	
9 Other income (attach statement) SEE STATEMENT 4	9	-984,585.	
10 Total income (add lines 3 through 9)	10	7,657,868.	
Deductions	11 Compensation not deducted elsewhere	11	
	12a Rents	12a	
	b Royalties and license fees	12b	
	13 Interest	13	
	14 Depreciation not deducted elsewhere	14	
	15 Depletion	15	
	16 Taxes (exclude income tax expense (benefit))	16	
	17 Other deductions (attach statement - exclude income tax expense (benefit)) SEE STATEMENT 5	17	9,783,110.
18 Total deductions (add lines 11 through 17)	18	9,783,110.	
Net Income	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	-2,125,242.
	20 Unusual or infrequently occurring items	20	
	21a Income tax expense (benefit) - current	21a	
	b Income tax expense (benefit) - deferred	21b	
22 Current year net income or (loss) per books (combine lines 19 through 21b)	22	-2,125,242.	
Other Comprehensive Income	23a Foreign currency translation adjustments	23a	
	b Other	23b	
	c Income tax expense (benefit) related to other comprehensive income	23c	
	24 Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	2,821,624.	3,400,185.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	()	()
3 Derivatives	3		
4 Inventories	4		
5 Other current assets (attach statement)	5	17,379,433.	10,043,050.
6 Loans to shareholders and other related persons	6		
7 Investment in subsidiaries (attach statement)	7		
8 Other investments (attach statement)	8	19,332,285.	25,531,053.
9a Buildings and other depreciable assets	9a		
b Less accumulated depreciation	9b	()	()
10a Depletable assets	10a		
b Less accumulated depletion	10b	()	()
11 Land (net of any amortization)	11		
12 Intangible assets:			
a Goodwill	12a		
b Organization costs	12b		
c Patents, trademarks, and other intangible assets	12c		
d Less accumulated amortization for lines 12a, 12b, and 12c	12d	()	()
13 Other assets (attach statement)	13		
14 Total assets	14	39,533,342.	38,974,288.
Liabilities and Shareholders' Equity			
15 Accounts payable	15	91,152.	56,087.
16 Other current liabilities (attach statement)	16		
17 Derivatives	17		
18 Loans from shareholders and other related persons	18		
19 Other liabilities (attach statement)	19	36,842,635.	32,443,888.
20 Capital stock:			
a Preferred stock	20a		
b Common stock	20b	120,000.	120,000.
21 Paid-in or capital surplus (attach reconciliation)	21	2,463,021.	8,463,021.
22 Retained earnings	22	16,534.	-2,108,708.
23 Less cost of treasury stock	23	()	()
24 Total liabilities and shareholders' equity	24	39,533,342.	38,974,288.

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," see the instructions for required statement.		
2 During the tax year, did the foreign corporation own an interest in any trust?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from their owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branches (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions).		
4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete lines 4b and 4c.		
b Enter the total amount of the base erosion payments	<input type="checkbox"/>	<input type="checkbox"/>
c Enter the total amount of the base erosion tax benefit	<input type="checkbox"/>	<input type="checkbox"/>
5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete line 5b.		
b Enter the total amount of the disallowed deductions (see instructions)	<input type="checkbox"/>	<input type="checkbox"/>

FORM 5471	OTHER INCOME	STATEMENT 4	
DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNREALIZED LOSS			-984,585.
TOTAL TO 5471, SCHEDULE C, LINE 9			-984,585.

FORM 5471	OTHER DEDUCTIONS	STATEMENT 5	
DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNDERWRITING EXPENSES			9,388,009.
ADMINISTRATIVE EXPENSES			395,101.
TOTAL TO 5471, SCHEDULE C, LINE 17			9,783,110.

FORM 5471	OTHER CURRENT ASSETS	STATEMENT 10	
DESCRIPTION		BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INTEREST RECEIVABLE		20,021.	22,138.
OUTSTANDING CLAIMS RESERVES RECOVERABLE		17,285,870.	9,884,461.
PREPAID EXPENSES		5,793.	6,878.
ESCROW ACCOUNT		47,390.	129,573.
REINSURANCE RECOVERY RECEIVABLE		20,359.	0.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 5		17,379,433.	10,043,050.

FORM 5471

OTHER INVESTMENTS

STATEMENT 11

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
EQUITY MUTUAL FUNDS	4,789,870.	5,933,362.
FIXED INCOME MUTUAL FUNDS	10,213,526.	14,197,099.
EXCHANGE TRADED FUNDS	4,328,889.	5,400,592.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 8	<u>19,332,285.</u>	<u>25,531,053.</u>

FORM 5471

OTHER LIABILITIES

STATEMENT 12

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
PROVISION FOR ADVERSE CLAIMS DEVELOPMENT	18,339,185.	21,556,480.
PROVISION FOR REPORTED CLAIMS	18,503,450.	10,887,408.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 19	<u>36,842,635.</u>	<u>32,443,888.</u>

FORM 5471

RECONCILIATION OF PAID-IN OR CAPITAL SURPLUS

STATEMENT 13

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
ADDITIONAL PAID-IN CAPITAL	2,463,021.	8,463,021.

Schedule G Other Information (continued)

		Yes	No
6a	Is the filer of this Form 5471 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule M? If "Yes," complete lines 6b, 6c, and 6d.		X
b	Enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with the foreign corporation that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) (see instructions) ▶ \$ _____		
c	Enter the amount of gross income derived from a license of property to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
d	Enter the amount of gross income derived from services provided to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
7	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
8	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X
9	If the answer to question 7 is "Yes," was the foreign corporation a participant in a cost sharing arrangement that was in effect before January 5, 2009?		X
10	If the answer to question 7 is "Yes," did a U.S. taxpayer make any platform contributions as defined under Regulations section 1.482-7(c) to that cost sharing arrangement during the taxable year?		X
11	If the answer to question 10 is "Yes," enter the present value of the platform contributions in U.S. dollars ▶ \$ _____		
12	If the answer to question 10 is "Yes," check the box for the method under Regulations section 1.482-7(g) used to determine the price of the platform contribution transaction(s): <input type="checkbox"/> Comparable uncontrolled transaction method <input type="checkbox"/> Income method <input type="checkbox"/> Acquisition price method <input type="checkbox"/> Market capitalization method <input type="checkbox"/> Residual profit split method <input type="checkbox"/> Unspecified methods		
13	From April 25, 2014, to December 31, 2017, did the foreign corporation purchase stock or securities of a shareholder of the foreign corporation for use in a triangular reorganization (within the meaning of Regulations section 1.358-6(b)(2))?		X
14a	Did the foreign corporation receive any intangible property in a prior year or the current tax year for which the U.S. transferor is required to report a section 367(d) annual income inclusion for the taxable year?		X
	If "Yes," go to line 14b.		
b	Enter the amount of the earnings and profits reduction pursuant to section 367(d)(2)(B) for the taxable year ▶ \$ _____		
15	During the tax year, was the foreign corporation an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9)?		X
	If "Yes," see instructions and attach statement.		
16	During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4?		X
	If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).		
17	During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		X
18	During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		X
19	Did you answer "Yes" to any of the questions in the instructions for line 19? STMT 17	X	
	If "Yes," enter the corresponding code(s) from the instructions and attach statement (see instructions) ▶ _____		
20	Does the foreign corporation have interest expense disallowed under section 163(j) (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		
21	Does the foreign corporation have previously disallowed interest expense under section 163(j) carried forward to the current tax year (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		

FORM 5471

SCHEDULE G LINE 19 STATEMENT

STATEMENT 17

CODE	DESCRIPTION	AMOUNT
DED	DEDUCTIONS TAKEN INTO ACCOUNT	12,370.
EP	EXCESS SUBPART F INCOME OVER EARNINGS AND PROFITS	2,499,394.

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item F on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder ▶	Identifying number ▶	
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)		1a
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)		1b
c Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)		1c
d Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)		1d
e Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)		1e
f Other subpart F income (see instructions)		1f
2 Earnings invested in U.S. property (enter the result from Worksheet B in the instructions)		2
3 Section 245A eligible dividends (see instructions)		3
4 Factoring income		4
See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.		
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))		5
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits		6

	Yes	No
• Was any income of the foreign corporation blocked?		X
• Did any such income become unblocked during the tax year (see section 964(b))?		X

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE E
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Income, War Profits, and Excess Profits Taxes Paid or Accrued

▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instructions) PAS
a Separate Category (Enter code - see instructions.) ▶		
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Taxes for Which a Foreign Tax Credit Is Allowed

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) Foreign Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)	(e) U.S. Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)
1					
2					
3					
4					
5					
6					
7					
	(f) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(g) Tax Paid or Accrued (in local currency in which the tax is payable)	(h) Conversion Rate to U.S. Dollars	(i) In U.S. Dollars (divide column (g) by column (h))	(j) In Functional Currency of Foreign Corporation
1					
2					
3					
4					
5					
6					
7					
8	Total (combine lines 1 through 7 of column (i)). Report amount on Schedule E-1, line 4 ▶				
9	Total (combine lines 1 through 7 of column (j)). See instructions for Schedule H, line 2g ▶				

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes No If "Yes," state date of election ▶

Part III Taxes for Which a Foreign Tax Credit Is Disallowed (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Other	(h) Total
1								
2								
3	In functional currency (combine lines 1 and 2) ▶							
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions)) ▶							

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation

IMPORTANT: Enter amounts in U.S. dollars unless otherwise noted (see instructions).		Taxes related to:			
		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance) (in functional currency)	(d) Hovering Deficit and Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1)				
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for redetermination of prior year U.S. tax liability				
3a	Taxes unsuspending under anti-splitter rules				
b	Taxes suspended under anti-splitter rules				
4	Taxes reported on Schedule E, Part I, line 8, column (i)				
5a	Taxes carried over in nonrecognition transactions				
b	Taxes reclassified as related to hovering deficit after nonrecognition transaction				
6	Other adjustments (attach statement)				
7	Taxes paid or accrued on accumulated E&P (combine lines 1c through 6)				
8	Taxes deemed paid with respect to inclusions under section 951(a)(1) (see instructions)				
9	Taxes deemed paid with respect to inclusions under section 951A (see instructions)				
10	Taxes deemed paid with respect to actual distributions				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P				
12	Other (attach statement)				
13	Taxes related to hovering deficit offset of undistributed post-transaction E&P				
14	Balance at beginning of next year (combine lines 7 through 13)				

(e) Taxes related to previously taxed E&P (see instructions)

	(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)*

(e) Taxes related to previously taxed E&P (see instructions)								
	(ix) Earnings Invested Excess Passive Assets (section 959(c)(1)(B))	(x) Section 965(a) Inclusion (section 959(c)(2))	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

**SCHEDULE H
(Form 5471)**

(December 2018)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instr.)
a Separate Category (Enter code-see instructions.) ▶		PAS
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

IMPORTANT: Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account	1	-2,125,242.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
		Net Additions	Net Subtractions
a	Capital gains or losses	2a	984,585.
b	Depreciation and amortization	2b	
c	Depletion	2c	
d	Investment or incentive allowance	2d	
e	Charges to statutory reserves	2e	
f	Inventory adjustments	2f	
g	Income taxes (see Schedule E, Part I, line 9, column (j))	2g	
h	Foreign currency gains or losses	2h	
i	Other (attach statement) SEE STATEMENT 18	2i	7,786,767. 8,120,509.
3	Total net additions	3	8,771,352.
4	Total net subtractions	4	8,120,509.
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	-1,474,399.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c	Combine lines 5a and 5b	5c	-1,474,399.
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))	5d	-1,474,399.
	Enter exchange rate used for line 5d ▶		1.000000

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (12-2018)

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 18

<u>DESCRIPTION</u>	<u>NET ADDITIONS</u>	<u>NET SUBTRACTIONS</u>
RELATED PARTY PREMIUMS	0.	8,120,509.
RELATED PARTY CLAIMS PAID	7,786,767.	0.
TOTAL TO 5471, SCHEDULE H, LINE 2I	<u>7,786,767.</u>	<u>8,120,509.</u>

Foreign Corporation COTTAGE INSURANCE COMPANY, LTD

98-0461499

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5

Identifying number

LUMINIS HEALTH AAMC

52-1169362

Shareholder's income from foreign corporation

Table with 2 columns: Description and Line Number. Rows include: 1a Section 964(e)(4) Subpart F dividend income from the sale of stock of lower-tier foreign corporation, 1b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporation, 1c Section 954(c) Subpart F Foreign Personal Holding Company Income, 1d Section 954(d) Subpart F Foreign Base Company Sales Income, 1e Section 954(e) Subpart F Foreign Base Company Services Income, 1f Other Subpart F income, 2 Earnings invested in U.S. property, 3 Section 245A eligible dividends, 4 Factoring income, 5 Dividends received (translated at spot rate on payment date under section 989(b)(1)), 6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits.

**SCHEDULE I-1
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

Information for Global Intangible Low-Taxed Income

▶ **Attach to Form 5471.**

OMB No. 1545-0704

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471
LUMINIS HEALTH ANNE ARUNDEL MEDICAL

Identifying number
52-1169362

Name of foreign corporation
COTTAGE INSURANCE COMPANY, LTD

EIN (if any)
98-0461499

Reference ID number (see instr.)

Separate Category (Enter code - see instructions) ▶ **PAS**

		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income	1 7657868.		
2	Exclusions			
a	Effectively connected income	2a		
b	Subpart F income	2b 7657868.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (total of lines 2a-2e)	3 7657868.		
4	Gross income less total exclusions (line 1 minus line 3)	4 0.		
5	Deductions properly allocable to amount on line 4	5		
6	Tested income (loss) (line 4 minus line 5)	6 0.	1.000000	
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8	1.000000	
9a	Interest expense included on line 5	9a		
b	Qualified interest expense	9b		
c	Tested loss QBAI amount	9c		
d	Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d	1.000000	
10a	Interest income included in line 4	10a		
b	Qualified interest income	10b		
c	Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2019)

**SCHEDULE J
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings & Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471

**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number

52-1169362

Name of foreign corporation

COTTAGE INSURANCE COMPANY, LTD

EIN (if any)

98-0461499

Reference ID number

a Separate Category (Enter code - see instructions.) ▶ **PAS**
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. shareholders' information to complete amount for columns (e)(i), (e)(ii), (e)(iv), and (e)(x) through (e)(xii) (see instructions).

Important: Enter amounts in functional currency.

		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
						(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))
1a	Balance at beginning of year (as reported on prior year Schedule J)	- 938,885.	- 3,087,972.				
b	Beginning balance adjustments (attach statement)						
c	Adjusted beginning balance (combine lines 1a and 1b)	- 938,885.	- 3,087,972.				
2a	Reduction for taxes unsuspending under anti-splitter rules						
b	Disallowed deduction for taxes suspended under anti-splitter rules						
3	Current year E&P (or deficit in E&P)	- 1,474,399.					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a	E&P carried over in nonrecognition transaction						
b	Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6	Other adjustments (attach statement)						
7	Total current and accumulated E&P (combine lines 1c through 6)	- 2,413,284.	- 3,087,972.				
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P						
9	Actual distributions						
10	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12	Other adjustments (attach statement)						
13	Hovering deficit offset of undistributed posttransaction E&P (see instructions)						
14	Balance at beginning of next year (combine lines 7 through 13)	- 2,413,284.	- 3,087,972.				

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)*

	(e) Previously Taxed E&P (see instructions)							(x) Section 965(a) Inclusion (section 959(c)(2))
	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(ix) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	
1a								
b								
c								
2a								
b								
3								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

	(e) Previously Taxed E&P (see instructions)						(f)
	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(xvi))
1a							-4,026,857.
b							
c							-4,026,857.
2a							
b							
3							-1,474,399.
4							
5a							
b							
6							
7							-5,501,256.
8							
9							
10							
11							
12							
13							
14							-5,501,256.

Part II Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))

Important: Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2019)

**SCHEDULE M
(Form 5471)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0123

▶ Attach to Form 5471.

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471
**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number
52-1169362

Name of foreign corporation
COTTAGE INSURANCE COMPANY, LTD

EIN (if any)
98-0461499

Reference ID number

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **UNITED STATES, DOLLAR** **1.000000**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) ...					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received ...					
9 Hybrid dividends received (see instr.) ...					
10 Dividends received (exclude hybrid dividends, deemed distributions under subpart F, and distributions of previously taxed income)					
11 Interest received					
12 Premiums received for insurance or reinsurance	2,443,110.				
13 Add lines 1 through 12	2,443,110.				
14 Purchases of stock in trade (inventory)					
15 Purchases of tangible property other than stock in trade					
16 Purchases of property rights (patents, trademarks, etc.)					
17 Platform contribution transaction payments paid					
18 Cost sharing transaction payments paid					
19 Compensation paid for technical, managerial, engineering, construction, or like services					
20 Commissions paid					
21 Rents, royalties, and license fees paid					
22 Hybrid dividends paid (see instructions)					
23 Dividends paid (exclude hybrid dividends paid)					
24 Interest paid					
25 Premiums paid for insurance or reinsurance					
26 Add lines 14 through 25					
27 Accounts Payable					
28 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
29 Accounts Receivable					
30 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

**SCHEDULE P
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**

▶ **Attach to Form 5471.**

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

OMB No. 1545-0123

Name of U.S. shareholder LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instructions) PAS
a Separate Category (Enter code - see instructions.) ▶		
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Previously Taxed E&P in Functional Currency (see instructions)

		(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a	Balance at beginning of year (see instructions)							
b	Beginning balance adjustments (attach statement)							
c	Adjusted beginning balance (combine lines 1a and 1b)							
2	Reduction for taxes unsuspended under anti-splitter rules							
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4	Previously taxed E&P carried over in nonrecognition transaction							
5	Other adjustments (attach statement)							
6	Total previously taxed E&P (combine lines 1c through 5)							
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8	Actual distributions of previously taxed E&P ...							
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions) ...							
11	Other adjustments (attach statement) ...							
12	Balance at beginning of next year (combine lines 6 through 11)							

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule P (Form 5471) (Rev. 12-2019)

Part I Previously Taxed E&P in Functional Currency (see instructions) <i>(continued)</i>										
	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Part II Previously Taxed E&P in U.S. Dollars

		(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a	Balance at beginning of year (see instructions)							
b	Beginning balance adjustments (attach statement)							
c	Adjusted beginning balance (combine lines 1a and 1b)							
2	Reduction for taxes unsuspended under anti-splitter rules							
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4	Previously taxed E&P carried over in nonrecognition transaction							
5	Other adjustments (attach statement)							
6	Total previously taxed E&P (combine lines 1c through 5)							
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8	Actual distributions of previously taxed E&P							
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)							
11	Other adjustments (attach statement)							
12	Balance at beginning of next year (combine lines 6 through 11)							

Schedule P (Form 5471) (Rev. 12-2019)

Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Information Return of U.S. Persons With Respect to Certain Foreign Corporations

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JUL 1, 2019**, and ending **JUN 30, 2020**

Attachment
Sequence No. **121**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC. Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 2000 MEDICAL PARKWAY, NO. 606 City or town, state, and ZIP code ANNAPOLIS, MD 21401 Filer's tax year beginning JUL 1, 2019 , and ending JUN 30, 2020	A Identifying number 52-1169362 B Category of filer (See instructions. Check applicable box(es)): 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 45.78 % D Check box if this is a final Form 5471 for the foreign corporation <input type="checkbox"/> E Check if any excepted specified foreign financial assets are reported on this form (see instructions) <input type="checkbox"/> F Person(s) on whose behalf this information return is filed:
--	---

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
LUMINIS HEALTH, INC.	2000 MEDICAL PARKWAY, STE 606 ANNAPOLIS MD 21401	52-1622253	X		

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD. 201 WASHINGTON STREET, 29TH FLOOR BOSTON MA 02108				b(1) Employer identification number, if any b(2) Reference ID number (see instructions) EMER2021 c Country under whose laws incorporated CAYMAN ISLANDS	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
10/01/14	CJ	523900	INVESTING	UNITED STATES, DOLLAR	

2 Provide the following information for the foreign corporation's accounting period stated above.							
a Name, address, and identifying number of branch office or agent (if any) in the United States		b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">(i) Taxable income or (loss)</td> <td style="width:50%;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)		
(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)						
c Name and address of foreign corporation's statutory or resident agent in country of incorporation		d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different ATLANTIC FUND ADMINISTRATION, LLC THREE CANAL PLAZA PORTLAND ME 04101					

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	779,409	258,167

Schedule C Income Statement

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	
	4 Dividends	4	1,139,660.
	5 Interest	5	
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
	7 Net gain or (loss) on sale of capital assets	7	2,861,647.
8a Foreign currency transaction gain or loss - unrealized	8a		-5,441.
	b Foreign currency transaction gain or loss - realized	8b	-69,271.
	9 Other income (attach statement) SEE STATEMENT 8	9	-6,981,740.
	10 Total income (add lines 3 through 9)	10	-3,055,145.
Deductions	11 Compensation not deducted elsewhere	11	
	12a Rents	12a	
	b Royalties and license fees	12b	
	13 Interest	13	
	14 Depreciation not deducted elsewhere	14	
	15 Depletion	15	
	16 Taxes (exclude income tax expense (benefit))	16	
	17 Other deductions (attach statement - exclude income tax expense (benefit)) SEE STATEMENT 9	17	245,515.
18 Total deductions (add lines 11 through 17)	18	245,515.	
Net Income	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	-3,300,660.
	20 Unusual or infrequently occurring items	20	
	21a Income tax expense (benefit) - current	21a	
	b Income tax expense (benefit) - deferred	21b	
22 Current year net income or (loss) per books (combine lines 19 through 21b)	22	-3,300,660.	
Other Comprehensive Income	23a Foreign currency translation adjustments	23a	
	b Other	23b	
	c Income tax expense (benefit) related to other comprehensive income	23c	
	24 Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	1,259,413.	430,494.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	()	()
3 Derivatives	3		
4 Inventories	4		
5 Other current assets (attach statement)	5	615,368.	305,679.
6 Loans to shareholders and other related persons	6		
7 Investment in subsidiaries (attach statement)	7		
8 Other investments (attach statement)	8	79,280,017.	23,656,606.
9a Buildings and other depreciable assets	9a		
b Less accumulated depreciation	9b	()	()
10a Depletable assets	10a		
b Less accumulated depletion	10b	()	()
11 Land (net of any amortization)	11		
12 Intangible assets:			
a Goodwill	12a		
b Organization costs	12b		
c Patents, trademarks, and other intangible assets	12c		
d Less accumulated amortization for lines 12a, 12b, and 12c	12d	()	()
13 Other assets (attach statement)	13		
14 Total assets	14	81,154,798.	24,392,779.
Liabilities and Shareholders' Equity			
15 Accounts payable	15		
16 Other current liabilities (attach statement)	16	293,636.	696.
17 Derivatives	17		
18 Loans from shareholders and other related persons	18		
19 Other liabilities (attach statement)	19		
20 Capital stock:			
a Preferred stock	20a	80,861,162.	24,392,083.
b Common stock	20b		
21 Paid-in or capital surplus (attach reconciliation)	21		
22 Retained earnings	22		
23 Less cost of treasury stock	23	()	()
24 Total liabilities and shareholders' equity	24	81,154,798.	24,392,779.

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," see the instructions for required statement.		
2 During the tax year, did the foreign corporation own an interest in any trust?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from their owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branches (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions).		
4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete lines 4b and 4c.		
b Enter the total amount of the base erosion payments		\$ _____
c Enter the total amount of the base erosion tax benefit		\$ _____
5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete line 5b.		
b Enter the total amount of the disallowed deductions (see instructions)		\$ _____

FORM 5471 AMOUNT AND TYPE OF INDEBTEDNESS OF FOREIGN CORPORATION TO THE RELATED PERSONS DESCRIBED IN REGULATIONS SECTION 1.6046-1(B)(11) STATEMENT 6

AMOUNT	DESCRIPTION
0.	N/A

FORM 5471 NAME, ADDRESS, IDENTIFYING NUMBER AND NUMBER OF SHARES SUBSCRIBED TO BY EACH SUBSCRIBER TO THE STOCK OF THE FOREIGN CORPORATION STATEMENT 7

NAME AND ADDRESS	IDENTIFYING NUMBER	NUMBER OF SHARES
N/A		

FORM 5471 OTHER INCOME STATEMENT 8

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNREALIZED LOSS			-6,981,740.
TOTAL TO 5471, SCHEDULE C, LINE 9			-6,981,740.

FORM 5471 OTHER DEDUCTIONS STATEMENT 9

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
OPERATING FEE			245,515.
TOTAL TO 5471, SCHEDULE C, LINE 17			245,515.

FORM 5471

OTHER CURRENT ASSETS

STATEMENT 14

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
FOREIGN CURRENCY	69,970.	16,761.
INVESTMENTS SOLD RECEIVABLE	0.	99,902.
DIVIDENDS RECEIVABLE	503,058.	189,016.
OTHER ASSETS	5,485.	0.
DUE FROM INVESTMENT MANAGER	36,855.	0.
 TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 5	 615,368.	 305,679.

FORM 5471

OTHER INVESTMENTS

STATEMENT 15

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INVESTMENTS IN SECURITIES	79,280,017.	23,656,606.
 TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 8	 79,280,017.	 23,656,606.

FORM 5471

OTHER CURRENT LIABILITIES

STATEMENT 16

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
FOREIGN CAPITAL GAINS TAX PAYABLE	195,841.	696.
MANAGEMENT FEES PAYABLE	48,545.	0.
PROFESSIONAL FEES PAYABLE	36,541.	0.
OTHER LIABILITIES	12,709.	0.
 TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 16	 293,636.	 696.

Schedule G Other Information (continued)

Table with 2 columns: Yes, No. Rows 6a-21 containing tax questions and answers. Includes monetary values and checkboxes for various methods.

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item F on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder ▶	Identifying number ▶		
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)		1a	
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)		1b	
c Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)		1c	
d Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)		1d	
e Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)		1e	
f Other subpart F income (see instructions)		1f	521,736.
2 Earnings invested in U.S. property (enter the result from Worksheet B in the instructions)		2	
3 Section 245A eligible dividends (see instructions)		3	
4 Factoring income		4	
See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.			
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))		5	
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits		6	

	Yes	No
• Was any income of the foreign corporation blocked?		
• Did any such income become unblocked during the tax year (see section 964(b))?		

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE E
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Income, War Profits, and Excess Profits Taxes Paid or Accrued

▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD.	EIN (if any)	Reference ID number (see instructions) EMER2021
a Separate Category (Enter code - see instructions.) ▶ GEN b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Taxes for Which a Foreign Tax Credit Is Allowed

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) Foreign Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)	(e) U.S. Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)
1					
2					
3					
4					
5					
6					
7					
	(f) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(g) Tax Paid or Accrued (in local currency in which the tax is payable)	(h) Conversion Rate to U.S. Dollars	(i) In U.S. Dollars (divide column (g) by column (h))	(j) In Functional Currency of Foreign Corporation
1					
2					
3					
4					
5					
6					
7					
8	Total (combine lines 1 through 7 of column (i)). Report amount on Schedule E-1, line 4 ▶				
9	Total (combine lines 1 through 7 of column (j)). See instructions for Schedule H, line 2g ▶				

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes No If "Yes," state date of election ▶

Part III Taxes for Which a Foreign Tax Credit Is Disallowed (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Other	(h) Total
1								
2								
3	In functional currency (combine lines 1 and 2) ▶							
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions)) ▶							

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation

IMPORTANT: Enter amounts in U.S. dollars unless otherwise noted (see instructions).		Taxes related to:			
		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance) (in functional currency)	(d) Hovering Deficit and Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1)				
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for redetermination of prior year U.S. tax liability				
3a	Taxes unsuspended under anti-splitter rules				
b	Taxes suspended under anti-splitter rules				
4	Taxes reported on Schedule E, Part I, line 8, column (i)				
5a	Taxes carried over in nonrecognition transactions				
b	Taxes reclassified as related to hovering deficit after nonrecognition transaction				
6	Other adjustments (attach statement)				
7	Taxes paid or accrued on accumulated E&P (combine lines 1c through 6)				
8	Taxes deemed paid with respect to inclusions under section 951(a)(1) (see instructions)				
9	Taxes deemed paid with respect to inclusions under section 951A (see instructions)				
10	Taxes deemed paid with respect to actual distributions				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P				
12	Other (attach statement)				
13	Taxes related to hovering deficit offset of undistributed post-transaction E&P				
14	Balance at beginning of next year (combine lines 7 through 13)				

(e) Taxes related to previously taxed E&P (see instructions)

	(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)*

(e) Taxes related to previously taxed E&P (see instructions)

	(ix) Earnings Invested Excess Passive Assets (section 959(c)(1)(B))	(x) Section 965(a) Inclusion (section 959(c)(2))	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

**SCHEDULE H
(Form 5471)**

(December 2018)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND,	EIN (if any)	Reference ID number (see instr.) EMER2021
a Separate Category (Enter code-see instructions.) ▶		GEN
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

IMPORTANT: Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account	1	-3,300,660.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
		Net Additions	Net Subtractions
a	Capital gains or losses	2a	
b	Depreciation and amortization	2b	
c	Depletion	2c	
d	Investment or incentive allowance	2d	
e	Charges to statutory reserves	2e	
f	Inventory adjustments	2f	
g	Income taxes (see Schedule E, Part I, line 9, column (j))	2g	
h	Foreign currency gains or losses	2h	5,441.
i	Other (attach statement) SEE STATEMENT 19	2i	6,981,740.
3	Total net additions	3	6,987,181.
4	Total net subtractions	4	
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	3,686,521.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c	Combine lines 5a and 5b	5c	3,686,521.
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))	5d	3,686,521.
	Enter exchange rate used for line 5d ▶		1.000000

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (12-2018)

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 19

<u>DESCRIPTION</u>	<u>NET ADDITIONS</u>	<u>NET SUBTRACTIONS</u>
UNREALIZED LOSS REVERSAL	6,981,740.	0.
TOTAL TO 5471, SCHEDULE H, LINE 2I	6,981,740.	0.

Foreign Corporation THE EMERGING MARKETS EQUITY FUND, LTD.

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5	Identifying number
Shareholder's income from foreign corporation	
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of lower-tier foreign corporation	1a _____
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporation	1b _____
c Section 954(c) Subpart F Foreign Personal Holding Company Income	1c _____
d Section 954(d) Subpart F Foreign Base Company Sales Income	1d _____
e Section 954(e) Subpart F Foreign Base Company Services Income	1e _____
f Other Subpart F income	1f <u>521,736.</u>
2 Earnings invested in U.S. property	2 _____
3 Section 245A eligible dividends	3 _____
4 Factoring income	4 _____
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))	5 _____
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits	6 _____

**SCHEDULE I-1
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

Information for Global Intangible Low-Taxed Income

▶ **Attach to Form 5471.**

OMB No. 1545-0704

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471
LUMINIS HEALTH ANNE ARUNDEL MEDICAL

Identifying number
52-1169362

Name of foreign corporation
THE EMERGING MARKETS EQUITY FUND, L

EIN (if any)

Reference ID number (see instr.)
EMER2021

Separate Category (Enter code - see instructions) ▶ **GEN**

		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income	1 4001307.		
2	Exclusions			
a	Effectively connected income	2a		
b	Subpart F income	2b 1139660.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (total of lines 2a-2e)	3 1139660.		
4	Gross income less total exclusions (line 1 minus line 3)	4 2861647.		
5	Deductions properly allocable to amount on line 4	5 314,786.		
6	Tested income (loss) (line 4 minus line 5)	6 2546861.	1.000000	2546861.
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8	1.000000	
9a	Interest expense included on line 5	9a		
b	Qualified interest expense	9b		
c	Tested loss QBAI amount	9c		
d	Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d	1.000000	
10a	Interest income included in line 4	10a		
b	Qualified interest income	10b		
c	Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2019)

**SCHEDULE J
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings & Profits (E&P) of Controlled Foreign Corporation

▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471

**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number

52-1169362

Name of foreign corporation

THE EMERGING MARKETS EQUITY FUND, LTD.

EIN (if any)

Reference ID number

EMER2021

- a** Separate Category (Enter code - see instructions.) ▶ **GEN**
- b** If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. shareholders' information to complete amount for columns (e)(i), (e)(ii), (e)(iv), and (e)(x) through (e)(xii) (see instructions).

Important: Enter amounts in functional currency.		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
						(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))
1a	Balance at beginning of year (as reported on prior year Schedule J)						
b	Beginning balance adjustments (attach statement)						
c	Adjusted beginning balance (combine lines 1a and 1b)						
2a	Reduction for taxes unsuspended under anti-splitter rules						
b	Disallowed deduction for taxes suspended under anti-splitter rules						
3	Current year E&P (or deficit in E&P)	3,686,521.					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a	E&P carried over in nonrecognition transaction						
b	Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6	Other adjustments (attach statement)						
7	Total current and accumulated E&P (combine lines 1c through 6)	3,686,521.					
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P	-3,686,521.					
9	Actual distributions						
10	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12	Other adjustments (attach statement)						
13	Hovering deficit offset of undistributed posttransaction E&P (see instructions)						
14	Balance at beginning of next year (combine lines 7 through 13)	0.					

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)*

	(e) Previously Taxed E&P (see instructions)							(x) Section 965(a) Inclusion (section 959(c)(2))
	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(ix) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	
1a								
b								
c								
2a								
b								
3								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

	(e) Previously Taxed E&P (see instructions)						(f) Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(xvi))
	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	
1a							
b							
c							
2a							
b							
3							3,686,521.
4							
5a							
b							
6							
7							3,686,521.
8		2,546,861.				1,139,660.	0.
9							
10							
11							
12							
13							
14		2,546,861.				1,139,660.	3,686,521.

Part II Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))

Important: Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2019)

**SCHEDULE M
(Form 5471)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0123

▶ Attach to Form 5471.

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471
**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number
52-1169362

Name of foreign corporation
THE EMERGING MARKETS EQUITY FUND,

EIN (if any)

Reference ID number
EMER2021

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **UNITED STATES, DOLLAR** **1.000000**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) ...					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received ...					
9 Hybrid dividends received (see instr.) ...					
10 Dividends received (exclude hybrid dividends, deemed distributions under subpart F, and distributions of previously taxed income)					
11 Interest received					
12 Premiums received for insurance or reinsurance					
13 Add lines 1 through 12					
14 Purchases of stock in trade (inventory)					
15 Purchases of tangible property other than stock in trade					
16 Purchases of property rights (patents, trademarks, etc.)					
17 Platform contribution transaction payments paid					
18 Cost sharing transaction payments paid					
19 Compensation paid for technical, managerial, engineering, construction, or like services					
20 Commissions paid					
21 Rents, royalties, and license fees paid					
22 Hybrid dividends paid (see instructions)					
23 Dividends paid (exclude hybrid dividends paid)					
24 Interest paid					
25 Premiums paid for insurance or reinsurance					
26 Add lines 14 through 25					
27 Accounts Payable					
28 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
29 Accounts Receivable					
30 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

**SCHEDULE O
(Form 5471)**

(Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Organization or Reorganization of Foreign Corporation, and Acquisitions and Dispositions of its Stock

Information about Schedule O (Form 5471) and its instructions is at www.irs.gov/form5471

▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND,	EIN (if any)	Reference ID number EMER2021

Important: Complete a separate Schedule O for each foreign corporation for which information must be reported.

Part I To Be Completed by U.S. Officers and Directors

(a) Name of shareholder for whom acquisition information is reported	(b) Address of shareholder	(c) Identifying number of shareholder	(d) Date of original 10% acquisition	(e) Date of additional 10% acquisition

Part II To Be Completed by U.S. Shareholders

Note: If this return is required because one or more shareholders became U.S. persons, attach a list showing the names of such persons and the date each became a U.S. person.

Section A - General Shareholder Information

(a) Name, address, and identifying number of shareholder(s) filing this schedule	(b) For shareholder's latest U.S. income tax return filed, indicate:			(c) Date (if any) shareholder last filed information return under section 6046 for the foreign corporation
	(1) Type of return (enter form number)	(2) Date return filed	(3) Internal Revenue Service Center where filed	
STMT 20 LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS				
NATIONAL FIRE PROTECTION 1 BATTERYMARCH PARK QUINCY, MA				

Section B - U.S. Persons Who Are Officers or Directors of the Foreign Corporation

(a) Name of U.S. officer or director	(b) Address	(c) Social security number	(d) Check appropriate box(es)	
			Officer	Director

Section C - Acquisition of Stock

(a) Name of shareholder(s) filing this schedule	(b) Class of stock acquired	(c) Date of acquisition	(d) Method of acquisition	(e) Number of shares acquired		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount paid or value given	(g) Name and address of person from whom shares were acquired

Section D - Disposition of Stock

(a) Name of shareholder disposing of stock	(b) Class of stock	(c) Date of disposition	(d) Method of disposition	(e) Number of shares disposed of		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount received	(g) Name and address of person to whom disposition of stock was made

Section E - Organization or Reorganization of Foreign Corporation

(a) Name and address of transferor	(b) Identifying number (if any)	(c) Date of transfer

(d) Assets transferred to foreign corporation			(e) Description of assets transferred by, or notes or securities issued by, foreign corporation
(1) Description of assets	(2) Fair market value	(3) Adjusted basis (if transferor was U.S. person)	

Section F - Additional Information

(a) If the foreign corporation or a predecessor U.S. corporation filed (or joined with a consolidated group in filing) a U.S. income tax return for any of the last 3 years, attach a statement indicating the year for which a return was filed (and, if applicable, the name of the corporation filing the consolidated return), the taxable income or loss, and the U.S. income tax paid (after all credits).

(b) List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock ►

(c) If the foreign corporation is a member of a group constituting a chain of ownership, attach a chart, for each unit of which a shareholder owns 10% or more in value or voting power of the outstanding stock. The chart must indicate the corporation's position in the chain of ownership and the percentages of stock ownership (see instructions for an example).

5471 SCHEDULE O

GENERAL SHAREHOLDER INFORMATION

STATEMENT 20

(A) NAME, ADDRESS, AND IDENTIFYING NUMBER OF SHAREHOLDER(S) FILING THIS SCHEDULE	(B) FOR SHAREHOLDER'S LATEST U.S. INCOME TAX RETURN FILED INDICATE:			(C) DATE SHAREHOLD -ER LAST FILED IN- FORMATION RTN UNDER SEC. 6046
	(1) TYPE OF RETURN (ENTER FORM NUMBER)	(2) DATE RETURN FILED	(3) INTERNAL REVENUE SERVICE CENTER WHERE FILED	

LUMINIS HEALTH AAMC
2001 MEDICAL PARKWAY ANNAPOLIS

NATIONAL FIRE PROTECTION
1 BATTERYMARCH PARK QUINCY, MA

**SCHEDULE P
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**

▶ **Attach to Form 5471.**

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

OMB No. 1545-0123

Name of U.S. shareholder LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD.	EIN (if any)	Reference ID number (see instructions) EMER2021
a Separate Category (Enter code - see instructions.) ▶		GEN
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Previously Taxed E&P in Functional Currency (see instructions)

		(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a	Balance at beginning of year (see instructions)							
b	Beginning balance adjustments (attach statement)							
c	Adjusted beginning balance (combine lines 1a and 1b)							
2	Reduction for taxes unsuspended under anti-splitter rules							
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4	Previously taxed E&P carried over in nonrecognition transaction							
5	Other adjustments (attach statement)							
6	Total previously taxed E&P (combine lines 1c through 5)							
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8	Actual distributions of previously taxed E&P ...							
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions) ...							
11	Other adjustments (attach statement) ...							
12	Balance at beginning of next year (combine lines 6 through 11)							

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule P (Form 5471) (Rev. 12-2019)

Part I Previously Taxed E&P in Functional Currency (see instructions) <i>(continued)</i>										
	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7					1165953.			521,736.	1687689.	
8										
9										
10										
11										
12					1165953.			521,736.	1687689.	

Part II Previously Taxed E&P in U.S. Dollars

		(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a	Balance at beginning of year (see instructions)							
b	Beginning balance adjustments (attach statement)							
c	Adjusted beginning balance (combine lines 1a and 1b)							
2	Reduction for taxes unsuspended under anti-splitter rules							
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4	Previously taxed E&P carried over in nonrecognition transaction							
5	Other adjustments (attach statement)							
6	Total previously taxed E&P (combine lines 1c through 5)							
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8	Actual distributions of previously taxed E&P							
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)							
11	Other adjustments (attach statement)							
12	Balance at beginning of next year (combine lines 6 through 11)							

Schedule P (Form 5471) (Rev. 12-2019)

Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7					1165953.				521,736.	1687689.
8										
9										
10										
11										
12					1165953.				521,736.	1687689.

Return of U.S. Persons With Respect to Certain Foreign Partnerships

▶ **Go to www.irs.gov/Form8865 for instructions and the latest information.**

2019

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign partnership's tax year

beginning **JAN 1**, 2019, and ending **DEC 31**, 2019

Attachment Sequence No. **118**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Filer's identification number 52-1169362
--	--

Filer's address (if you aren't filing this form with your tax return)	A Category of filer (see Categories of Filers in the instructions and check applicable box(es)): 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/>
	B Filer's tax year beginning JUL 1 , 2019, and ending JUN 30 , 2020

C Filer's share of liabilities: Nonrecourse \$ **187**. Qualified nonrecourse financing \$ **0**. Other \$ **0**.

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent:

Name LUMINIS HEALTH, INC.	EIN 52-1622253
Address 2000 MEDICAL PARKWAY, SUITE 606 ANNAPOLIS, MD 21401	

E Check if any excepted specified foreign financial assets are reported on this form. See instructions

F Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identification number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner

G1 Name and address of foreign partnership
GREENSPRING GLOBAL PARTNERS VIII-B, LP

100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117

2(a) EIN (if any) 98-1335583
2(b) Reference ID number
3 Country under whose laws organized CAYMAN ISLANDS

4 Date of organization 11/04/2016	5 Principal place of business OTHER COUNTRY	6 Principal business activity code number 523900	7 Principal business activity INVESTMENT	8a Functional currency US DOLLAR	8b Exchange rate (see instructions)
--	--	---	---	---	--

H Provide the following information for the foreign partnership's tax year:

1 Name, address, and identification number of agent (if any) in the United States GREENSPRING ASSOCIATES, INC. 100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117	2 Check if the foreign partnership must file: <input type="checkbox"/> Form 1042 <input type="checkbox"/> Form 8804 <input checked="" type="checkbox"/> Form 1065 Service Center where Form 1065 is filed: E-FILE
--	--

3 Name and address of foreign partnership's agent in country of organization, if any MAPLES CORPORATE SERVICES LIMITED P.O. BOX 309, UGLAND HOUSE , GRAND CAYMAN CAYMAN ISLANDS KY1-110	4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different GREENSPRING ASSOCIATES, INC. 100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117
--	---

5 During the tax year, did the foreign partnership pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions Yes No
If "Yes," enter the total amount of the disallowed deductions \$

6 Is the partnership a section 721(c) partnership, as defined in Temporary Regulations section 1.721(c)-1T(b)(14)? Yes No

7 Were any special allocations made by the foreign partnership? Yes No

8 Enter the number of Forms 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), attached to this return. See instructions **0**

9 How is this partnership classified under the law of the country in which it's organized? ▶ **PARTNERSHIP**

10 a Does the filer have an interest in the foreign partnership, or an interest indirectly through the foreign partnership, that's a separate unit under Reg. 1.1503(d)-1(b)(4) or part of a combined separate unit under Reg. 1.1503(d)-1(b)(4)(ii)? If "No," skip question 10b Yes No

b If "Yes," does the separate unit or combined separate unit have a dual consolidated loss, as defined in Reg. 1.1503(d)-1(b)(5)(ii)? Yes No

11 Does this partnership meet **both** of the following requirements?
 1. The partnership's total receipts for the tax year were less than \$250,000.
 2. The value of the partnership's total assets at the end of the tax year was less than \$1 million.
 If "Yes," don't complete Schedules L, M-1, and M-2. Yes No

- 12 a** Is the filer of this Form 8865 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule N? Yes No
- b** If "Yes," enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with or by the foreign partnership that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) ▶ _____
- c** If "Yes," enter the amount of gross income derived from a license of property to or by the foreign partnership that the filer included in its computation of FDDEI ▶ _____
- d** If "Yes," enter the amount of gross income derived from services provided to or by the foreign partnership that the filer included in its computation of FDDEI ▶ _____
- 13** Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership ▶ _____
- 14** At any time during the tax year were any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? Yes No
- 15 a** Were there any transfers of property or money within a 2-year period between the partnership and any of its partners that would require disclosure under Regs. 1.703-3 or 1.707-6? If "Yes," attach a statement identifying the transfers, the amount or value of each transfer, and an explanation of the tax treatment. See instructions for exceptions Yes No
- b** Did the partnership assume a liability or receive property subject to a liability where such liability was incurred by a partner within a 2-year period of transferring the property to the partnership? If "Yes," attach a statement identifying the property transferred, the amount or value of each transfer, the debt assumed or taken by the partnership, and an explanation of the tax treatment Yes No

Sign Here Only if You're Filing This Form Separately and Not With Your Tax Return. 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 general partner or limited liability company member) is based on all information of which preparer has any knowledge.

▶ _____ Signature of general partner or limited liability company member ▶ _____ Date

Paid Preparer Use Only	Print/Type preparer's name LORI S. BURGHAUSER	Preparer's signature <i>Lori Burghauser</i>	Date 05/08/21	Check <input type="checkbox"/> if self-employed	PTIN P00370694
	Firm's name ▶ SC&H GROUP, INC.			Firm's EIN ▶ 20-5991824	
	Firm's address ▶ 910 RIDGEBROOK ROAD			Phone no. (410) 403-1500	
	SPARKS, MD 21152				

Schedule A Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box **b**, enter the name, address, and U.S. taxpayer identification number (if any) of the person(s) whose interest you constructively own. See instructions.

a Owns a direct interest **b** Owns a constructive interest

Name	Address	Identification number (if any)	Check if foreign person	Check if direct partner

Schedule A-1 Certain Partners of Foreign Partnership (see instructions)

Name	Address	Identification number (if any)	Check if foreign person

Schedule A-2 Foreign Partners of Section 721(c) Partnership (see instructions)

Name of foreign partner	Address	Country of organization (if any)	U.S. taxpayer identification number (if any)	Check if related to U.S. transferor	Percentage interest	
					Capital	Profits
				<input type="checkbox"/>	%	%
				<input type="checkbox"/>	%	%

Does the partnership have any other foreign person as a direct partner? Yes No

Schedule A-3 Affiliation Schedule. List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership
GREENSPRING GLOBAL PARTNER	100 PAINTERS MILL ROAD	81-4458274		
	OWINGS MILLS, MD 21117			

**SCHEDULE O
(Form 8865)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Transfer of Property to a Foreign Partnership
(Under Section 6038B)**

OMB No. 1545-1668

▶ **Attach to Form 8865. See the Instructions for Form 8865.**
▶ **Go to www.irs.gov/Form8865 for instructions and the latest information.**

Name of transferor **LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.** Filer's identifying number **52-1169362**

Name of foreign partnership **GREENSPRING GLOBAL PARTNERS VIII-** EIN (if any) **98-1335583** Reference ID number (see instr)

- 1 a** Is the partnership a section 721(c) partnership (as defined in Temporary Regulations section 1.721(c)-1T(b)(14))? See instructions Yes No
b If "Yes," was the gain deferral method applied to avoid the recognition of gain upon the contribution of property? Yes No
2 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Part I Transfers Reportable Under Section 6038B

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Recovery period	(f) Section 704(c) allocation method	(g) Gain recognized on transfer
Cash	01/01/20		1,000,000.				
Stock, notes receivable and payable, and other securities							
Inventory							
Tangible property used in trade or business							
Intangible property described in section 197(f)(9)							
Intangible property, other than intangible property described in section 197(f)(9)							
Other property							
Totals			1,000,000.				

3 Enter the transferor's percentage interest in the partnership: (a) Before the transfer **.9860** % (b) After the transfer **.9720** %

Supplemental Information Required To Be Reported (see instructions):

Part II Dispositions Reportable Under Section 6038B

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

Part III Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)? Yes No

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

Schedule O (Form 8865) 12-2018

**Return by a U.S. Transferor of Property
 to a Foreign Corporation**

▶ Go to www.irs.gov/Form926 for instructions and the latest information.
 ▶ Attach to your income tax return for the year of the transfer or distribution.

Part I U.S. Transferor Information (see instructions)

Name of transferor LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Identifying number (see instructions) 52-1169362
---	--

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation? Yes No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation LUMINIS HEALTH, INC.	EIN of parent corporation 52-1622253
---	--

- d** Have basis adjustments under section 367(a)(4) been made? Yes No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
N/A	

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

4 Name of transferee (foreign corporation) ABERDEEN U.S. PRIVATE EQUITY VII (OFFSHORE), LP	5a Identifying number, if any 98-1334150
---	---

6 Address (including country) 94 SOLARIS AVENUE, PO BOX 1348 CAMANA BAY KY1-1108 CAYMAN ISLANDS	5b Reference ID number
--	-------------------------------

7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

- 9** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	10/16/2019		850,000.		

10 Was cash the only property transferred? **Yes** **No**
 If "Yes," skip the remainder of Part III and go to Part IV.

Section B - Other Property (other than intangible property subject to section 367(d))

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

11 Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed? **Yes** **No**

12 a Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation? **Yes** **No**
 If "Yes," go to line 12b.

b Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation? **Yes** **No**
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.

c Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation? **Yes** **No**
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.

d Enter the transferred loss amount included in gross income as required under section 91 ► \$ _____

13 Did the transferor transfer property described in section 367(d)(4)? **Yes** **No**
 If "No," skip Section C and questions 14a through 15.

Section C - Intangible Property Subject to Section 367(d)

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years? Yes No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life? Yes No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property? Yes No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ _____
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Supplemental Part III Information Required To Be Reported (see instructions)

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., ON VARIOUS DATES THROUGHOUT THE YEAR, TRANSFERRED CASH WITH AN AGGREGATE FAIR MARKET VALUE AND A BASIS OF \$1,000,000 TO ABERDEEN U.S. PRIVATE EQUITY VII (OFFSHORE), LP. NO PRIVATE LETTER RULINGS WERE ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE.

Part IV Additional Information Regarding Transfer of Property (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.
(a) Before 4.227 % (b) After 4.227 %
- 17 Type of nonrecognition transaction (see instructions) ▶ IRC SECTION 351
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
 - a Gain recognition under section 904(f)(3) Yes No
 - b Gain recognition under section 904(f)(5)(F) Yes No
 - c Recapture under section 1503(d) Yes No
 - d Exchange gain under section 987 Yes No
- 19 Did this transfer result from a change in entity classification? Yes No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions) Yes No
If "Yes," complete lines 20b and 20c.
- b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ _____
- c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)? Yes No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions Yes No

**Return by a U.S. Transferor of Property
 to a Foreign Corporation**

OMB No. 1545-0026

▶ Go to www.irs.gov/Form926 for instructions and the latest information.
 ▶ Attach to your income tax return for the year of the transfer or distribution.

Attachment
 Sequence No. **128**

Part I U.S. Transferor Information (see instructions)

Name of transferor LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Identifying number (see instructions) 52-1169362
---	--

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation? Yes No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation LUMINIS HEALTH, INC.	EIN of parent corporation 52-1622253
---	--

- d** Have basis adjustments under section 367(a)(4) been made? Yes No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
N/A	

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

Name of transferee (foreign corporation) COTTAGE INSURANCE COMPANY, LTD.	5a Identifying number, if any 98-0461499
--	--

Address (including country) P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	5b Reference ID number
---	------------------------

7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

- 9** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	07/01/2019		8,120,509.		

10 Was cash the only property transferred? **Yes** **No**
 If "Yes," skip the remainder of Part III and go to Part IV.

Section B - Other Property (other than intangible property subject to section 367(d))

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

11 Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed? **Yes** **No**

12 a Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation? **Yes** **No**
 If "Yes," go to line 12b.

b Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation? **Yes** **No**
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.

c Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation? **Yes** **No**
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.

d Enter the transferred loss amount included in gross income as required under section 91 ► \$ _____

13 Did the transferor transfer property described in section 367(d)(4)? **Yes** **No**
 If "No," skip Section C and questions 14a through 15.

Section C - Intangible Property Subject to Section 367(d)

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years? Yes No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life? Yes No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property? Yes No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ► \$ _____
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Supplemental Part III Information Required To Be Reported (see instructions)
SEE STATEMENT 21

Part IV Additional Information Regarding Transfer of Property (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.
 (a) Before 100.000 % (b) After 100.000 %
- 17 Type of nonrecognition transaction (see instructions) ► IRC SECTION 351
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
 - a Gain recognition under section 904(f)(3) Yes No
 - b Gain recognition under section 904(f)(5)(F) Yes No
 - c Recapture under section 1503(d) Yes No
 - d Exchange gain under section 987 Yes No
- 19 Did this transfer result from a change in entity classification? Yes No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions) Yes No
 If "Yes," complete lines 20b and 20c.
 b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ► \$ _____
 c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)? Yes No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions Yes No

FORM 926

STATEMENT 21

STATEMENT PURSUANT TO SECTION 1.351-3(A) BY LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., 52-1169362, A SIGNIFICANT TRANSFEROR:

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., ON VARIOUS DATES THROUGHOUT THE YEAR, TRANSFERRED CASH WITH AN AGGREGATE FAIR MARKET VALUE AND A BASIS OF \$8,120,509 TO COTTAGE INSURANCE COMPANY, LTD. NO PRIVATE LETTER RULINGS WERE ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KEVIN L. SMITH

- The books are in the care of ▶ **2000 MEDICAL PARKWAY, SUITE 606 - ANNAPOLIS, MD 21401**
Telephone No. ▶ **(443) 481-1308** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Application for Automatic Extension of Time To File an Exempt Organization Return

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Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 7

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KEVIN L. SMITH

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Telephone No. ▶ **(443) 481-1308** Fax No. ▶ _____
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- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

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 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 23,000.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 15,000.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 8,000.

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Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
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Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

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 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 210,000.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 210,000.

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CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Luminis Health, Inc. and Subsidiaries
Years Ended June 30, 2020 and 2019
With Report of Independent Auditors

Ernst & Young LLP



Luminis Health, Inc. and Subsidiaries
Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2020 and 2019

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Ernst & Young LLP
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1201 Wills Street
Baltimore, MD 21231

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Fax: +1 410 783 3832
ey.com

Report of Independent Auditors

The Board of Trustees
Luminis Health, Inc.

We have audited the accompanying consolidated financial statements of Luminis Health, Inc. (a Maryland not-for-profit corporation) and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Doctors Community Medical Center and subsidiaries, a wholly owned subsidiary, which statements reflect total assets of \$320,453,000 as of June 30, 2020, and revenues and gains in excess of expenses of \$4,460,000, for the year then ended or the financial statements of Cottage Insurance Company, Ltd., a wholly owned subsidiary, which statements reflect total assets of \$38,974,000 and \$39,535,000 as of June 30, 2020 and 2019, respectively, and net loss after elimination of intercompany revenues of \$10,246,000 and \$10,149,000, respectively, for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Doctors Community Medical Center and subsidiaries and Cottage Insurance Company, Ltd., are based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Luminis Health, Inc. and subsidiaries at June 30, 2020 and 2019, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Adoption of New Accounting Pronouncements

As discussed in Note 2 to the consolidated financial statements, Luminis Health, Inc. and subsidiaries changed its method of accounting for leases as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, effective July 1, 2019. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The signature of Ernst & Young LLP is written in a black, cursive script. The words 'Ernst & Young' are written in a larger, more prominent font, with 'LLP' in a smaller font to the right.

October 23, 2020

Luminis Health, Inc. and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 178,795,000	\$ 15,100,000
Short-term investments	1,365,000	15,261,000
Current portion of assets whose use is limited	15,912,000	15,190,000
Patient receivables, net	118,882,000	80,307,000
Current portion of pledges receivable, net	945,000	494,000
Inventories	21,789,000	8,650,000
Prepaid expenses and other current assets	19,857,000	14,125,000
Total current assets	<u>357,545,000</u>	<u>149,127,000</u>
Property and equipment	1,096,845,000	918,666,000
Less accumulated depreciation and amortization	<u>(538,353,000)</u>	<u>(493,004,000)</u>
Net property and equipment	<u>558,492,000</u>	<u>425,662,000</u>
Other assets:		
Investments	338,985,000	386,056,000
Investments in joint ventures	14,024,000	8,886,000
Pledges receivable, net	3,192,000	2,802,000
Assets whose use is limited	41,020,000	35,973,000
Restricted collateral for interest rate swap contract	110,002,000	67,404,000
Right of use asset	44,995,000	—
Other assets	53,613,000	34,374,000
Total assets	<u>\$ 1,521,868,000</u>	<u>\$ 1,110,284,000</u>

Luminis Health, Inc. and Subsidiaries
Consolidated Balance Sheets (continued)

	June 30	
	2020	2019
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 40,441,000	\$ 30,458,000
Accrued salaries, wages, and benefits	53,438,000	37,814,000
Other accrued expenses	32,413,000	18,389,000
Current portion of long-term debt	16,440,000	11,029,000
Advances from third-party payors	182,697,000	23,903,000
Current portion of lease liability	8,753,000	—
Total current liabilities	334,182,000	121,593,000
Long-term debt, less current portion and unamortized original issue premium	470,308,000	359,735,000
Interest rate swap contracts	117,037,000	78,479,000
Accrued pension liability	29,276,000	6,076,000
Lease liability, less current portion	37,429,000	—
Other long-term liabilities	47,032,000	37,010,000
Total liabilities	1,035,264,000	602,893,000
Net assets:		
Without donor restrictions	460,552,000	482,661,000
With donor restrictions	23,861,000	24,730,000
Non-controlling interest	2,191,000	—
Total net assets	486,604,000	507,391,000
Total liabilities and net assets	\$ 1,521,868,000	\$ 1,110,284,000

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2020	2019
Operating revenue:		
Net patient service revenue	\$ 969,105,000	\$ 742,876,000
Other operating revenue	78,393,000	33,180,000
Total operating revenue	<u>1,047,498,000</u>	<u>776,056,000</u>
Operating expenses:		
Salaries and wages	479,880,000	349,660,000
Employee benefits	75,930,000	56,356,000
Supplies	197,487,000	159,489,000
Purchased services	226,375,000	137,557,000
Depreciation and amortization	45,994,000	36,833,000
Interest	16,151,000	13,118,000
Transaction costs	—	3,279,000
Total operating expenses	<u>1,041,817,000</u>	<u>756,292,000</u>
Operating income	<u>5,681,000</u>	<u>19,764,000</u>
Other (loss) income:		
Investment (loss) income, net	(9,700,000)	13,873,000
Loss from joint ventures and other, net	(673,000)	(545,000)
Inherent contribution	61,715,000	—
Pension credit (expense), net	1,116,000	(4,777,000)
Unrealized (losses) gains on trading securities, net	(15,151,000)	10,034,000
Realized and unrealized losses on interest rate swap contracts, net	<u>(43,149,000)</u>	<u>(23,361,000)</u>
Total other loss, net	<u>(5,842,000)</u>	<u>(4,776,000)</u>
(Deficit) excess of revenue over expenses	<u>\$ (161,000)</u>	<u>\$ 14,988,000</u>

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, June 30, 2018	\$ 469,018,000	\$ 26,304,000	\$ 495,322,000
Excess of revenues over expenses	14,988,000	–	14,988,000
Pension liability adjustment	(2,784,000)	–	(2,784,000)
Released from restrictions used for			
purchase of property and equipment	163,000	–	163,000
Transfers and other, net	1,276,000	–	1,276,000
Restricted gifts, bequests, and contributions	–	5,451,000	5,451,000
Unrealized losses on investments	–	(18,000)	(18,000)
Restricted investment income	–	60,000	60,000
Net assets released from restrictions	–	(7,964,000)	(7,964,000)
Other	–	897,000	897,000
Changes in net assets	<u>13,643,000</u>	<u>(1,574,000)</u>	<u>12,069,000</u>
Net assets, June 30, 2019	482,661,000	24,730,000	507,391,000
Net assets acquired	2,265,000	487,000	2,752,000
Deficit of revenues over expenses	(161,000)	–	(161,000)
Pension liability adjustment	(24,810,000)	–	(24,810,000)
Released from restrictions used for			
purchase of property and equipment	1,837,000	–	1,837,000
Transfers and other, net	951,000	(598,000)	353,000
Restricted gifts, bequests, and contributions	–	9,518,000	9,518,000
Unrealized losses on investments	–	(3,394,000)	(3,394,000)
Restricted investment income	–	693,000	693,000
Net assets released from restrictions	–	(7,575,000)	(7,575,000)
Changes in net assets	<u>(19,918,000)</u>	<u>(869,000)</u>	<u>(20,787,000)</u>
Net assets, June 30, 2020	<u>\$ 462,743,000</u>	<u>\$ 23,861,000</u>	<u>\$ 486,604,000</u>

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2020	2019
Operating activities		
(Decrease) increase in net assets	\$ (20,787,000)	\$ 12,069,000
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Change in net unrealized losses (gains) on investments	18,545,000	(10,016,000)
Realized and unrealized losses on interest rate swap contracts, net	43,149,000	23,361,000
Pension liability adjustment	24,810,000	2,784,000
Equity in earnings of joint ventures and other	804,000	854,000
Restricted contributions and pledges, net	(9,518,000)	(5,374,000)
Depreciation and amortization	45,994,000	36,833,000
Restricted investment income	(693,000)	(60,000)
Decrease (increase) in investments – trading	60,680,000	(86,894,000)
(Increase) decrease in assets whose use is limited, net – trading	(5,164,000)	625,000
Inherent contribution and net assets acquired	(64,467,000)	–
Net change in operating assets and liabilities	154,413,000	6,846,000
Net cash provided by (used in) operating activities	<u>247,766,000</u>	<u>(18,972,000)</u>
Investing activities		
Purchases of property and equipment	(62,284,000)	(34,686,000)
Payments on interest rate swaps	(4,591,000)	(4,185,000)
Cash acquired	34,168,000	–
Net cash used in investing activities	<u>(32,707,000)</u>	<u>(38,871,000)</u>
Financing and fundraising activities		
Payoff amount for 2008 Term and Construction Loans	–	(61,920,000)
Proceeds received from real estate loan	–	61,920,000
Repayments of long-term debt	(17,530,000)	(11,310,000)
Restricted contributions received and other	8,676,000	6,193,000
Restricted income received	693,000	60,000
Net cash used in financing and fundraising activities	<u>(8,161,000)</u>	<u>(5,057,000)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	206,898,000	(62,900,000)
Cash, cash equivalents, and restricted cash at beginning of year	98,930,000	161,830,000
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 305,828,000</u>	<u>\$ 98,930,000</u>
Cash and cash equivalents	\$ 178,795,000	\$ 15,100,000
Restricted cash, included in restricted collateral and assets whose use is limited	127,033,000	83,830,000
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 305,828,000</u>	<u>\$ 98,930,000</u>

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30	
	2020	2020
Changes in operating assets and liabilities		
(Decrease) increase in operating assets:		
Patient receivables, net	\$ 265,000	\$ (1,418,000)
Inventories	(8,896,000)	(674,000)
Prepaid expenses and other	3,869,000	(2,734,000)
Other assets	11,797,000	10,425,000
	<u>7,035,000</u>	<u>5,599,000</u>
Increase in operating liabilities:		
Accounts payable	(5,845,000)	8,543,000
Accrued salaries, wages, and benefits	(422,000)	1,714,000
Other accrued expenses	14,024,000	(3,089,000)
Advances from third-party payors	151,029,000	2,898,000
Other long-term liabilities	(11,408,000)	(8,819,000)
	<u>147,378,000</u>	<u>1,247,000</u>
Net change in operating assets and liabilities	<u>\$ 154,413,000</u>	<u>\$ 6,846,000</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	<u>\$ 15,541,000</u>	<u>\$ 13,118,000</u>

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2020

1. Organization and Basis of Presentation

Luminis Health, Inc. (Luminis or the System), formerly known as Anne Arundel Health System, Inc. (AAHS), is a Maryland not-for-profit corporation. Luminis has the following wholly owned subsidiaries: Anne Arundel Medical Center, Inc. (the Hospital or AAMC) and its subsidiaries, Anne Arundel General Treatment Services, Inc. (GTS), Anne Arundel Mental Health Hospital, Inc., and Cottage Insurance Company, Ltd. (Cottage); Anne Arundel Medical Center Foundation, Inc. (the Foundation); Anne Arundel Health Care Services, Inc. (HCS); Anne Arundel Health Care Enterprises, Inc. (HCE); Physician Enterprise, LLC (PE) and its subsidiaries, Anne Arundel Physician Group, LLC, Orthopedic Physicians of Annapolis, Anne Arundel Medical Group Physical Therapy, LLC, and Community Clinics; Anne Arundel Real Estate Holding Company, Inc. (the Real Estate Company) and its subsidiaries, Pavilion Park, Inc. (PPI), Annapolis Exchange, LLC, and Blue Building, LLC; Anne Arundel Health System Research Institute, Inc. (RI); and Anne Arundel Medical Center Collaborative Care Network, LLC. AAMC is a private, not-for-profit corporation that operates a 349-licensed bed acute care hospital. AAMC, the Real Estate Company, and PPI own an interest in Kent Island Medical Arts, LLC (KIMA), a limited liability company that owns and operates a medical office building. PPI is the managing member of KIMA and has substantive participation rights in KIMA. The financial statements of KIMA are consolidated in the accompanying consolidated financial statements. The non-controlling interest in KIMA was 50% as of June 30, 2020 and 2019. The interest was \$929,000 and \$884,000 at June 30, 2020 and 2019, respectively, and is included within net assets without donor restriction on the accompanying consolidated balance sheets.

On July 1, 2019, Anne Arundel Health System, Inc. and Doctors Community Hospital and subsidiaries executed an affiliation agreement (the Agreement) providing for an affiliation between AAHS and Doctors Community Hospital and subsidiaries. In September 2019, Doctors Community Hospital and subsidiaries changed its name to Doctors Community Medical Center and subsidiaries (DCMC). This affiliation agreement resulted in DCMC becoming a wholly owned subsidiary of AAHS. DCMC is a Maryland health system that includes an acute care hospital and a network of other health care providers serving residents of Prince Georges County region near Lanham, Maryland, east of Washington, DC. On the date of the affiliation, the articles of incorporation and bylaws of DCMC were amended such that AAHS became the sole corporate member of the Doctors Community Medical Center and its subsidiaries. As part of the Agreement, AAHS committed approximately \$138,000,000 over a five-year period in strategic investments to DCMC to expand health care services.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

DCMC includes the following: Doctors Community Hospital, Inc. and its subsidiaries Doctors Community Medical Group, LLC; Doctors Community Healthcare Programs, LLC; Doctors Community Hospital Clinic, LLC; Doctors Community Health Ventures, Inc.; Doctors Regional Cancer Center LLC; Southern Maryland Integrated Care LLC; and Doctors Community Hospital Foundation, Inc. Doctors Community Hospital, Inc. is a nonprofit corporation that operates an acute care general hospital facility licensed for 190 beds. The accompanying consolidated financial statements include non-controlling interest held by third parties in less than wholly owned subsidiaries. The interest at DCMC was \$2,191,000 at June 30, 2020, and is included within net assets without donor restriction on the accompanying consolidated balance sheets.

In September 2019, Anne Arundel Health System, Inc. changed its name to Luminis Health, Inc.

Global Pandemic

In response to the ongoing COVID-19 pandemic, the Governor of the state of Maryland proclaimed a state of emergency and catastrophic health emergency within the state of Maryland on March 5, 2020, and renewed on March 17, 2020, April 10, 2020, and May 6, 2020. Effective March 16, 2020, all Maryland hospitals were ordered by the Maryland Department of Health to cease all elective and non-urgent medical procedures for the duration of the catastrophic health emergency. The Governor issued a state-wide stay-at-home order effective March 30, 2020.

Effective May 7, 2020, the Maryland Department of Health allowed resumption of elective and non-urgent medical procedures, and effective May 15, 2020, major provisions of the Governor's stay-at-home order were rescinded.

In response to the global pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law on March 27, 2020. The CARES Act authorized funding to hospitals and other health care providers to be distributed through the Public Health and Social Services Emergency Fund (Relief Fund). Payments from the Relief Fund are to be used to prevent, prepare for, and respond to coronavirus, and shall reimburse the recipient for health care related expenses or lost revenues/margins attributable to coronavirus and are not required to be repaid, provided the recipients attest to and comply with the terms and conditions.

The HSCRC has publicly announced its intention to support Maryland hospitals during the state of emergency and catastrophic health emergency within the state of Maryland and its collaboration with other Maryland regulatory agencies to remove licensure, regulatory, and other barriers to

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

hospitals in the provision of emergency health care services. Recognizing that hospitals will experience volume decline due to self-quarantining and canceled elective surgeries, the HSCRC has stated that Maryland hospitals will be permitted to increase rate corridors up to the 10% threshold or by an additional 5% from their current charging position, whichever is greater. This action is intended to allow hospitals that are undercharged under their Global Budget Revenue due to volume losses to increase their charges in order to make up for lost revenue and prepare for the eventual increase in COVID-19-related patient volume. The HSCRC has stated that this rate corridor increase will be a temporary, onetime adjustment to ensure financial viability of Maryland hospitals as they prepare for increased volume in COVID-19 patients. The HSCRC has also stated that it will consider additional corridor relief beyond this new policy on a case-by-case basis.

To further accommodate any Global Budget Revenue that Maryland hospitals may be unable to bill in fiscal year 2020 due to fluctuating volumes resulting from the COVID-19 pandemic, the HSCRC has stated that it will suspend undercharge penalties and allow Maryland hospitals to recoup those undercharges over the 12 months of fiscal year 2021 as a onetime adjustment net of the application of CARES Act relief funding. The HSCRC is proposing to reduce the System's undercharge by an amount derived from the CARES Act funding. Maryland hospitals will be allowed to bill any net undercharge in the next fiscal year, thus allowing them to recoup a portion of lost revenue associated with the catastrophic health emergency period. Further action by the HSCRC is expected in order to aid Maryland hospitals with regard to the increased expenses resulting from the COVID-19 pandemic.

The COVID-19 pandemic has severely impacted global financial markets and travel and commerce generally. As a result of the COVID-19 pandemic, many businesses and retail establishments in the United States, including Maryland, have closed or reduced business activity. Many potential patients are now unemployed, have been furloughed or their work hours have been reduced, which results in reduced wages and potential loss of health care insurance. The System cannot determine at this time the long-term impact of the COVID-19 pandemic on the System's ability to conduct its operations and the costs of its operations, its financial condition, or the returns and value of its investments and any effect on its pension funding and contribution obligations. In addition, while the suspension with respect to elective and non-urgent medical procedures was lifted, to date the volume of elective and non-urgent medical procedures, and the revenues resulting from such procedures, have not returned to pre-suspension levels and the amount of time needed to establish the volume of such procedures to pre-suspension levels cannot be determined.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Luminis and its wholly owned subsidiaries. The financial results of Doctors Community Medical Center and subsidiaries are only included from the date of acquisition, which was July 1, 2019. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Acquisition of Doctors' Hospital, Inc.

On July 1, 2019, AAHS completed a transaction that resulted in Doctors Community Hospital and subsidiaries becoming a wholly owned subsidiary of AAHS. This transaction was accounted for as an acquisition under Accounting Standards Codification (ASC) 958-805, *Not-for-Profit Mergers and Acquisitions*, during the year ended June 30, 2020.

The System elected to apply pushdown accounting whereby individual assets and liabilities were adjusted to the new basis of accounting as of the acquisition date.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The following information summarizes the recorded fair values of the assets acquired and liabilities assumed as of the date of the acquisition:

Cash and cash equivalents	\$ 34,168,000
Patient accounts receivable, net	38,840,000
Other receivables	5,620,000
Inventories	4,243,000
Prepaid expenses	3,981,000
Marketable securities	18,258,000
Joint ventures and equity investments	5,942,000
Property and equipment	116,540,000
Other noncurrent assets	30,093,000
Total assets acquired	<u>257,685,000</u>
Accounts payable and accrued expenses	31,875,000
Advances from third-party payors	7,765,000
Current portion of long-term debt	4,448,000
Long-term debt	128,123,000
Net pension liability	5,001,000
Deferred compensation and claims incurred but not reported	16,006,000
Total liabilities assumed	<u>193,218,000</u>
Non-controlling interest	<u>2,265,000</u>
Net assets acquired, net of non-controlling interest	<u>\$ 62,202,000</u>

An inherent contribution of \$61,715,000 was recorded by Luminis on its consolidated statements of operations and changes in net assets resulting from the difference between the net assets acquired, net of non-controlling interest and net assets with donor restrictions at Doctors Community Hospital and subsidiaries as of the acquisition date. Net assets with donor restrictions of \$487,000 was recorded within changes in net assets with donor restrictions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking and savings accounts, money market accounts, and short-term certificates of deposit with original maturities of 90 days or less, excluding those held in short-term investments and those classified as long-term investments. Cash balances and collateral held by a counterparty are principally uninsured and are subject to normal credit risks. At June 30, 2020 and 2019, and at various times during the year, the System maintained cash-in-bank balances in excess of the \$250,000 federally insured limits.

Derivative Instruments

On May 10, 2006, the Hospital entered into a forward variable-to-fixed interest rate swap agreement with an effective date of November 1, 2008. This contract was entered into in an effort to reduce the risk of variable interest rate debt and has a term through July 1, 2048. Under ASC 815, *Derivatives and Hedging*, the Hospital has recognized its derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value. As these derivative instruments are not designated as hedges, the unrealized gain or loss on these contracts has been recognized on the accompanying consolidated statements of operations and changes in net assets as realized and unrealized gains (losses) on interest rate swap contracts, net. The fair market values of the derivative instruments include a credit valuation adjustment (CVA) as required by ASC 820, *Fair Value Measurement*. When applying the CVA, the valuation of the variable-to-fixed interest rate swap contract was decreased by \$375,000 and \$361,000 as of June 30, 2020 and 2019, respectively.

On March 23, 2016, in an effort to reduce the amount of restricted cash pledged as collateral with the original counterparty, the Hospital entered into a novation agreement with a second counterparty. Immediately prior to the novation agreement, the System modified the existing swap to bifurcate the existing swap into a five-year swap with the remainder into a 2021 through 2048 swap. The terms of the bifurcated swap remain identical to the original swap. The novation agreement resulted in the return of \$29,164,000 as of June 30, 2016.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

A summary of the Hospital's derivative instruments and related activity at June 30 and for the years then ended, is as follows:

<u>Description of Derivative Instrument</u>	<u>Fair Value Liability</u>	
	<u>2020</u>	<u>2019</u>
Variable-to-fixed interest rate swap contract (maturity date March 2021)	\$ (4,442,000)	\$ (8,126,000)
Variable-to-fixed interest rate swap contract (maturity date July 2048)	<u>(112,595,000)</u>	<u>(70,353,000)</u>
	<u>\$(117,037,000)</u>	<u>\$ (78,479,000)</u>

The change in unrealized losses recognized in (deficit) excess of revenues over expenses for the years ended June 30, 2020 and 2019, were \$38,558,000 and \$19,176,000, respectively.

At June 30, 2020 and 2019, the net termination value (i.e., mark-to-market value) of the derivative instruments totaled \$119,671,000 and \$78,840,000, respectively. The Hospital may be exposed to credit loss in the event of nonperformance by the other party to the interest rate swap agreements, the risk of which is reflected in the fair value of the instruments under ASC 820. However, the Hospital does not anticipate nonperformance by the counterparty.

During fiscal year 2020 and 2019, the Hospital paid net payments under its interest rate swap program of \$4,591,000 and \$4,185,000, respectively. These amounts are included within realized and unrealized gains (losses) on interest rate swap contracts, net on the accompanying consolidated statements of operations and changes in net assets and within investing activities on the accompanying consolidated statements of cash flows.

Under the derivative contract for the 2021 through 2048 swap, the Hospital must transfer collateral for the benefit of the counterparty, to the extent that the termination values exceed certain limits. The Hospital's collateral requirement for the benefit of the counterparty was approximately \$110,002,000 and \$67,404,000 at June 30, 2020 and 2019, respectively. The ongoing mark-to-market values and resulting collateral requirements of the Hospital's interest rate swap contract are subject to variability based on market factors (primarily changes in interest rates). Collateral requirements under this interest rate swap contract are excluded from unrestricted cash and investments for purposes of determining the System's compliance with its liquidity covenants

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

under its Maryland Health and Higher Educational Facilities Authority (MHHEFA or the Authority) revenue bond agreements and its derivative agreements. Collateral amounts are included in noncurrent assets on the accompanying consolidated balance sheets. Approximately \$575,000 and \$2,795,000 of collateral was due to the financial institution as of June 30, 2020 and 2019.

The amount due to the financial institution is included in other accrued expenses on the accompanying consolidated balance sheet as of June 30, 2020 and 2019, and is reflected within investing activities on the accompanying consolidated statement of cash flows.

Assets Whose Use is Limited and Investments

Assets whose use is limited are principally composed of certain funds established to be held and invested by a trustee. These funds are related to the issuance of the Hospital's revenue bonds, investments held at Cottage, and certain permanently restricted endowment assets.

	June 30	
	2020	2019
Current:		
Principal, interest and other – bonds	\$ 12,382,000	\$ 12,258,000
Investments held at trustee	3,530,000	2,932,000
	\$ 15,912,000	\$ 15,190,000
Noncurrent:		
Endowment assets	\$ 15,482,000	\$ 16,641,000
Investments held at trustee	25,538,000	19,332,000
	\$ 41,020,000	\$ 35,973,000

The fair values of publicly traded securities and mutual funds are based on quoted market prices of individual securities or investments or estimated amounts using quoted market prices of similar investments. Alternative investments, some of which are structured so that the System holds limited partnership interests, are stated at fair value as estimated in an unquoted market. Valuations of these investments, and therefore the System's holdings, may be determined by the investment manager or general partner and for fund-of-funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

other estimates that require varying degrees of judgment. Investment income or loss from all unrestricted investments is included on the accompanying consolidated statements of operations and changes in net assets as part of other income (loss).

Investment income or loss on investments of assets with donor restrictions is added to or deducted from the restricted fund balance if the income is restricted. The cost of securities sold is based on the specific-identification method.

All investment balances are principally uninsured and subject to normal credit risk. Investments are classified as either current or noncurrent based on the maturity dates and the availability for current operations. Investments included in noncurrent assets consist of board-designated investment funds of \$338,985,000 and \$386,056,000 as of June 30, 2020 and 2019, respectively. Based on the System's investment policy, such amounts could be liquidated, at the discretion of the board, to satisfy short-term requirements.

Substantially all investments, other than borrowed funds required to be expended for capital projects, are classified as trading securities, with unrealized gains and losses included in (deficit) excess of revenues over expenses.

Borrowed funds required to be expended for capital projects are classified as other-than-trading and are included in assets whose use is limited.

Patient Receivables

Patient receivable include charges for amounts due from all patients less price concessions relating to allowances for the excess of established charges over the payments to be received on behalf of patients covered by Medicare, Medicaid, and other insurers. The provision for price concessions is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the price concessions based upon historical experience of self-pay accounts receivable, including those balances after insurance payments and not covered by insurance.

Insurance coverage and credit information are obtained from patients, when available. No collateral is obtained for accounts receivable.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Inventories

Inventories, which primarily consist of medical supplies and drugs, are carried at the lower of cost or market. Cost is determined using the first-in, first-out method (FIFO) or a similar method that approximates FIFO.

Property and Equipment

Property and equipment are stated at cost or fair value as of the acquisition date for DCMC property and equipment. Included in computers and software are capitalized labor costs of \$14,344,000 and \$11,594,000 as of June 30, 2020 and 2019, respectively. Depreciation and amortization, including amortization of assets recorded under capital leases, are recorded on the straight-line method over the estimated useful lives of the assets.

The following is a summary of property and equipment:

	Estimated Useful Lives	June 30 2020	2019
Land		\$ 22,823,000	\$ 14,901,000
Land improvements	20 years	23,480,000	22,413,000
Buildings and improvements	20–40 years	592,593,000	491,022,000
Fixed equipment	5–20 years	55,510,000	10,824,000
Leasehold improvements	5–10 years	62,389,000	55,651,000
Movable equipment	7–10 years	221,851,000	203,404,000
Computers and software	3–5 years	96,079,000	88,528,000
Construction-in-progress	–	22,120,000	31,923,000
		\$ 1,096,845,000	\$ 918,666,000

Construction-in-progress consists of direct costs associated with hospital department renovations, certain leasehold improvements, and smaller capital projects. As these projects are completed, the related assets are transferred out of construction-in-progress and into the appropriate asset category and are depreciated over the applicable useful lives.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments in Joint Ventures

Luminis accounts for its investments in joint ventures using the equity method of accounting. During 2011, the Real Estate Company and another party formed West County, LLC, a joint venture that owns and operates a medical office building that opened in December 2012. The Real Estate Company has a 50% interest in this joint venture, with each owner's investment being \$7,575,000 and \$7,242,000 as of June 30, 2020 and 2019, respectively.

Doctors Community Health Ventures, Inc. (Health Ventures) has a \$5,388,000 joint venture investment in Magnolia Gardens LLC. This investment is consistent with the mission and strategic plan of Doctors Community Medical Center. The investment in Magnolia Gardens LLC represents a 51% interest and is not consolidated with the financial statements of Luminis because Health Ventures does not control the investee.

Deferred Debt Issuance Costs

Administrative, legal, financing, underwriting discount, and other miscellaneous expenses that were incurred in connection with debt financings were deferred and are being amortized over the lives of the bond issues using the straight-line method, which approximates the effective-interest method in all material respects. The amortization expense of the deferred debt issue costs was \$479,000 and \$297,000 for the years ended June 30, 2020 and 2019, respectively.

Net Assets

Net resources that are not restricted by donors are included in net assets without donor restrictions. Gifts of long-lived operating assets, such as property, plant, or equipment, are reported as net assets without donor restrictions and excluded from income. Resources restricted by donors for a specified time or purpose are reported as net assets with donor restrictions.

When the specific purposes are met, either through passage of a stipulated time period or when the purpose for restriction is accomplished, they are released to other operating revenues on the statement of operations and changes in net assets. Resources restricted by donors for additions to property, plant, and equipment are initially reported as net assets with donor restrictions and are transferred to net assets without donor restrictions when expended. Donor-imposed restrictions, which stipulate that the resources be maintained permanently, are reported as net assets with donor restrictions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment income related to net assets with donor restrictions is classified as net assets without donor restrictions based on the intent of the donor.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. This includes regulatory discounts allowed to Blue Cross, Medicare, Medicaid, and other third-party payors and charity care.

During 2020 and 2019, approximately 39% and 35%, respectively, of net patient service revenue was received under the Medicare program, 25% and 28% from Blue Cross, 26% and 30% from contracts with other third parties, and 10% and 7% from other sources.

The following table sets forth the detail of net patient service revenue:

	Year Ended June 30	
	2020	2019
Gross patient service revenue	\$ 1,262,664,000	\$ 955,469,000
Revenue deductions:		
Charity care	15,409,000	5,326,000
Contractual and other allowances	278,148,000	207,267,000
Net patient service revenue	<u>\$ 969,105,000</u>	<u>\$ 742,876,000</u>

In May 2014, the Financial Accounting Standards Board (FASB) issued a new standard related to revenue recognition. The System adopted the new standard effective July 1, 2018, using the modified retrospective method of transition. The most significant change from the adoption of the new standard relates to the System's estimation for the allowance for doubtful accounts. Under the previous standards, the System's estimate for amounts not expected to be collected based upon historical experience, were reflected as provision for bad debts and deducted from net patient service revenue to arrive at net patient service revenue less provision for bad debts. Under the new standard, those amounts will continue to be recognized as a reduction to net patient service revenue, however, not reflected separately as provision for bad debts, and accordingly the caption net patient service revenue less provision for bad debts will no longer be presented on the consolidated statements of operations and changes in net assets. Subsequent changes in the

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

estimate of collectibility due to a change in the financial status of a payor, for example a bankruptcy, will be recognized as bad debt expense in operating expenses. This adoption of the new standard did not have a material impact on the accompanying consolidated financial statements.

Additionally, the System's revenues may be subject to adjustment as a result of examination by government agencies or contractors and as a result of differing interpretation of government regulations, medical diagnosis, charge coding, medical necessity, or other contract terms. Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor and the System's historical settlement activity, including an assessment to ensure it is probable a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews and investigations.

The System has elected the practical expedient allowed under FASB ASC 606-10-32-18, *Revenue from Contracts with Customers*, and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System's expectation that the period between the time the service is provided to a patient and the time that the patient or third-party payor pays for that service will be one year or less.

The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections; business and economic conditions; trends in federal, state, and private employer health care coverage; and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities that represent a majority of the System's revenues and patient receivable as a primary source of information in estimating the collectibility of patient receivable.

Luminis employs physicians in several hospital-based specialties (including, but not limited to, obstetrics, intensive care, and hospitalists). Net physician revenue is recognized when the services are provided and recorded at the estimated net realizable amount based on the contractual arrangements with third-party payors and the expected payments from the third-party payors and

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

the patients. The difference between the billed charges and the estimated net realizable amounts are recorded as a reduction in physician revenue when the services are provided. The System recognized net physician revenue of \$149,933,000 and \$141,202,000 for the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, \$15,097,000 and \$10,764,000, respectively, of net physician accounts receivable are included in patient receivables on the accompanying consolidated balance sheets.

Charity Care

AAMC provides charity care to patients who meet certain criteria established under its charity care guidelines. Because members of AAMC do not pursue the collection of amounts determined to qualify as charity care, they are not reported as revenue on the accompanying consolidated statements of operations and changes in net assets. The direct and indirect costs associated with providing this care are \$4,531,000 and \$4,493,000 for the years ended June 30, 2020 and 2019, respectively. These costs are calculated by applying a ratio of operating expenses over gross patient charges to the charity care provided at established rates. The state of Maryland's rate system includes components within the rates to partially compensate hospitals for uncompensated care.

The cost of charity care provided by DCMC totaled \$9,528,010 for the year ended June 30, 2020. Rates charged by DCMC for regulated services are determined based on assessment of direct and indirect cost calculated pursuant to the methodology established by the Commission, and therefore the cost of charity services noted above for DCMC are equivalent to its established rates for those services. For any charity services rendered by subsidiaries other than from the DCMC, the cost of charity care is calculated by applying the estimated total cost-to-charge ratio for the non-Hospital services to the total amount of charges for services provided to patients benefitting from the charity care policies of the DCMC's non-Hospital affiliates. These charges are excluded from consolidated net patient service revenue.

Other Operating Revenue

Other operating revenue is composed of grant revenue, cafeteria revenue, net assets released from restrictions for operating purposes, and other miscellaneous items.

On April 2, 2020, the System received \$45,472,000 in provider relief funds authorized in the CARES Act from the U.S. Department of Health and Human Services (HHS). The System expects that these relief funds will be forgivable, but uncertainty exists as to the final outcome of the terms

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

and conditions associated with the relief funds. Management will continue to monitor compliance with the terms and conditions of the Relief Fund and the impact of the pandemic on the System's revenues and expenses. If unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted. Furthermore, the HSCRC is proposing to reduce the System's ability to recoup undercharges from its GBR reimbursement program in future years by an amount derived from these provider relief funds. The final outcome of the HSCRC's decisions on treatment of the undercharge resulting from the Global Budget Reimbursement Revenue program and application of CARES Act funding to GBR limits is still being evaluated. Luminis recognized these funds in other operating revenue during the period as the conditions for use were deemed to have been met.

Advances From Third-Party Payors

On April 10, 2020, the System received \$151,767,000 from the Centers for Medicare and Medicaid Services (CMS) Accelerated and Advance Payment Program. This program provides hospitals with working capital advances that begin to become payable 120 days from the date of receipt of the funds and must be fully repaid within one year through an automatic reduction of claims receipts from CMS. As of June 30, 2020, none of these funds have been used. These funds, which represent contract liabilities as defined in ASC 606, have been recorded within advances from third-party payors on the accompanying consolidated balance sheet at June 30, 2020.

Transaction Costs

During fiscal year 2019, the System incurred \$3,279,000 for administrative and marketing costs that resulted from the transaction for Doctors Community Medical Center and subsidiaries becoming a wholly owned subsidiary of Luminis Health, Inc.

Donations and Bequests

Unconditional promises to give cash and other assets are reported at fair value on the date the promise is received. Conditional promises to give, and indications of intentions to give, are reported at fair value on the date the gift is received. The gifts are reported as donor-restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, the asset is reclassified to without donor restrictions on the accompanying consolidated statements of operations and changes in net assets. Donor-restricted contributions

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements. Contributions that are unrestricted are reflected as other operating revenue on the accompanying consolidated statements of operations and changes in net assets.

Scheduled payments for pledges receivable for the years ending June 30 are as follows:

2021	\$ 2,599,000
2022–2024	658,000
2025 and thereafter	1,605,000
Less:	
Impact of discounting pledges receivable to net present value	352,000
Allowance for uncollectible pledges	373,000
Net pledges receivable	<u>\$ 4,137,000</u>

Pledges receivable are discounted using rates between 1.2% and 2.5%.

(Deficit) Excess of Revenues Over Expenses

The accompanying consolidated statements of operations and changes in net assets include (deficit) excess of revenues over expenses. Changes in net assets without donor restrictions that are excluded from (deficit) excess of revenues over expenses, consistent with industry practice, include contributions received and used for additions of long-lived assets and certain changes in pension liabilities.

Group Purchasing Organization Initial Public Offering

The Hospital has participated and owned equity in the Premier Limited Partnership (Premier), which has served as a group purchasing organization for many years. This participation provides purchasing contract rates and rebates the System would not be able to obtain on its own. The Hospital accounts for its investment in Premier using the equity method of accounting.

During the year ended June 30, 2014, Premier restructured from a privately held company to a public company in an initial public offering (IPO) and several financial transactions have occurred with those holding equity in Premier before the IPO, including the System. As a result, the System

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

received a cash payment of approximately \$1,500,000 in exchange for 16% of its previous ownership in Premier. In addition, in exchange for the extension of the group purchasing contract, the System received partial ownership of the new public company (the Class B units).

The System received 309,580 Class B units that are earned in seven separate tranches over an 85-month period ending October 31, 2020. At June 30, 2020 and 2019, this investment was \$10,388,000 and \$13,094,000, respectively, and is reflected in other assets on the consolidated balance sheets. The opportunity will exist in the future for these Class B units to be converted to the Premier public company stock. Prior to vesting, the Class B units may be transferred or sold with the approval of Premier. During the years ended June 30, 2020 and 2019, the System recognized approximately \$1,216,000 and \$1,988,000, respectively, of income related to tranches 6 and 7 of the Class B units, which is included as a reduction of supplies expense on the consolidated statement of operations and changes in net assets. The value of the Class B units is tied to the group purchasing contract and is considered a vendor incentive.

Income Tax Status

Luminis, the Hospital, the Foundation, HCS, GTS, PE, and RI have received determination letters from the Internal Revenue Service (IRS) stating that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). The Real Estate Company has received a determination letter from the IRS stating that it is exempt from federal income taxes under Section 501(c)(2) of the Internal Revenue Code. Doctors Community Hospital and the Doctors Community Hospital Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as public charities. Both entities are entitled to rely on this determination as long as there are no substantial changes in their character, purposes, or methods of operation. Management has concluded that there have been no such changes, and therefore the status of the various entities as public charities exempt from federal income taxation remain in effect.

Anne Arundel Mental Health Hospital is organized and operated as a tax-exempt organization, and has applied for IRS recognition of exemption from federal income tax under Section 501(c)(3) of the Code, but has not yet received IRS recognition of exemption.

The state in which the various entities operate also provides a general exemption from state income taxation for organizations that are exempt from federal income taxation. However, both entities are subject to federal and state income taxation at corporate tax rates on unrelated business income.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Exemption from other state and local taxes, such as real and personal property taxes is separately determined. The various entities had no unrecognized tax benefits or such amounts were immaterial during the periods presented. For tax periods with respect to which unrelated business income was recognized, a tax return was filed in order to report any unrelated business income as well as any taxes due.

HCE and PPI are subject to federal and state income taxes. These income taxes are immaterial to the accompanying consolidated financial statements.

Certain limited liability companies within the consolidated group are not subject to income taxes. Taxable income or loss is passed through to and reportable by the members individually.

Under the Cayman Islands Tax Concessions Law (Revised), the Governor-in-Cabinet issued an undertaking regarding Cottage on November 29, 2005, exempting it from all local income, profit, or capital gains taxes. The undertaking has been issued for a period of 20 years and, at the present time, no such taxes are levied in the Cayman Islands. Accordingly, no provision for taxes is made in these consolidated financial statements.

Doctors Regional Cancer Center, LLC (DRCC) and Southern Maryland Integrated Healthcare, LLC (ACO) are Maryland limited liability companies that have not elected to be taxed as corporations under current Treasury regulations. Both are owned by more than one member. DRCC and ACO are subject to the partnership tax rules under Subchapter K of the Internal Revenue Code of 1986 (IRC), as amended. Under these rules neither is subject to federal or state income tax, but must file annual information returns indicating their gross and taxable income to determine the tax results to their members.

The Doctors Community Sleep Center, LLC (Sleep Center) and Doctors Community Healthcare Programs (CHP) are Maryland limited liability companies that have not elected to be taxed as corporations under current treasury regulations. Sleep Center and CHP are wholly owned by the Hospital. As such, the Sleep Center and CHP are considered “disregarded entities” under current IRC regulations.

Under the requirements of ASC 740, *Income Taxes*, tax-exempt organizations could be required to record an obligation as the result of a tax position they have historically taken on various tax exposure items. Luminis has determined that it does not have any uncertain tax positions through June 30, 2020.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Recent Accounting Pronouncements

Effective July 1, 2018, the System adopted FASB Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method of transition. This ASU converged and replaced existing revenue recognition guidance, including industry-specific guidance and requires revenue to be recognized in an amount that reflects the consideration the entity expects to be entitled in an exchange of goods or services. The adoption of this ASU did not materially impact the consolidated financial statements.

Effective June 30, 2019, the System adopted FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. This ASU changed certain financial statement requirements for not-for-profit entities in an effort to make the information more meaningful to users and reduce reporting complexity. The System adopted the ASU in the prior year and adjusted the presentation in these consolidated financial statements accordingly. The ASU was applied retrospectively to all periods presented.

Effective July 1, 2019, the System adopted the FASB ASU 2016-02, *Leases (Topic 842)*, using the modified retrospective transition approach as of the period of adoption, or fiscal year 2020. The FASB issued ASU 2016-02 in order to increase transparency and comparability by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. The System's financial statements for periods prior to July 1, 2019, were not modified for the application of the new lease accounting standard. The main difference between the guidance in ASU 2016-02 and previous U.S. GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating under previous U.S. GAAP.

Upon the adoption of ASU 2016-02, the System recorded the following balances on the consolidated balance sheet: \$54,977,000 in right-of-use asset long term; \$10,056,000 of current liabilities in lease liability short term; and \$44,976,000 of long-term liabilities in lease liability

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

long term. The standard did not materially impact the System's accompanying consolidated statement of operations and changes in net assets or consolidated statement of cash flows for the year ended June 30, 2020.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Luminis has adopted ASU 2016-18 using a retrospective transition method, and as such, certain reclassifications were made to 2019 amounts previously reported on the consolidated statement of cash flows.

New Accounting Standards Not Yet Adopted

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The amendments help entities evaluate the accounting for implementation costs paid by a customer in a cloud computing arrangement by providing guidance for determining when the service contract includes a software license. The System is evaluating the impact of this guidance, which will be effective in 2021.

3. Regulatory Environment

Medicare and Medicaid

The Medicare and Medicaid reimbursement programs represent a substantial portion of Luminis' revenues. Luminis' operations are subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Over the past several years, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Regulatory Environment (continued)

programs, together with the imposition of fines and penalties, as well as repayments for patient services previously billed. Compliance with fraud and abuse standards and other government regulations can be subject to future government review and interpretation. Also, future changes in federal and state reimbursement funding mechanisms and related government budgeting constraints could have an adverse effect on Luminis.

In 1983, Congress approved a Medicare prospective payment plan for most inpatient services as part of the Social Security Amendment Act of 1983. Hospitals in Maryland were granted a waiver from the Medicare prospective payment system under Section 1814(b) of the Social Security Act. The waiver would remain in effect as long as the Maryland rate of increase in payments per admission remained below the national average rate of increase.

In January 2014, the Centers for Medicare and Medicaid Services approved a modernized waiver that includes both inpatient and outpatient revenue. The new waiver will be in place as long as Maryland hospitals achieve significant quality improvements and limit the per capita growth for all payors for Maryland residents.

Maryland Health Services Cost Review Commission

AAMC and Doctors Community Hospital's rate structure for all hospital-based services is subject to review and approval by the Maryland Health Services Cost Review Commission (HSCRC or the Commission). Under the HSCRC rate-setting system, the Hospital's inpatient and outpatient charges are the same for all patients, regardless of payor, including Medicare and Medicaid.

Beginning in fiscal year 2014, AAMC and Doctors Community Hospital entered into an agreement with the HSCRC to participate in the Global Budget Revenue (GBR) program. The GBR model is a revenue constraint and quality improvement system to provide hospitals with strong financial incentives to manage their resources efficiently and effectively in order to slow the rate of increase in health care costs and improve health care delivery processes and outcomes. Under the GBR, total revenue is capped at a predetermined fixed amount. The annual approved revenue is calculated using a permanent base revenue with positive or negative adjustments for inflation, assessments, performance in quality-based programs, infrastructure requirements, and population. Revenue may also be adjusted annually for market share levels and shifts of regulated services to unregulated settings.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Regulatory Environment (continued)

Starting in January 2019, Maryland's hospitals began operating under a new ten-year contract with the federal government entitled Maryland Performance Adjustment (MPA). The MPA is designed to test whether the improvements hospitals have made under the previous modernized waiver can be expanded to all health care providers. The GBR methodology will remain in place for hospital rate setting under the MPA. In addition, programs aimed to measure and reduce total health care spending for attributed Medicare patients, including pre- and post-acute care by all providers, are being introduced during this contract period.

The Commission's rate-setting methodology compares the approved rate with the actual average rate charged. Overcharges and undercharges due to either patient volume or price variances, adjusted for penalties where applicable, are applied to decrease (in the case of overcharges) or increase (in the case of undercharges) future approved rates on an annual basis. The System was undercharged by \$54,399,000 and overcharged by \$260,000 for the years ended June 30, 2020 and 2019, respectively. The undercharge of \$54,399,000 for the year ended June 30, 2020 did not include amounts recognized in CARES Act funding discussed in the other operating revenue section in Note 2.

While the System is expecting the HSCRC to allow for recovery in future periods of the undercharge experienced during the year, mainly due to lower volume as the result of the COVID-19 pandemic, uncertainty exists as to the final outcome of HSCRC rate-setting decision making.

The timing of HSCRC's rate adjustments for the System could result in an increase or reduction in rates due to the variances and penalties described above in a year subsequent to the year in which such items occur, and there is at least a possibility that the amounts may be material.

The AAMC and DCMC's policy is to recognize revenue based on actual charges for services to patients in the year in which the services are performed. The Hospital's revenues may be subject to adjustment as a result of examination by government agencies or contractors, and as a result of differing interpretation of government regulations, medical diagnoses, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until a subsequent period than which the services were rendered.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Investments

Investments, including assets whose use is limited, are stated at fair value. Borrowed funds that are required to be expended on specified capital projects under MHHEFA revenue bond agreements are classified as available for sale. All other investments and assets whose use is limited are classified as trading securities.

	June 30	
	2020	2019
Assets whose use is limited:		
Endowment assets:		
Cash and cash equivalents	\$ 1,145,000	\$ 1,237,000
Equity mutual funds	9,279,000	9,661,000
Fixed income mutual funds	5,058,000	5,737,000
	15,482,000	16,635,000
Amounts held by trustee:		
Cash and cash equivalents	12,382,000	12,320,000
U.S. Government obligations	7,000	7,000
	12,389,000	12,327,000
Amounts held by Cottage:		
Cash and cash equivalents	3,504,000	2,869,000
Equity mutual funds	11,334,000	6,581,000
Fixed income mutual funds	14,223,000	12,751,000
	29,061,000	22,201,000
Total assets whose use is limited	56,932,000	51,163,000
Less current portion	15,912,000	15,190,000
	\$ 41,020,000	\$ 35,973,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Investments (continued)

Amounts held by the trustee are broken down as follows:

	June 30	
	2020	2019
Bond indenture	\$ 12,389,000	\$ 12,270,000
Other investments:		
	June 30	
	2020	2019
Cash and cash equivalents	\$ 14,388,000	\$ 15,368,000
Equity mutual funds	173,069,000	178,576,000
Fixed income mutual funds	100,475,000	133,747,000
Alternative investments	52,418,000	73,626,000
	340,350,000	401,317,000
Less short-term investments	1,365,000	15,261,000
Investments	\$ 338,985,000	\$ 386,056,000

The components of investment (loss) income, net are as follows:

	June 30	
	2020	2019
Interest and dividend income, net	\$ 132,000	\$ 10,257,000
Realized (losses) gains, net	(9,832,000)	3,616,000
	\$ (9,700,000)	\$ 13,873,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements

ASC 820 defines fair value and establishes a framework for measuring fair value in accordance with U.S. GAAP. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1 – Defined as observable inputs, such as quoted prices in active markets
- Level 2 – Defined as inputs other than quoted prices in active markets that are either directly or indirectly observable
- Level 3 – Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

ASC 820 requires that the fair value of derivative contracts include adjustments related to the credit risks of both parties associated with the derivative transactions. The fair value of Luminis' derivative contracts reflected in the accompanying consolidated financial statements includes adjustments related to the credit risks of the parties to the transactions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

The following tables present the fair value hierarchy for Luminis' financial assets and liabilities measured at fair value on a recurring basis.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 178,795,000	\$ 178,126,000	\$ 669,000	\$ —
Trading securities and assets whose use is limited:				
Cash and cash equivalents	31,296,000	18,257,000	13,039,000	—
Equity securities	194,977,000	194,977,000	—	—
Fixed income securities	122,785,000	119,753,000	3,032,000	—
U.S. Government obligation securities	6,000	6,000	—	—
Alternative investments	52,418,000	22,663,000	—	29,755,000
Total	<u>401,482,000</u>	<u>355,656,000</u>	<u>16,071,000</u>	<u>29,755,000</u>
Collateral for interest rate swap:				
Cash and cash equivalents	110,002,000	110,002,000	—	—
Less investments included in other assets	4,200,000	4,200,000	—	—
Total assets	<u>\$ 686,079,000</u>	<u>\$ 639,584,000</u>	<u>\$ 16,740,000</u>	<u>\$ 29,755,000</u>
Liabilities				
Derivative instruments	<u>\$ (117,037,000)</u>	<u>\$ —</u>	<u>\$ (117,037,000)</u>	<u>\$ —</u>
Total liabilities	<u>\$ (117,037,000)</u>	<u>\$ —</u>	<u>\$ (117,037,000)</u>	<u>\$ —</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

	June 30, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 15,100,000	\$ 15,100,000	\$ —	\$ —
Trading securities and assets whose use is limited:				
Cash and cash equivalents	31,794,000	31,794,000	—	—
Equity securities	194,818,000	194,818,000	—	—
Fixed income securities	152,235,000	152,235,000	—	—
U.S. Government obligation securities	6,000	6,000	—	—
Alternative investments	73,627,000	37,997,000	—	35,630,000
Total	452,480,000	416,850,000	—	35,630,000
Collateral for interest rate swap:				
Cash and cash equivalents	67,404,000	67,404,000	—	—
Total assets	\$ 534,984,000	\$ 499,354,000	\$ —	\$ 35,630,000
Liabilities				
Derivative instruments	\$ (78,479,000)	\$ —	\$ (78,479,000)	\$ —
Total liabilities	\$ (78,479,000)	\$ —	\$ (78,479,000)	\$ —

Luminis' Level 1 securities primarily consist of U.S. Treasury securities, exchange-traded mutual funds, and cash. Luminis determines the estimated fair value for its Level 1 securities using quoted (unadjusted) prices for identical assets or liabilities in active markets.

Luminis' Level 2 securities primarily consist of cash and cash equivalents. Luminis determines the estimated fair value for these Level 2 securities using the following methods: quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets in non-active markets (few transactions, limited information, noncurrent prices, high variability over time), inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curve volatilities, default rates), and inputs that are derived principally from or corroborated by other observable market data. Part of AAMC's alternative investments, approximately \$22,663,000 and \$35,800,000 at June 30, 2020 and 2019, respectively, are invested in international

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

equity funds and are considered Level 1 investments due to quoted price being readily available. The majority of the remaining alternative investments \$24,489,000 and \$29,653,000 at June 30, 2020 and 2019, respectively are invested in a fund focused on energy infrastructure and are considered Level 3 investments due to quoted price not being readily available. The underlying assets of the fund are publicly traded energy-related master limited partnerships and equity securities. Certain alternative investments require written notification over a certain period prior to redemption.

Luminis' Level 2 securities also consist of derivative instruments, which are reported using valuation models commonly used for derivatives. Valuation models require a variety of inputs, including contractual terms, market-fixed prices, inputs from forward price yield curves, notional quantities, measures of volatility, and correlations of such inputs.

The following table sets forth a summary of changes in the fair value of the Level 3 assets:

Balance at June 30, 2019	\$ 35,630,000
Realized and unrealized gains and losses	<u>(5,875,000)</u>
Balance at June 30, 2020	<u><u>\$ 29,755,000</u></u>

Luminis also has pledges receivable, which are measured at fair value on a nonrecurring basis and are discounted to the net present value upon receipt using an appropriate risk-free discount rate based on the term of the receivable. Since these inputs are not observable, pledges receivable would be considered Level 3 fair value measurements upon their initial recording. Pledges receivable are recorded net of an allowance for uncollectible pledges. The following table provides a reconciliation of the beginning and ending balances of pledges receivable that used significant unobservable inputs.

	Year Ended June 30	
	2020	2019
Pledges receivable:		
Balance at July 1	\$ 3,296,000	\$ 4,115,000
New pledges	2,967,000	2,542,000
Collections of pledges	(2,028,000)	(3,146,000)
Write-off of pledges	(160,000)	(168,000)
Change in reserves	62,000	(47,000)
Balance at June 30	<u><u>\$ 4,137,000</u></u>	<u><u>\$ 3,296,000</u></u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit

For AAMC and affiliates, long-term debt consists of the following:

	Interest Rate	Maturity Dates	June 30	
			2020	2019
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2017	2.0%–5.0%	2018–2043	\$ 56,905,000	\$ 58,935,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2014	2.0%–5.0%	2015–2040	113,817,000	116,200,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2012	2.0%–5.0%	2013–2035	56,991,000	59,735,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2009B	Variable	2041–2044	60,000,000	60,000,000
Kent Island term loan from a bank	Variable	2021	5,617,000	5,908,000
Real Estate Loan	Variable	2028	55,850,000	59,492,000
			349,180,000	360,270,000
Less current portion of long-term debt			11,461,000	11,029,000
Less deferred debt issue costs			3,531,000	3,803,000
Unamortized original issue premium, net			13,354,000	14,297,000
Long-term debt			\$ 347,542,000	\$ 359,735,000

These debt instruments are secured by the receipts of the AAMC obligated group and substantially all of the property and equipment of the consolidated Group.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

For AAMC and affiliates, principal payments due under all debt instruments as of June 30, 2020, are as follows:

2021	\$ 11,461,000
2022	16,589,000
2023	11,667,000
2024	11,987,000
2025	12,332,000
Thereafter	285,144,000
	<u>\$ 349,180,000</u>

Series 2017 Revenue Bonds

In November 2017, AAMC entered into a loan agreement with the MHHEFA for the issuance of Series 2017 Revenue Bonds (referred to as the 2017 Bonds). The proceeds of the 2017 Bonds were used to advance refund the Series 2010 Bonds previously provided by MHHEFA. The bonds being refunded were originally obtained to finance the expansion of the parking garage for AAMC's acute care pavilion, and costs related to the issuance. The 2017 Bonds provide for annual principal payments each July 1 from 2018 through 2043. Interest is payable annually each July 1 starting in July 2018. The 2017 Bonds bear stated interest rates between 2.00% and 5.00% and were issued at a premium of \$4,590,000, which is amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The effective annual interest rate for the 2017 Bonds for the year ended June 30, 2020 and June 30, 2019, was 3.64% and 1.93%, respectively.

Series 2014 Revenue Bonds

In November 2014, AAMC entered into a loan agreement with the MHHEFA for the issuance of Series 2014 Revenue Bonds (referred to as the 2014 Bonds). The proceeds of the 2014 Bonds were used to advance refund the Series 2009A Bonds previously provided by MHHEFA. The bonds being refunded were originally obtained to finance a portion of the costs of construction for an eight-story patient care building, two parking garages, and costs related to the issuance. The 2014 Bonds provide for annual principal payments each July 1 from 2015 through 2040. Interest is payable semiannually each July 1 and January 1, beginning in January 2015. The 2014 Bonds bear stated interest rates between 2.00% to 5.00% and were issued at a premium of \$7,520,000, which

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

is amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The effective annual interest rate for the 2014 Bonds for the years ended June 30, 2020 and 2019, was 4.49% and 2.24%, respectively.

Series 2012 Revenue Bonds

In October 2012, AAMC entered into a loan agreement with MHHEFA for the issuance of \$73,625,000 of Series 2012 Revenue Bonds (referred to as the 2012 Bonds). The proceeds of the 2012 Bonds were used to repay the Series 2004A Bonds and the Series 1998 Bonds previously provided by the Authority. The bonds being refinanced were originally obtained to finance a new replacement hospital (Series 1998 Bonds) and to finance major renovations to AAMC's Cancer Center and land acquisition (Series 2004A Bonds). The 2012 Bonds provide for annual principal payments each July 1 from 2013 through 2035. Interest is payable semiannually on each July 1 and January 1, beginning July 1, 2013. The 2012 Bonds bear stated interest at rates of 2.00% to 5.00% and were issued at a premium of \$6,746,000. The effective annual interest rates for the 2012 Bonds for the years ended June 30, 2020 and 2019, were 4.34% and 2.16%, respectively.

The provisions of the 2017, 2014, and 2012 Bonds, together with the Series 2009 Bonds, require Luminis and certain subsidiaries to comply with certain covenants on an annual basis, including a debt service coverage requirement, a debt-to-capitalization requirement, and a liquidity requirement. Luminis, AAMC, and HCS are members of the AAMC obligated group for all of the above stated revenue bonds issued by MHHEFA.

Series 2009 Revenue Bonds

In January 2009, AAMC entered into a loan agreement with the MHHEFA for the issuance of \$120,000,000 of Series 2009A Revenue Bonds (the 2009A Bonds) and in February 2009, \$60,000,000 of Series 2009B Revenue Bonds (the 2009B Bonds) (collectively referred to as the 2009 Bonds). The proceeds of the 2014 Bonds were used to advance refund the Series 2009A Bonds previously provided by the MHHEFA. The proceeds of the 2009 Bonds were used to finance a portion of the costs of construction of an eight-story patient care building, two new parking garages, and certain costs relating to the issuance. The 2009B Bonds provide for annual principal payments each July 1, from 2041 through 2044. Interest is payable semiannually on each July 1 and January 1, beginning July 1, 2009. The 2009B Bonds bear interest at variable rates, as set forth in the loan agreement. The maximum interest rate is 12% for the 2009B Bonds. The effective annual interest rates for the 2009B Bonds for the years ended June 30, 2020 and 2019,

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

were 1.18% and 1.65%, respectively. The principal and interest payments on the Series 2009B Bonds are secured by a letter of credit equal to the original principal of the bonds plus an amount equal to 40 days' interest thereon, calculated at the maximum rate. The current letter of credit, which was extended on May 1, 2019, expires on July 1, 2024. Under certain circumstances, AAMC would need to fully redeem the 2009B Bonds upon expiration of the letter of credit, unless a conforming replacement letter of credit was secured prior to such expiration.

The related balances are included in assets whose use is limited and consist of the following:

	June 30	
	2020	2019
Debt service funds	\$ 12,382,000	\$ 12,263,000
Construction fund and capitalized interest fund	7,000	7,000
	<u>\$ 12,389,000</u>	<u>\$ 12,270,000</u>

Bank Line of Credit and Real Estate Loan

AAMC maintains two lines of credit with a bank providing available credit of \$90,000,000. An agreement for \$50,000,000 with the bank is reviewed for renewal on February 28 of each year. Interest on any borrowings accrues at the one-month London Interbank Offered Rate (LIBOR) plus 0.75%. A second agreement for \$40,000,000 was completed on April 24, 2020, and is reviewed for renewal each year. Interest on any borrowing accrues at the one-month LIBOR plus 1.5%. At June 30, 2020 and 2019, AAMC had no balance on the lines of credit.

On October 23, 2008, the Real Estate Company secured a term loan in the amount of \$55,000,000 with a bank. The proceeds from the term loan were used to refinance line of credit proceeds and fund certain construction costs related to a medical office building. The loan bore interest at a variable rate, based on the LIBOR market index rate plus 1.25%. The term loan required monthly payments of \$235,000 with all remaining amounts due upon final maturity on November 5, 2018. The effective annual interest rate for the year ending June 30, 2019, was 2.25%. This loan was subsequently refinanced on October 17, 2018.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

On October 23, 2008, the Real Estate Company entered into a construction loan in the amount of \$30,000,000 with a bank to fund the construction of a medical office building. The loan was issued under the same loan agreement as the term loan discussed in the preceding paragraph. The debt is secured by the medical office building. Interest only was due during the construction period at a rate equal to the LIBOR market index rate plus 1.25%. The loan converted to a term loan after the completion of the construction in July 2009. The term loan provided for monthly principal and interest payments and has a final maturity of November 5, 2018. The effective annual interest rate for the year ended June 30, 2019, was 4.65%. This loan was subsequently refinanced on October 17, 2018.

On October 17, 2018, the Real Estate Company secured a real estate loan from the bank through a wholly owned subsidiary and the proceeds were used to pay off the 2008 Term Loan and 2008 Construction Loan previously provided by the bank. The loans being refinanced were originally obtained to finance certain medical office buildings owned by the Real Estate Company. The new loan requires flat monthly principal payments (amortized over 17 years) plus interest at one month Libor + 1.10% from 2018 through 2028 with a balloon payment due October 5, 2028, of \$25,800,000. The effective interest rates for the years ended June 30, 2020 and 2019, were 2.65% and 4.65%.

Kent Island Term Loan

In August 2007, KIMA entered into a construction loan agreement with a bank in the amount of \$9,000,000 that would convert to a term loan after the completion of the construction. The proceeds were used to construct a medical office building. The debt was secured by the medical office building. Interest only was due during the construction period at a rate of the 30-day LIBOR plus 1.0%. The construction was completed in June 2008.

On May 9, 2017, KIMA refinanced the term loan with a \$6,567,000 promissory note. The promissory note provides for monthly principal and interest payments and has a final maturity of December 2021. The promissory note bears interest at a variable rate, based on the 30-day LIBOR plus 1.2%. The effective annual interest rates for the years ended June 30, 2020 and 2019, were 2.88% and 3.58%, respectively.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

For DCMC, long-term debt consists of the following:

	Interest Rate	Maturity Dates	June 30, 2020
Maryland Health and Higher Education Facilities			
Authority Revenue Bonds, Series 2017B Bond	2.18%	2024	\$ 24,165,000
Authority Revenue Bonds, Series 2016 Bond:			
Series 2016A – Tax-Exempt Private Placement 2007 Refunding	2.57%	2030	16,795,000
Series 2016A – Tax-Exempt Private Placement 2010 Partial Refunding	2.57%	2030	15,150,000
Authority Revenue Bonds, Series 2017A:			
Term bond	5.00%	2031	6,720,000
Term bond	5.00%	2032	7,055,000
Term bond	5.00%	2033	7,410,000
Term bond	5.00%	2034	7,780,000
Term bond	5.00%	2038	35,234,000
			<u>120,309,000</u>
Less current portion of long-term debt			4,979,000
Less deferred debt issue costs			1,340,000
Premium, net of accumulated amortization			8,776,000
Long-term debt			<u><u>\$ 122,766,000</u></u>

For DCMC, principal payments due under all debt instruments as of June 30, 2020, are as follows:

2021	\$ 4,979,000
2022	5,070,000
2023	5,195,000
2024	5,265,000
2025	5,965,000
Thereafter	93,835,000
	<u><u>\$ 120,309,000</u></u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

On June 28, 2016, MHHEFA issued \$73,445,000 principal amount of Revenue Bonds, Series 2016A (\$31,945,000), and Series 2016B (\$41,500,000). The proceeds of this issue were used to retire the Series 2007A Bonds and Series 2010 Bonds (partial) previously provided by the Authority. In 2017, the Series 2016B taxable note was converted as planned to Series 2017B. On March 23, 2017, the Series 2016 were converted to Series 2017B bonds as planned when the 2016B bonds were issued in June 2016.

On February 8, 2017, MHHEFA issued \$64,165,000 principal amount of Revenue Bonds, Series 2017A. The proceeds of this issue were used to retire the remainder of the Series 2010 Bonds previously provided by the Authority.

The obligated group for MHHEFA bond issuances issued to Doctors Community Medical Center includes Doctors Community Hospital, CHP, Foundation, Sleep Center, Doctors Community Medical Group and Doctors Integrated Healthcare Network and Health Ventures excluding the MAUI, Magnolia Gardens, DI LLC, ACO, and STM. The Series 2017A, Series 2017B, and Series 2016 Bonds are secured by the revenue and accounts receivable of the obligated group, and certain other property secured by a deed of trust. The obligated group is required to maintain certain compliance ratios and covenants as defined under the bond documents.

7. Retirement Plans

Anne Arundel Medical Center Plan

AAMC has a qualified noncontributory, defined benefit pension plan (the Plan) that covers substantially all employees. AAMC's policy is to fund pension costs as determined by its actuary. Adopted by the Board of Trustees on June 11, 2009, and effective September 1, 2009, AAMC amended the Plan to freeze future benefit accruals, and participants have not earned any additional benefits under the Plan since that date. However, subsequent to September 1, 2009, participants have continued to vest in benefits they have earned through September 1, 2009. The frozen benefit balance for the participants will only accrue interest credits until the participants' benefit commencement dates. FASB ASC 715, *Compensation – Retirement Benefits*, requires AAMC to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plan on its consolidated balance sheet, with a corresponding adjustment to unrestricted net assets. The pension liability adjustment to net assets without donor restrictions represents the change in net unrecognized actuarial losses that have not

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

yet been recognized as part of (deficit) excess of revenues over expenses. These amounts are subsequently recognized as a net periodic benefit cost pursuant to AAMC's historical accounting policy for amortizing such amounts.

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended June 30 and the accumulated benefit obligation for the AAMC is as follows:

	June 30	
	2020	2019
Accumulated benefit obligation	\$ 138,148,000	\$ 124,331,000
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 124,331,000	\$ 124,571,000
Service cost	—	—
Interest cost	4,047,000	4,758,000
Actuarial loss	16,039,000	8,705,000
Benefits paid	(2,446,000)	(2,332,000)
Settlements paid	(3,823,000)	(11,371,000)
Projected benefit obligation at end of year	138,148,000	124,331,000
Change in plan assets:		
Fair value of plan assets at beginning of year	118,255,000	121,257,000
Actual return on plan assets	(1,421,000)	5,901,000
Employer contribution	4,832,000	4,800,000
Benefits paid	(2,446,000)	(2,332,000)
Settlements paid	(3,823,000)	(11,371,000)
Fair value of plan assets at end of year	115,397,000	118,255,000
Net liability recognized	\$ (22,751,000)	\$ (6,076,000)

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

	June 30	
	2020	2019
Net amounts recognized on the consolidated balance sheets consist of:		
Accrued pension costs	<u>\$ (22,751,000)</u>	<u>\$ (6,076,000)</u>
Amounts recognized in unrestricted net assets that have not been recognized in net periodic benefit costs consist of:		
Net actuarial loss	<u>\$ 95,271,000</u>	<u>\$ 71,988,000</u>

The following table sets forth the weighted average assumptions used to determine the benefit obligations of AAMC:

	June 30	
	2020	2019
Discount rate	2.45%	3.35%
Rate of compensation increase	N/A	N/A

The following table sets forth the weighted average assumptions used to determine the net periodic benefit cost of AAMC:

	Year Ended June 30	
	2020	2019
Discount rate	3.35%	4.13%
Expected return on plan assets	6.25%	7.00%
Rate of compensation increase	N/A	N/A

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

AAMC's net periodic pension benefit cost included the following components:

	June 30	
	2020	2019
Service cost	\$ —	\$ —
Interest cost	4,047,000	4,758,000
Expected return on plan assets	(7,533,000)	(8,403,000)
Amortization of prior service cost	—	—
Recognized net actuarial loss	1,709,000	1,484,000
Loss recognized from partial settlement of projected benefit obligation	—	6,938,000
Net periodic cost (credit)	\$ (1,777,000)	\$ 4,777,000

The estimated net loss of the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year for AAMC is \$1,777,000.

AAMC's defined benefit plan invests in a diversified mix of traditional asset classes. Investments in certain types of U.S. equity securities and fixed-income securities are made to maximize long-term results while recognizing the need for adequate liquidity to meet ongoing benefit and administrative obligations. Risk tolerance of unexpected investment and actuarial outcomes is continually evaluated by understanding the pension plan's liability characteristics. Equity investments are used primarily to increase the overall plan returns. Debt securities provide diversification benefits and liability hedging attributes that are desirable, especially in falling interest rate environments.

AAMC's target asset allocation percentages as of June 30, 2020, were as follows: 60% investment grade bonds, 16% international equity, 13% large cap domestic stocks, 4% small cap domestic stocks, and 7% alternative investments and exchange-traded notes.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following tables present the fair value hierarchy of assets of the defined benefit pension plan of AAMC.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 669,000	\$ —	\$ 669,000	\$ —
Mutual funds:				
Equity	20,127,000	20,127,000	—	—
Corporate bonds	57,830,000	57,830,000	—	—
International equity	12,520,000	12,520,000	—	—
International bonds	8,715,000	8,715,000	—	—
Closed-end funds ETF	5,512,000	5,512,000	—	—
Alternative investments:				
Common/collective trust	2,398,000	2,398,000	—	—
Partnership	2,395,000	2,395,000	—	—
Other	5,231,000	—	—	5,231,000
	\$ 115,397,000	\$ 109,497,000	\$ 669,000	\$ 5,231,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

	June 30, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 4,025,000	\$ —	\$ 4,025,000	\$ —
Mutual funds:				
Equity	20,237,000	20,237,000	—	—
Corporate bonds	57,573,000	57,573,000	—	—
International equity	11,922,000	11,922,000	—	—
International bonds	9,382,000	9,382,000	—	—
Alternative investments:				
Common/collective trust	3,813,000	—	3,813,000	—
Partnership	3,248,000	—	3,248,000	—
Other	8,055,000	—	8,055,000	—
	<u>\$ 118,255,000</u>	<u>\$ 99,114,000</u>	<u>\$ 19,141,000</u>	<u>\$ —</u>

Level 1 securities primarily consist of exchange-traded mutual funds. Level 2 securities primarily consist of money market funds. Methods consistent with those discussed in Note 5 are used to estimate the fair values of these securities. Level 3 securities consist of a fund focused on energy infrastructure and are considered Level 3 investments due to quoted price not being readily available. The underlying assets of the fund are publicly traded energy-related master limited partnerships and equity securities.

The overall expected rate of return on assets assumptions was based on historical returns, with adjustments made to reflect expectations of future returns. The extent to which the future expectations were recognized considered the target rates of returns for the future, which have historically not changed.

AAMC currently intends to make voluntary contributions to the defined benefit pension plan of \$4,800,000 in fiscal year 2021.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following benefit payments for AAMC are expected to be paid:

2021	\$ 7,855,000
2022	7,470,000
2023	7,391,000
2024	7,071,000
2025	7,586,000
2026–2030	38,880,000

In addition to the noncontributory defined benefit pension plan, AAMC also offers an employee defined contribution plan. Participation in the plan is voluntary. Substantially all full-time employees of AAMC are eligible to participate. Employees may elect to contribute a minimum of 1% of compensation, and a maximum amount as determined by Sections 403(b) and 415 of the Internal Revenue Code. Any employee making contributions to the plan is entitled to a AAMC contribution that will match the employee contribution at the rate of 50% to 75%, depending on the number of years of service, up to a maximum of 5% of qualified compensation. Matching contributions under this defined contribution plan were \$8,830,000 and \$8,000,000 in fiscal years 2020 and 2019, respectively.

Doctors Community Hospital Plan

DCMC froze the defined benefit pension plan that it sponsors (the Plan) in 2011, which covered substantially all employees. The decision to terminate the Plan has not been made by the board of directors. The benefits are based on years of service and employee compensation during years of employment. DCMC's funding policy is to make sufficient contributions to the Plan to comply with the minimum funding provisions of the Employee Retirement Income Security Act of 1974 (ERISA). DCMC expects to contribute \$1,232,000 to the Plan during 2020 to keep the funding levels at the ERISA requirements. The measurement date of the Plan is June 30.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended June 30 and the accumulated benefit obligation at June 30, 2020 for DCMC is as follows:

Accumulated benefit obligation	<u>\$ 23,049,000</u>
Change in projected benefit obligation:	
Projected benefit obligation at beginning of year	\$ 21,661,000
Service cost	
Interest cost	636,000
Actuarial loss	1,883,000
Benefits paid	(112,000)
Settlements paid	<u>(1,019,000)</u>
Projected benefit obligation at end of year	<u>23,049,000</u>
Change in plan assets:	
Fair value of plan assets at beginning of year	16,660,000
Actual return on plan assets	294,000
Employer contribution	664,000
Benefits paid	(112,000)
Settlements paid	<u>(982,000)</u>
Fair value of plan assets at end of year	<u>16,524,000</u>
Net liability recognized	<u>\$ (6,525,000)</u>
Net amounts recognized on the consolidated balance sheets consist of:	
Accrued pension costs	<u>\$ (6,525,000)</u>
Amounts recognized in unrestricted net assets that have not been recognized in net periodic benefit costs consist of:	
Net actuarial loss	<u>\$ 9,634,000</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following table sets forth the weighted average assumptions used to determine the benefit obligations of DCMC as of June 30, 2020:

Discount rate	2.05%
Rate of compensation increase	N/A

The following table sets forth the weighted average assumptions used to determine the net periodic benefit cost for the year ended June 30, 2020:

Discount rate	2.05%
Expected return on plan assets	6.00%
Rate of compensation increase	N/A

DCMC's net periodic pension benefit cost included the following components as of June 30, 2020:

Interest cost	\$ 636,000
Expected return on plan assets	(956,000)
Recognized net actuarial loss	570,000
Effect of settlement	<u>411,000</u>
Net periodic cost	<u>\$ 661,000</u>

The estimated net loss of the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year for DCMC is \$1,499,000.

DCMC's target asset allocation percentages as of June 30, 2020, were as follows: 62% investment grade bonds, 3% international equity, 16% large cap domestic stocks, and 19% small cap domestic stocks.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following table presents the fair value hierarchy of assets of the defined benefit pension plan of DCMC.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Mutual funds:				
Equity	\$ 15,571,000	\$ 15,571,000	\$ —	\$ —
Alternative investments:				
Common/collective trust	953,000	—	953,000	—
	\$ 16,524,000	\$ 15,571,000	\$ 953,000	\$ —

DCMC currently intends to make voluntary contributions to the defined benefit pension plan of \$1,232,000 in fiscal year 2021.

The following benefit payments for DCMC are expected to be paid:

2021	\$ 2,428,000
2022	1,292,000
2023	1,235,000
2024	1,257,000
2025	1,581,000
2026–2030	6,330,000

The combined pension liability of both entities is as follows:

AAMC	\$ 22,751,000
DCMC	6,525,000
Total	\$ 29,276,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

DCMC has a 403b defined contribution plan (the contribution plan) covering substantially all its employees. The contribution plan is employee and employer contributory. DCMC contributed a match of \$0.50 for every \$1.00 of elective deferrals for a plan year for eligible employees up to 4% of base compensation. Defined contribution plan expense amounted to \$1,266,000 for 2020.

DCMC has a deferred compensation plan that permits certain executives to defer receiving a portion of their compensation. The deferred amounts are included in other assets in the accompanying consolidated balance sheets. The associated liability of an equal amount is included in other liabilities in the accompanying consolidated balance sheets. The liability recorded regarding the deferred compensation was \$3,832,000 as of June 30, 2020.

DCMC is the beneficiary of split dollar life insurance policies in place for certain executives. The amounts that could be realized by DCMC under the insurance contracts are approximately \$9,000,000 as of June 30, 2020, are included in other assets on the consolidated balance sheets.

8. Concentrations of Credit Risk

Certain members of Luminis grant credit without collateral to their 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 for AAMC:

	June 30	
	2020	2019
Medicare	25%	26%
Medicaid	4	5
Blue Cross	19	18
Commercial, HMO, PPO, and other	43	32
Patients	9	19
	100%	100%

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Concentrations of Credit Risk (continued)

The mix of receivables from patients and third-party payors was as follows for the DCMC as of June 30, 2020:

Medicare	28%
Medicaid	21
Blue Cross	10
Commercial, HMO, PPO, and other	29
Patients	12
	<hr/>
	100%
	<hr/>

9. Malpractice Insurance Costs and Self-Insured Professional Liability

Until August 1, 1998, AAMC and certain subsidiaries maintained insurance coverage for general and professional liability claims on a claims-made basis. The professional liability coverage included a per-case deductible of \$250,000, up to a maximum out-of-pocket amount of \$750,000 annually. Effective August 1, 1998, the Group changed its professional liability coverage to a full coverage claims-made policy with no annual deductibles. This policy included tail coverage for claims incurred prior to August 1, 1998, but reported subsequently. Effective August 1, 2002, AAMC changed its professional liability coverage back to a claims-made policy with a per-case deductible of \$250,000, up to a maximum out-of-pocket amount of \$750,000 annually. Also, AAMC did not purchase tail coverage for claims incurred prior to August 1, 2002, which were not yet reported.

Effective March 1, 2004, AAMC changed its professional liability coverage to a self-insurance trust with annual exposure limits of \$2,000,000 per claim and \$11,000,000 in the aggregate. AAMC carried an excess liability insurance policy for claims above these limits.

Effective July 1, 2005, Cottage was formed as a captive insurer to provide professional liability insurance for AAMC. Cottage is a wholly owned subsidiary of AAMC, which was formed in the Cayman Islands. The primary layer of professional and general liability insurance coverage is self-insured through Cottage and the secondary layer is fully reinsured through several highly rated commercial carriers.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Malpractice Insurance Costs and Self-Insured Professional Liability (continued)

For the period from July 1, 2005 to June 30, 2009, Cottage issued claims-made policies covering AAMC professional liability (including employed physicians) and on an occurrence basis, comprehensive general liability risks of AAMC and certain affiliates. Policy limits were \$2,000,000 per claim with a \$9,000,000 policy aggregate. Effective July 1, 2005, Cottage assumed existing liabilities from AAMC's self-insured trust discussed above on a claims-made basis. Effective July 1, 2009, Cottage issued a claims-made policy providing \$2,000,000 per claim for AAMC professional liability coverage and \$1,000,000 per claim for comprehensive general liability coverage, subject to a consolidated annual aggregate limit of \$10,000,000. Effective July 1, 2018, policy limits were increased to \$5,000,000 per claim with a \$25,000,000 policy aggregate.

For the period from July 1, 2005 to June 30, 2008, Cottage also issued an excess umbrella coverage policy (covering AAMC professional liability) with limits of \$20,000,000 per claim with a policy aggregate. For claims reported on and subsequent to July 1, 2008, the coverage limit provided is \$30,000,000 per claim with a policy aggregate. These excess limits are in excess of the primary policy, and the umbrella policies are 100% reinsured with highly rated third-party commercial reinsurers.

The provision for estimated professional liability claims, general liability claims, and workers' compensation claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. As of June 30, 2020, and 2019, the balance for outstanding claims reserves recorded at Cottage is \$32,444,000 and \$36,843,000 and reinsurance receivable is \$9,884,000 and \$17,286,000, respectively. The remaining tail liability for claims incurred but not reported is \$11,667,000 and \$10,607,000 as of June 30, 2020 and 2019, respectively, with \$10,163,000 of the 2020 liability and \$9,226,000 of the 2019 liability recorded at the AAMC. The remainder of the liability is recorded at PE. The Group has employed an independent actuary to estimate the ultimate settlement of such claims. In management's opinion, the amounts recorded provide an adequate reserve for loss contingencies. However, changes in circumstances affecting professional liability claims could cause these estimates to change by material amounts in the short term.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Malpractice Insurance Costs and Self-Insured Professional Liability (continued)

DCMC has coverage for professional and general liabilities on a claims-made basis from Freestate Healthcare Insurance Company, Ltd. (Freestate), a group captive formed by several Maryland hospitals. DCMC owns 20% interest in the captive and accounts for it using the cost method. The cost of \$15,000 is recorded in other noncurrent assets on the accompanying consolidated balance sheets as of June 30, 2020. Premiums are expensed as incurred and are established based on the DCMC historical experience supplemented as necessary with industry experience. The total premium is allocated to each of the shareholders based on their experience. Retrospective premium assessments and credits are calculated based on the aggregate experience of all named insureds under the policy. Each named insured's assessment of credit is based on the percentage of their actual exposure to the actual exposure of all named insureds. In management's opinion, the assets of Freestate are sufficient to meet its obligations as of June 30, 2020. If the financial condition of Freestate were to materially deteriorate in the future, and Freestate was unable to pay its claim obligations, the responsibility to pay those claims would return to the member hospitals. The captive is responsible for claims up to \$1,000,000 for each and every loss event. Additional coverage has been purchased by the captive for all claims in excess of \$1,000,000 to a limit of \$6,000,000 effective March 1, 2006, \$10,000,000 effective March 1, 2012, and \$15,000,000 effective March 1, 2019. The estimated unpaid loss liability reserved by the captive for DCMC was \$9,466,000 at June 30, 2020. These amounts are included in long-term liabilities and the related anticipated insurance recoveries were reported in noncurrent assets on the accompanying consolidated balance sheets. The liability for all claims incurred but not reported for DCMC was \$1,106,000 at June 30, 2020. The discount rate for unpaid losses is 3.5% for the year ended June 30, 2020. DCMC engages a consulting actuary to assist in the determination of all professional liability claims incurred but not reported.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies

Leases

The following table presents the components of the Luminis' right-of-use assets and liabilities related to ASC 842 leases and their classification in Luminis' consolidated balance sheets as of June 30, 2020:

Component of Lease Balances	Classification in Consolidated Balance Sheet	June 30, 2020
Assets		
Operating lease assets	Right of use asset long term	\$ 44,995,000
Total leased assets		<u>\$ 44,995,000</u>
Liabilities		
Operating lease liabilities:		
Current	Lease liability short term	\$ 8,753,000
Long term	Lease liability long term	<u>37,429,000</u>
Total operating lease liabilities		<u>\$ 46,182,000</u>

Luminis determines if an arrangement is a lease at inception of the contract. The right-of-use assets represent Luminis' right to use the underlying assets for the lease term and the lease liabilities represent Luminis' obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Luminis uses a risk-free discount rate that is determined using Treasury securities of a comparable term to that of its leases when acting as a lessee.

Luminis' operating leases are primarily for real estate and equipment. Real estate leases include leases of medical facilities and office spaces. Equipment leases mainly include lease of copiers and medical equipment. Luminis' real estate lease agreements typically have initial terms of 3 to 20 years, and equipment lease agreements typically have initial terms of 3 to 5 years.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

Real estate leases may include one or more options to renew that can extend the lease term from five to ten years. The exercise of lease renewal options is at Luminis' sole discretion. In general, Luminis does not consider renewal options to be reasonably likely to be exercised; therefore, renewal options are generally not recognized as part of Luminis' right-of-use assets and lease liabilities. Certain equipment leases also include options to purchase the leased equipment. The useful life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Luminis currently does not have any leases whereby there is a transfer of title or a purchase option that is reasonably certain to be exercised; hence, all of Luminis' leases are depreciated over the lease term.

Certain of the Luminis' lease agreements for real estate include payments based on actual common area maintenance expenses and other operating expenses. These variable lease payments are recognized in purchased services but are not included in the right of-use asset or liability balances. Luminis' lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

Luminis elected the accounting policy practical expedients by class of underlying asset to: (i) exclude recording leases with an initial term of 12 months or less (short-term leases) as right-of-use assets and liabilities on the consolidated balance sheets; and (ii) combine associated lease and non-lease components into a single lease component. Non-lease components, which are not significant overall, are combined with lease components. Luminis' has elected these practical expedients for real estate, equipment, and all other asset classes when acting as a lessee.

Luminis' also elected the practical expedient package not to reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial indirect costs for existing leases.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

The following table presents the components of the Luminis' lease expense for the year ended June 30, 2020:

Operating lease expense	\$ 11,826,000
Finance lease expense:	
Amortization of leased assets	27,000
Interest on lease liabilities	2,000
Total finance lease expense	11,855,000
Variable lease expense	60,000
Short-term lease expense	5,000
Total lease expense	\$ 11,920,000

Total rent expense under operating leases was \$9,875,000 for the year ended June 30, 2019, and is included in purchased services on the accompanying consolidated statement of operations and changes in net assets.

The weighted average lease terms and discount rates for operating and finance leases are as follows as of June 30, 2020:

Weighted average remaining lease term (years):	
Operating leases	8.1
Finance leases	2.2
Weighted average discount rate:	
Operating leases	3.2%
Finance leases	1.8%

Cash flow and other information related to leases are included in the following table for the year ended June 30, 2020:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash outflows from operating leases	\$ 21,756,000
Operating cash outflows from finance leases	1,000
Financing cash outflows from finance leases	26,000
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	8,507,000
Finance leases	27,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

The following table summarizes the maturity lease obligations as of June 30, 2020:

	Operating Leases	Finance Leases	Total
2021	\$ 8,922,000	\$ 63,000	\$ 8,985,000
2022	7,706,000	28,000	7,734,000
2023	5,817,000	5,000	5,822,000
2024	4,544,000	–	4,544,000
2025	2,830,000	–	2,830,000
Thereafter	16,999,000	–	16,999,000
Total lease payments	46,818,000	96,000	46,914,000
Less: Imputed interest	729,000	3,000	732,000
Total lease liabilities	<u>\$ 46,089,000</u>	<u>\$ 93,000</u>	<u>\$ 46,182,000</u>

Contingencies

Members of Luminis have been named as defendants in various legal proceedings arising from the performance of their normal activities. In the opinion of management, after consultation with legal counsel and after consideration of applicable insurance, the amount of the Luminis' ultimate liability under all current legal proceedings will not have a material adverse effect on its consolidated financial position or results of operations.

Luminis' revenues may be subject to adjustment as a result of examination by government agencies or contractors, based upon differing interpretations of government regulations, medical diagnoses, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until subsequent to the period during which the services were rendered. Section 302 of the Tax Relief and Health Care Act of 2006 authorized a permanent program involving the use of third-party recovery audit contractors (RACs) to identify Medicare overpayments and underpayments made to providers. Management has established protocols to respond to RAC requests and payment denials. Payment recoveries resulting from RAC reviews are appealable through administrative and judicial processes, and management intends to pursue the reversal of adverse determinations where appropriate. In addition to overpayments that are not reversed on appeal, management will incur additional costs to respond to requests for records and pursue the reversal of payment denials. As of June 30, 2020 and 2019, Luminis has recorded an

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

estimated reserve regarding the Medicare overpayments. In the opinion of the Luminis' management, the ultimate settlement of this matter will not have a material adverse effect on the consolidated financial position of Luminis.

During the year ended June 30, 2018, the System recorded a \$3,500,000 accrual related to an inquiry by the Department of Justice regarding a potential billing discrepancy. A final settlement was signed in June 2019 and the payment amount approximated the amount accrued at June 30, 2018. A corporate integrity agreement (CIA) was also signed in June 2019 with the Office of Inspector General of the Department of Health and Human Services. The CIA will be in place for five years and will require periodic reporting of various matters by an independent review organization and the System.

During the year ended June 30, 2020, DCMC recorded an accrual related to a billing error that it intends to self-report to the Department of Health and Human Services. DCMC expects to work with the Federal Government to come to a resolution on this matter. It is possible that other regulatory conditions may be part of the final resolution. Based on consultation with legal counsel, management believes the final resolution will not have a material adverse effect on the June 30, 2020 financial statements.

11. Functional Expenses

Members of Luminis provide general health care services to residents within their service area. Expenses related to providing these services are as follows:

	Health Care Services	General and Administrative	Total
Year ended June 30, 2020			
Salaries and wages	\$ 401,827,000	\$ 78,053,000	\$ 479,880,000
Employee benefits	63,580,000	12,350,000	75,930,000
Supplies	189,335,000	8,152,000	197,487,000
Purchases services	113,213,000	113,162,000	226,375,000
Depreciation and amortization	22,742,000	23,252,000	45,994,000
Interest	16,151,000	—	16,151,000
Total operating expenses	<u>\$ 806,848,000</u>	<u>\$ 234,969,000</u>	<u>\$ 1,041,817,000</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Functional Expenses (continued)

	Health Care Services	General and Administrative	Total
Year ended June 30, 2019			
Salaries and wages	\$ 293,400,000	\$ 56,260,000	\$ 349,660,000
Employee benefits	45,157,000	11,199,000	56,356,000
Supplies	158,348,000	1,141,000	159,489,000
Purchases services	70,001,000	67,556,000	137,557,000
Depreciation and amortization	26,647,000	10,186,000	36,833,000
Interest	13,118,000	–	13,118,000
Transaction costs	–	3,279,000	3,279,000
Total operating expenses	<u>\$ 606,671,000</u>	<u>\$ 149,621,000</u>	<u>\$ 756,292,000</u>

12. Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, patient receivables, prepaid expenses and other current assets, accounts payable, accrued salaries, wages and benefits, other accrued expenses, and advances from third-party payors approximate fair value, given the short-term nature of these financial instruments or their methods of valuation. The following methods and assumptions were used by Luminis in estimating the fair value of other financial instruments.

Investments and Assets Whose Use is Limited

Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Pledges Receivable

Luminis estimates that the carrying value of pledges receivable approximates fair value, given the discount rates applied.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Net Assets

Net assets with donor restrictions are restricted for use, as follows:

	June 30	
	2020	2019
Hospital capital additions	\$ 7,248,000	\$ 6,382,000
Hospital operating programs	16,613,000	16,207,000
	\$ 23,861,000	\$ 22,589,000

14. Liquidity and Availability

Financial assets available for general expenditure within one year of the balance sheet date comprise the following as of June 30, 2020:

Assets

Current assets:

Cash and cash equivalent	\$ 178,795,000
Short-term investments	1,365,000
Current portion of assets whose use is limited	15,912,000
Patient receivables, net	118,882,000
Current portion of pledges receivable, net	945,000
Prepaid expenses and other current assets	19,857,000
Investments*	338,985,000
Total financial assets	\$ 674,741,000

*While these investments are long-term in nature, they are available for general expenditures within one year of the balance sheet date if necessary.

AAMC's bond covenant requires AAMC to maintain unrestricted cash and marketable securities on hand to meet 90 days of normal operating expenses. The AAMC obligated group was compliant with all financial covenants as of June 30, 2020 and 2019.

DCMC's bond covenant requires DCMC to maintain unrestricted cash and marketable securities on hand to meet 60 days of normal operating expenses. The DCMC obligated group was compliant with all financial covenants as of June 30, 2020.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. Subsequent Events

Luminis has evaluated the impact of subsequent events through October 23, 2020, representing the date at which the accompanying consolidated financial statements were issued.

On July 20, 2020, Luminis received \$20,019,000 in provider relief funds authorized in the CARES Act from HHS. Luminis expects that these relief funds will be forgivable, but uncertainty exists as to the final outcome of the terms and conditions associated with the relief funds. Management will continue to monitor compliance with the terms and conditions of the Relief Fund and the impact of the pandemic on the System's revenues and expenses. If unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted. Furthermore, the HSCRC is proposing to reduce Luminis' ability to recoup undercharges from its GBR reimbursement program in future years by an amount derived from these provider relief funds. The final outcome of the HSCRC's decisions on treatment of the undercharge resulting from the Global Budget Reimbursement Revenue program and application of CARES Act funding to GBR limits is still being evaluated.

On October 22, 2020, HHS released additional reporting requirements for health care entities that received distributions from the Provider Relief Fund. The Post-Payment Notice of Reporting Requirements (the Notice) supplements the previous notice issued on July 20, 2020, and amended on August 14, 2020 and September 19, 2020. The System considered the effects of the changes included in the Notice and concluded these changes represent non-recognized (i.e., Type II) subsequent events in accordance with ASC 855, *Subsequent Events*, since the reporting requirements included in the Notice provide evidence about conditions that did not exist at the balance sheet date, but instead are conditions that arose after that date but before financial statements were issued. Based on the expectations of the revenue to be recognized through December 31, 2020, the Company does not believe the new guidance will result in a material change to amounts recorded in the June 30, 2020, financial statements related to the Provider Relief Funds. The System will continue to monitor changes in reporting guidance or additional clarifications that may be issued by HHS, which would affect the accounting for distributions from the Provider Relief Fund. In addition, the System will continue to monitor guidance from the HSCRC related to how the HSCRC will interpret the new HHS guidance.

On October 1, 2020, a new law was signed that included modifications to the CMS Accelerated and Advance Payment Program. These modifications included an extension to the previous terms discussed within Note 2. The changes in payments terms are considered a non-recognized subsequent event in accordance with ASC 855.

Except for those events mentioned above, no events have occurred that require disclosure in or adjustments to the accompanying consolidated financial statements.

Supplementary Information

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet

June 30, 2020

	Luminis Health, Inc.	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Services, Inc.	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Center Collaborative Care Network LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
Assets												
Current assets:												
Cash and cash equivalents	\$ (7,700,000)	\$ 80,540,000	\$ 423,000	\$ (19,000)	\$ 1,191,000	\$ 7,000	\$ 716,000	\$ 2,000	\$ 4,414,000	\$ 99,221,000	\$ —	\$ 178,795,000
Short-term investments	—	912,000	—	—	—	—	—	—	453,000	—	—	1,365,000
Current portion of assets whose use is limited	—	15,912,000	—	—	—	—	—	—	—	—	—	15,912,000
Patient receivables, net	—	69,769,000	2,448,000	—	—	677,000	10,519,000	—	—	35,469,000	—	118,882,000
Current portion of pledges receivable, net	—	—	—	—	—	—	—	—	945,000	—	—	945,000
Inventories	—	15,677,000	—	—	—	—	525,000	—	—	5,587,000	—	21,789,000
Prepaid expenses and other current assets	11,000	8,033,000	93,022,000	4,900,000	23,468,000	775,000	2,104,000	5,030,000	33,678,000	5,380,000	(156,544,000)	19,857,000
Total current assets	(7,689,000)	190,843,000	95,893,000	4,881,000	24,659,000	1,459,000	13,864,000	5,032,000	39,490,000	145,657,000	(156,544,000)	357,545,000
Property and equipment	123,000	772,018,000	28,349,000	3,732,000	138,279,000	77,000	27,376,000	—	2,013,000	124,878,000	—	1,096,845,000
Less accumulated depreciation and amortization	—	(418,394,000)	(26,372,000)	(1,905,000)	(66,552,000)	(77,000)	(14,741,000)	—	(146,000)	(10,166,000)	—	(538,353,000)
Net property and equipment	123,000	353,624,000	1,977,000	1,827,000	71,727,000	—	12,635,000	—	1,867,000	114,712,000	—	558,492,000
Other assets:												
Investments	—	317,410,000	—	—	—	—	—	—	1,552,000	20,023,000	—	338,985,000
Investments in joint ventures	—	—	—	254,000	7,575,000	—	—	—	—	6,195,000	—	14,024,000
Pledges receivable, net	—	—	—	—	—	—	—	—	3,192,000	—	—	3,192,000
Assets whose use is limited	—	25,538,000	—	—	—	—	—	—	15,482,000	—	—	41,020,000
Beneficial interest in net assets of AAMC Foundation, Inc.	—	23,450,000	—	—	—	—	—	—	—	—	(23,450,000)	—
Restricted collateral for interest rate swap contract	—	110,002,000	—	—	—	—	18,597,000	—	—	4,544,000	—	110,002,000
Right of use asset	—	8,539,000	882,000	785,000	11,648,000	—	1,392,000	—	387,000	29,322,000	—	44,995,000
Other assets	576,829,000	22,581,000	—	—	1,338,000	—	1,392,000	—	—	—	(578,236,000)	55,613,000
Total assets	\$ 569,263,000	\$ 1,051,987,000	\$ 98,752,000	\$ 7,747,000	\$ 116,947,000	\$ 1,459,000	\$ 46,488,000	\$ 5,032,000	\$ 61,970,000	\$ 320,453,000	\$ (758,230,000)	\$ 1,521,868,000

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet (continued)

June 30, 2020

	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Services, Inc.	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Collaborative Care Network LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
\$	69,678,000	899,000	1,536,000	316,000	1,224,000	8,283,000	214,000	6,659,000	10,274,000	(121,961,000)	\$ 40,441,000
	12,901,000	312,000	1,056,000	—	149,000	5,177,000	—	77,000	14,654,000	—	53,438,000
	1,369,000	—	4,000	3,599,000	—	1,740,000	—	31,784,000	13,953,000	(35,970,000)	32,413,000
	—	—	—	4,033,000	—	—	—	—	4,979,000	—	16,440,000
	—	—	—	661,000	—	7,977,000	—	—	51,905,000	—	182,697,000
	—	124,000	450,000	1,283,000	—	2,850,000	—	—	1,184,000	—	8,753,000
	83,948,000	1,335,000	3,046,000	9,892,000	1,373,000	26,027,000	1,889,000	38,520,000	96,949,000	(157,931,000)	334,182,000
	—	—	—	57,288,000	—	—	—	—	122,766,000	—	470,308,000
	—	—	—	—	—	—	—	—	—	—	117,037,000
	—	—	—	—	—	—	—	—	6,525,000	—	29,276,000
	—	767,000	335,000	10,511,000	—	15,982,000	—	—	4,075,000	—	37,429,000
	—	—	—	—	—	167,000	—	—	14,421,000	—	47,032,000
	83,948,000	2,102,000	3,381,000	77,691,000	1,373,000	42,176,000	1,889,000	38,520,000	244,736,000	(157,931,000)	1,035,264,000
	462,606,000	96,650,000	4,366,000	39,256,000	86,000	4,312,000	3,143,000	(608,000)	73,058,000	(553,987,000)	460,552,000
	22,709,000	—	—	—	—	—	—	24,058,000	468,000	(46,312,000)	23,861,000
	485,315,000	96,650,000	4,366,000	39,256,000	86,000	4,312,000	3,143,000	23,450,000	75,717,000	(600,299,000)	2,191,000
	\$ 569,263,000	\$ 98,752,000	\$ 7,747,000	\$ 116,947,000	\$ 1,459,000	\$ 46,488,000	\$ 5,032,000	\$ 61,970,000	\$ 320,453,000	\$ (758,230,000)	\$ 1,521,868,000

Liabilities and net assets

Current liabilities:

Accounts payable
 Accrued salaries, wages, and benefits
 Other accrued expenses
 Current portion of long-term debt
 Advances from third-party payors
 Current portion of lease liability
 Total current liabilities

Long-term debt, less current portion and unamortized

original issue premium
 Interest rate swap contract
 Accrued pension liability
 Lease liability, less current portion
 Other long-term liabilities
 Total liabilities

Net assets:

Without donor restrictions
 With donor restrictions
 Non-controlling interest
 Total net assets
 Total liabilities and net assets

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Statement of Operations

Year Ended June 30, 2020

	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Health Care Services, Inc.	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Collaborative Care Network, LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
Operating revenue:												
Net patient service revenue	\$ 564,209,000	\$ 28,206,000	\$ 28,206,000	\$ 20,323,000	\$ 22,447,000	\$ 1,893,000	\$ 137,567,000	\$ 1,483,000	\$ 4,993,000	\$ 239,123,000	\$ (71,597,000)	\$ 969,105,000
Other operating revenue	33,627,000	630,000	630,000	20,323,000	22,447,000	1,893,000	41,378,000	1,483,000	4,993,000	21,884,000	(71,597,000)	78,393,000
Total operating revenue	1,332,000	597,836,000	28,836,000	20,323,000	22,447,000	1,893,000	178,945,000	1,483,000	4,993,000	261,007,000	(71,597,000)	1,047,498,000
Operating expenses:												
Salaries and wages	231,182,000	6,146,000	6,146,000	11,897,000	—	1,701,000	118,815,000	(92,000)	1,402,000	108,829,000	—	479,880,000
Employee benefits	42,106,000	1,120,000	1,120,000	2,087,000	—	349,000	12,993,000	37,000	232,000	17,006,000	—	75,930,000
Supplies	140,029,000	1,102,000	1,102,000	92,000	153,000	7,000	20,977,000	3,000	36,000	35,088,000	—	197,487,000
Purchased services	1,129,000	136,454,000	13,508,000	7,448,000	9,768,000	932,000	44,846,000	2,009,000	892,000	80,684,000	(71,295,000)	226,375,000
Foundation transfer to AAMC and subsidiaries	—	(3,515,000)	—	—	—	—	—	—	3,749,000	—	(234,000)	—
Depreciation and amortization	28,919,000	852,000	852,000	20,000	3,751,000	2,000	2,009,000	—	28,000	10,413,000	(68,000)	45,994,000
Interest	10,136,000	—	—	—	1,763,000	—	2,000	—	—	4,318,000	—	16,151,000
Total operating expenses	1,129,000	585,311,000	22,728,000	21,544,000	15,435,000	2,991,000	199,642,000	1,957,000	6,339,000	256,338,000	(71,597,000)	1,041,817,000
Operating income (loss)	203,000	12,525,000	6,108,000	(1,221,000)	7,012,000	(1,098,000)	(20,697,000)	(474,000)	(1,346,000)	4,669,000	—	5,681,000
Other (loss) income:												
Investment (loss) income, net	—	(12,993,000)	—	—	5,000	—	—	—	2,827,000	461,000	—	(9,700,000)
Loss from joint ventures and other, net	(61,175,000)	(74,000)	—	(1,166,000)	314,000	—	—	—	—	253,000	61,175,000	(673,000)
Inherent contribution	61,715,000	—	—	—	—	—	—	—	—	—	—	61,715,000
Pension credit (expense), net	—	1,777,000	—	—	—	—	—	—	—	(661,000)	—	1,116,000
Change in unrealized (losses) gains on trading securities, net	—	(11,597,000)	—	—	185,000	—	—	—	(3,477,000)	(262,000)	—	(15,151,000)
Realized and unrealized losses on interest rate swap contracts, net	—	(43,149,000)	—	—	—	—	—	—	—	—	—	(43,149,000)
Total other income (loss), net	\$ 40,000	(66,036,000)	—	(1,166,000)	504,000	—	—	—	(650,000)	(209,000)	61,175,000	(5,842,000)
(Deficit) excess of revenue over expenses	\$ 743,000	(53,511,000)	6,108,000	(2,387,000)	7,516,000	(1,098,000)	(20,697,000)	(474,000)	(1,996,000)	4,460,000	—	(161,000)

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet

June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	\$ 80,459,000	\$ 19,000	\$ 62,000	\$ -	\$ -	\$ 80,540,000
Short-term investments	912,000	-	-	-	-	912,000
Current portion of assets whose use is limited	12,382,000	-	-	3,530,000	-	15,912,000
Patient receivables, net	68,164,000	210,000	1,395,000	-	-	69,769,000
Inventories	15,677,000	-	-	-	-	15,677,000
Due from affiliates, net	500,000	1,363,000	-	-	(1,514,000)	349,000
Prepaid expenses and other current assets	7,653,000	2,000	-	29,000	-	7,684,000
Total current assets	185,747,000	1,594,000	1,457,000	3,559,000	(1,514,000)	190,843,000
Property and equipment	735,814,000	9,057,000	27,147,000	-	-	772,018,000
Less accumulated depreciation and amortization	(413,435,000)	(4,744,000)	(215,000)	-	-	(418,394,000)
Net property and equipment	322,379,000	4,313,000	26,932,000	-	-	353,624,000
Other assets:						
Investments	317,410,000	-	-	-	-	317,410,000
Investments in joint ventures	-	-	-	-	-	-
Assets whose use is limited	7,000	-	-	25,531,000	-	25,538,000
Beneficial interest in net assets of Anne Arundel Medical Center Foundation, Inc.	23,450,000	-	-	-	-	23,450,000
Notes receivable from affiliate	1,559,000	-	-	-	-	1,559,000
Restricted collateral for interest rate swap contract	110,002,000	-	-	-	-	110,002,000
Right of use asset	8,539,000	-	-	-	-	8,539,000
Other assets	23,327,000	-	-	9,884,000	(12,189,000)	21,022,000
Total assets	\$ 992,420,000	\$ 5,907,000	\$ 28,389,000	\$ 38,974,000	\$ (13,703,000)	\$ 1,051,987,000

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet (continued)

June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Liabilities and net assets						
Current liabilities:						
Accounts payable	\$ 24,219,000	\$ 24,000	\$ 50,000	\$ 56,000	\$ -	\$ 24,349,000
Accrued salaries, wages, and benefits	18,831,000	167,000	114,000	-	-	19,112,000
Other accrued expenses	15,933,000	1,000	-	-	-	15,934,000
Current portion of long-term debt	7,428,000	-	-	-	-	7,428,000
Intercompany payables	12,280,000	-	28,225,000	-	(1,535,000)	38,970,000
Advances from third-party payors	120,479,000	-	-	-	-	120,479,000
Current portion of lease liability	2,862,000	-	-	-	-	2,862,000
Total current liabilities	202,032,000	192,000	28,389,000	56,000	(1,535,000)	229,134,000
Long-term debt, less current portion and unamortized original issue premium	290,254,000	-	-	-	-	290,254,000
Interest rate swap contract	117,037,000	-	-	-	-	117,037,000
Accrued pension liability	22,751,000	-	-	-	-	22,751,000
Lease liability, less current portion	5,759,000	-	-	-	-	5,759,000
Other long-term liabilities	-	-	-	32,444,000	-	32,444,000
Total liabilities	637,833,000	192,000	28,389,000	32,500,000	(1,535,000)	697,379,000
Net assets:						
Without donor restrictions	331,649,000	5,715,000	-	6,474,000	(12,168,000)	331,670,000
With donor restrictions	22,938,000	-	-	-	-	22,938,000
Total net assets	354,587,000	5,715,000	-	6,474,000	(12,168,000)	354,608,000
Total liabilities and net assets	\$ 992,420,000	\$ 5,907,000	\$ 28,389,000	\$ 38,974,000	\$ (13,703,000)	\$ 1,051,987,000

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Statement of Operations

Year Ended June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Operating revenue:						
Net patient service revenue	\$ 557,943,000	\$ 4,810,000	\$ 1,456,000	\$ -	\$ -	\$ 564,209,000
Other operating revenue	36,221,000	489,000	839,000	8,121,000	(12,043,000)	33,627,000
Total operating revenue	594,164,000	5,299,000	2,295,000	8,121,000	(12,043,000)	597,836,000
Operating expenses:						
Salaries and wages	225,875,000	4,054,000	1,253,000	-	-	231,182,000
Employee benefits	41,222,000	583,000	301,000	-	-	42,106,000
Supplies	139,555,000	616,000	92,000	-	(234,000)	140,029,000
Purchased services	133,365,000	921,000	693,000	9,771,000	(8,296,000)	136,454,000
Foundation transfer to Anne Arundel Medical Center Foundation, Inc. and subsidiaries	-	-	-	-	(3,515,000)	(3,515,000)
Depreciation and amortization	28,378,000	329,000	212,000	-	-	28,919,000
Interest	10,136,000	-	-	-	-	10,136,000
Total operating expenses	578,531,000	6,503,000	2,551,000	9,771,000	(12,045,000)	585,311,000
Operating income (loss)	15,633,000	(1,204,000)	(256,000)	(1,650,000)	2,000	12,525,000
Other (loss) income:						
Investment loss, net	(12,645,000)	-	-	(348,000)	-	(12,993,000)
(Loss) income from joint venture and other, net	(3,657,000)	-	-	-	3,583,000	(74,000)
Pension credit	1,777,000	-	-	-	-	1,777,000
Change in unrealized losses on trading securities, net	(11,470,000)	-	-	(127,000)	-	(11,597,000)
Realized and unrealized losses on interest rate swap contracts, net	(43,149,000)	-	-	-	-	(43,149,000)
Total other (loss) income, net	(69,144,000)	-	-	(475,000)	3,583,000	(66,036,000)
(Deficit) excess of revenue over expenses	\$ (53,511,000)	\$ (1,204,000)	\$ (256,000)	\$ (2,125,000)	\$ 3,585,000	\$ (53,511,000)

Luminis Health, Inc. and Subsidiaries

Supplementary Description of Consolidating and Eliminating Entries

June 30, 2020

1. To eliminate intercompany payables and receivables
2. To eliminate investments in subsidiaries and related net asset accounts
3. To eliminate intercompany income and expense generated from management fees, staffing contracts, captive insurance premiums, and operating leases
4. To eliminate intercompany notes
5. To eliminate income of wholly owned subsidiaries
6. To eliminate intercompany revenue and expense for interest and other miscellaneous transactions
7. To eliminate the AAMC's beneficial interest in the Foundation

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LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.

Form 4720 (2019)

52-1169362 Page 2

Part II-B Summary of Taxes (See Tax Payments in the instructions.)	
1	Enter the taxes listed in Part II-A, column (I), that apply to managers, self-dealers, disqualified persons, donors, donor advisors, and related persons who sign this form. If all sign, enter the total amount from Part II-A, column (I)
2	Total tax. Add Part I, line 15, and Part II-B, line 1
3	Total payments including amount paid with Form 8868 (see instructions)
4	Tax due. If line 2 is larger than line 3, enter amount owed (see instructions)
5	Overpayment. If line 2 is smaller than line 3, enter the difference. This is your refund

SCHEDULE A - Initial Taxes on Self-Dealing (Section 4941)

Part I Acts of Self-Dealing and Tax Computation		
(a) Act number	(b) Date of act	(c) Description of act
1		
2		
3		
4		
5		

(d) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VI-B, applicable to the act	(e) Amount involved in act	(f) Initial tax on self-dealer (10% of col. (e))	(g) Tax on foundation managers (if applicable) (lesser of \$20,000 or 5% of col. (e))

Part II Summary of Tax Liability of Self-Dealers and Proration of Payments			
(a) Names of self-dealers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Self-dealer's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Foundation Managers and Proration of Payments			
(a) Names of foundation managers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (g), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE B - Initial Tax on Undistributed Income (Section 4942)

1	Undistributed income for years before 2018 (from Form 990-PF for 2019, Part XIII, line 6d)	1
2	Undistributed income for 2018 (from Form 990-PF for 2019, Part XIII, line 6e)	2
3	Total undistributed income at end of current tax year beginning in 2019 and subject to tax under section 4942 (add lines 1 and 2)	3
4	Tax - Enter 30% of line 3 here and on Part I, line 1	4

Form 4720 (2019)

SCHEDULE C - Initial Tax on Excess Business Holdings (Section 4943)

Business Holdings and Computation of Tax

If you have taxable excess holdings in more than one business enterprise, attach a separate schedule for each enterprise. Refer to the instructions for each line item before making any entries.

Name and address of business enterprise

Employer identification number

Form of enterprise (corporation, partnership, trust, joint venture, sole proprietorship, etc.)

		(a) Voting stock (profits interest or beneficial interest)	(b) Value	(c) Nonvoting stock (capital interest)
1	Foundation holdings in business enterprise	1		
2	Permitted holdings in business enterprise	2		
3	Value of excess holdings in business enterprise	3		
4	Value of excess holdings disposed of within 90 days; or, other value of excess holdings not subject to section 4943 tax (attach statement)	4		
5	Taxable excess holdings in business enterprise - line 3 minus line 4	5		
6	Tax - Enter 10% of line 5	6		
7	Total tax - Add amounts on line 6, columns (a), (b), and (c); enter total here and on Part I, line 2	7		

SCHEDULE D - Initial Taxes on Investments That Jeopardize Charitable Purpose (Section 4944)

Part I Investments and Tax Computation

(a) Investment number	(b) Date of investment	(c) Description of investment	(d) Amount of investment	(e) Initial tax on foundation (10% of col. (d))	(f) Initial tax on foundation managers (if applicable) - (lesser of \$10,000 or 10% of col. (d))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 3					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments

(a) Names of foundation managers liable for tax	(b) Investment no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE E - Initial Taxes on Taxable Expenditures (Section 4945)

Part I Expenditures and Computation of Tax				
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Name and address of recipient	(e) Description of expenditure and purposes for which made
1				
2				
3				
4				
5				
(f) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VI-B, applicable to the expenditure			(g) Initial tax imposed on foundation (20% of col. (b))	(h) Initial tax imposed on foundation managers (if applicable)- (lesser of \$10,000 or 5% of col. (b))
Total - Column (g). Enter here and on Part I, line 4				
Total - Column (h). Enter total (or prorated amount) here and in Part II, column (c), below				

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments			
(a) Names of foundation managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (h), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE F - Initial Taxes on Political Expenditures (Section 4955)

Part I Expenditures and Computation of Tax					
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of political expenditure	(e) Initial tax imposed on organization or foundation (10% of col. (b))	(f) Initial tax imposed on managers (if applicable) (lesser of \$5,000 or 2½% of col. (b))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 5					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Organization Managers or Foundation Managers and Proration of Payments			
(a) Names of organization managers or foundation managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE G - Tax on Excess Lobbying Expenditures (Section 4911)

1	Excess of grass roots expenditures over grass roots nontaxable amount (from Schedule C (Form 990 or 990-EZ), Part II-A, column (b), line 1h). (See the instructions before making an entry.)	1
2	Excess of lobbying expenditures over lobbying nontaxable amount (from Schedule C (Form 990 or 990-EZ), Part II-A, column (b), line 1i). (See the instructions before making an entry.)	2
3	Excess lobbying expenditures - enter the larger of line 1 or line 2	3
4	Tax - Enter 25% of line 3 here and on Part I, line 6	4

SCHEDULE H - Taxes on Disqualifying Lobbying Expenditures (Section 4912)

Part I Expenditures and Computation of Tax					
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of lobbying expenditures	(e) Tax imposed on organization (5% of col. (b))	(f) Tax imposed on organization managers (if applicable)- (5% of col. (b))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 7					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Organization Managers and Proration of Payments			
(a) Names of organization managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE I - Initial Taxes on Excess Benefit Transactions (Section 4958)

Part I Excess Benefit Transactions and Tax Computation		
(a) Transaction number	(b) Date of transaction	(c) Description of transaction
1		
2		
3		
4		
5		
(d) Amount of excess benefit	(e) Initial tax on disqualified persons (25% of col. (d))	(f) Tax on organization managers (if applicable) (lesser of \$20,000 or 10% of col. (d))

SCHEDULE I - Initial Taxes on Excess Benefit Transactions (Section 4958) *Continued*

Part II Summary of Tax Liability of Disqualified Persons and Proration of Payments			
(a) Names of disqualified persons liable for tax	(b) Trans. no. from Part I, col. (a)	(c) Tax from Part I, col. (e), or prorated amount	(d) Disqualified person's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of 501(c)(3), (c)(4) & (c)(29) Organization Managers and Proration of Payments			
(a) Names of 501(c)(3), (c)(4) & (c)(29) organization managers liable for tax	(b) Trans. no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE J - Taxes on Being a Party to Prohibited Tax Shelter Transactions (Section 4965)

Part I Prohibited Tax Shelter Transactions (PTST) and Tax Imposed on the Tax-Exempt Entity (see instructions)				
(a) Transaction number	(b) Transaction date	(c) Type of transaction 1 - Listed 2 - Subsequently listed 3 - Confidential 4 - Contractual protection	(d) Description of transaction	
1				
2				
3				
4				
5				
(e) Did the tax-exempt entity know or have reason to know this transaction was a PTST when it became a party to the transaction? Answer Yes or No		(f) Net income attributable to the PTST	(g) 75% of proceeds attributable to the PTST	(h) Tax imposed on the tax-exempt entity (see instructions)
Total - Column (h). Enter here and on Part I, line 9				

SCHEDULE L - Taxes on Prohibited Benefits Distributed From Donor Advised Funds (Section 4967).

See the instructions.

Part I Prohibited Benefits and Tax Computation		
(a) Item number	(b) Date of prohibited benefit	(c) Description of benefit
1		
2		
3		
4		
5		
(d) Amount of prohibited benefit	(e) Tax on donors, donor advisors, or related persons (125% of col. (d)) (see instructions)	(f) Tax on fund managers (if applicable) (lesser of 10% of col. (d) or \$10,000) (see instructions)

Part II Summary of Tax Liability of Donors, Donor Advisors, Related Persons, and Proration of Payments			
(a) Names of donors, donor advisors, or related persons liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (e) or prorated amount	(d) Donor's, donor advisor's, or related person's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Fund Managers and Proration of Payments			
(a) Names of fund managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f) or prorated amount	(d) Fund manager's total tax liability (add amounts in col. (c)) (see instructions)

**Schedule M - Tax on Hospital Organization for Failure to Meet the Community Health Needs
Assessment Requirements** (Sections 4959 and 501(r)(3)). (See instructions.)

Part I Failures to Meet Section 501(r)(3)

(a) Item number	(b) Name of hospital facility	(c) Description of the failure	(d) Tax year hospital facility last conducted a CHNA	(e) Tax year hospital facility last adopted an implementation strategy
1				
2				
3				
4				
5				

Part II Computation of Tax

1	Number of hospital facilities operated by the hospital organization that failed to meet the Community Health Needs Assessment requirements of section 501(r)(3)	1
2	Tax - Enter \$50,000 multiplied by line 1 here and on Part I, line 12	2

SCHEDULE N - Tax on Excess Executive Compensation (Section 4960). (See instructions.)

(a) Item number	(b) Name of covered employee	(c) Excess remuneration	(d) Excess parachute payment	(e) Total. Add column (c) and (d)
1	SEE STATEMENT 1			
2				
3				
4				
5				
6	Attachment, if necessary. See instructions			
Total (add column (e) items 1 - 6)				1,066,963.
Tax. Enter 21% of the amount above here and on Part I, line 13				224,062.

SCHEDULE O - Excise Tax on Net Investment Income of Private Colleges and Universities
(Section 4968)

	(a) Name	(b) EIN	(c) Gross investment income (See instructions.)	(d) Capital gain net income	(e) Administrative expenses allocable to income included in cols. (c) and (d)	(f) Net investment income (See instructions.)
1	Filing Organization					
2	Related Organization					
3	Related Organization					
4	Related Organization					
5	Total from attachment, if necessary					
6	Total					
7	Excise Tax on Net Investment Income. Enter 1.4% of the amount in 6(f) here and on Part I, line 14					

LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.

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.

Sign Here

	CFO	
Signature of officer or trustee	Title	Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
LORI S. BURGHAUSER	LORI S. BURGHAUSER	05/08/21		P00370694
Firm's name ▶ SC&H GROUP, INC.			Firm's EIN ▶ 20-5991824	
Firm's address ▶ 910 RIDGEBROOK ROAD SPARKS, MD 21152			Phone no. (410) 403-1500	

(A) ITEM NO	(B) NAME OF COVERED EMPLOYEE	(C) EXCESS RENUMERATION	(D) EXCESS PARACHUTE PAYMENT	(E) TOTAL
1.	VICTORIA BAYLESS	1,066,963.		1,066,963.
TOTAL EXCESS EXECUTIVE COMPENSATION				1,066,963.

2019 TAX RETURN FILING INSTRUCTIONS

MARYLAND FORM 500

FOR THE YEAR ENDING

June 30, 2020

Prepared For:

Luminis Health Anne Arundel Medical
Center, Inc.
2000 Medical Parkway, Suite 606
Annapolis, MD 21401

Prepared By:

SC&H Group, Inc.
910 Ridgebrook Road
Sparks, MD 21152

To Be Signed and Dated By:

The appropriate corporate officer(s).

Amount of Tax:

Total tax	\$	1,657
Less: payments and credits	\$	3,598
Plus: other amount	\$	0
Plus: interest and penalties	\$	0
Overpayment	\$	1,941

Overpayment:

Credit to your estimated tax	\$	1,941
Other amount	\$	0
Refunded to you	\$	0

Make Check Payable to:

Not applicable

Mail Tax Return and Check (if applicable) to:

Comptroller of Maryland
Revenue Administration Div.
110 Carroll Street
Annapolis, MD 21411-0001

Return Must be Mailed On or Before:

May 17, 2021

Special Instructions:



OR FISCAL YEAR BEGINNING 0701 2019, ENDING 063020

521169362

Federal Employer Identification Number (9 digits)

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENT

Name

2000 MEDICAL PARKWAY SUITE 606

Street Address

ANNAPOLIS MD 21401

City or town State ZIP Code +4

For Office Use Only

Table with columns ME, YE, EC, EC and values 06, 20



IF NO TAX IS DUE WITH THIS EXTENSION, DO NOT MAIL THIS PAPER FORM UNLESS IT IS THE FIRST FILING OF THE ENTITY, INSTEAD FILE THE EXTENSION AT: www.marylandtaxes.gov OR CALL 410-260-7829 FROM CENTRAL MARYLAND OR 1-800-260-3664 FROM ELSEWHERE TO TELEFILE THIS FORM.

TAX PAYMENT WORKSHEET INSTRUCTIONS

STAPLE CHECK HERE

- Line 1 - Tax liability Enter the total amount of income tax the corporation is expected to owe. Use Form 500 as a worksheet.
Line 2 - Estimated tax payments Enter the total amount of Maryland estimated tax paid with Form 500D for the tax year. Include any overpayment from the prior period that was credited to the current tax year.
Line 3 - Allowable tax credits Enter the allowable tax credits from Form 500CR or 502S or tax paid on the corporation's behalf by a pass-through entity.
Line 4 - Total payments and credits Add lines 2 and 3 and enter the total on line 4.
Line 5 - Tax due Subtract line 4 from line 1 and enter the result on line 5. This is the tax to be paid with the application for extension.

TAX PAYMENT WORKSHEET

Table with 5 rows for tax calculation: 1. Tax liability expected for the current tax year 3598. 2. Estimated tax payments and amount credited from the prior period 598. 3. Allowable tax credits. 4. Total payments and credits. Add lines 2 and 3 and enter here 598. 5. Tax due - Subtract line 4 from line 1 3000. TAX PAID WITH THIS EXTENSION 3000.

IF NO TAX IS DUE WITH THIS EXTENSION, DO NOT MAIL THIS PAPER FORM UNLESS IT IS THE FIRST FILING OF THE ENTITY, INSTEAD FILE THE EXTENSION AT: www.marylandtaxes.gov OR CALL 410-260-7829 FROM CENTRAL MARYLAND OR 1-800-260-3664 FROM ELSEWHERE TO TELEFILE THIS FORM.

Make checks payable to and mail to: Comptroller Of Maryland Revenue Administration Division 110 Carroll Street Annapolis, Maryland 21411-0001

(Write Your Federal Employer Identification Number On Check Using Blue Or Black Ink.)

MARYLAND FORM 500

CORPORATION INCOME TAX RETURN



2019 \$

OR FISCAL YEAR BEGINNING 0701 2019, ENDING 063020

521169362 Federal Employer Identification Number (9 digits) FEIN Applied for Date (MMDDYY)

021802 Date of Organization or Incorporation (MMDDYY) 621510 Business Activity Code No. (6 digits)

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENT Name

2000 MEDICAL PARKWAY SUITE 606 Current Mailing Address Line 1 (Street No. and Street Name or PO Box)

Current Mailing Address Line 2 (Apt No., Suite No., Floor No.)

ANNAPOLIS MD 21401 City or town State ZIP Code +4

Do not write in this space. 06 20 ME YE

Please Print Using Blue or Black Ink Only

STAPLE CHECK HERE

CHECK HERE IF:

- Name or address has changed Inactive corporation First filing of the corporation Final Return This tax year's beginning and ending dates are different from last year's due to an acquisition or consolidation.

SEE CORPORATION INSTRUCTIONS. ATTACH A COPY OF THE FEDERAL INCOME TAX RETURN THROUGH SCHEDULE M2.

- 1a. Federal Taxable Income (Enter amount from Federal Form 1120 line 28 or Form 1120-C line 25c.) See Instructions. Check applicable box: 1120 1120-REIT 990T Other: IF 1120S, FILE ON FORM 510 1a. 53719. 1b. Special Deductions (Federal Form 1120 line 29b or Form 1120-C line 26b.) 1b. 1c. Federal Taxable Income before net operating loss deduction (Subtract line 1b from 1a) 1c. 53719.

MARYLAND ADJUSTMENTS TO FEDERAL TAXABLE INCOME

(All entries must be positive amounts.)

ADDITION ADJUSTMENTS

- 2a. Section 10-306.1 related party transactions 2a. 2b. Decoupling Modification Addition adjustment (Enter code letter(s) from instructions.) 2b. 2c. Total Maryland Addition Adjustments to Federal Taxable Income (Add lines 2a and 2b) 2c.

SUBTRACTION ADJUSTMENTS

- 3a. Section 10-306.1 related party transactions 3a. 3b. Dividends for domestic corporation claiming foreign tax credits (Federal form 1120/1120C Schedule C line 18) 3b. 3c. Dividends from related foreign corporations (Federal form 1120/1120C Schedule C line 14, 16b and 16c) 3c. 3d. Decoupling Modification Subtraction adjustment (Enter code letter(s) from instructions.) 3d. 3e. Total Maryland Subtraction Adjustments to Federal Taxable Income (Add lines 3a through 3d.) 3e. 4. Maryland Adjusted Federal Taxable Income before NOL deduction is applied (Add lines 1c and 2c, and subtract line 3e.) 4. 53719.



NAME LUMINIS HEALTH FEIN 521169362

5. Enter Adjusted Federal NOL Carry-forward available from previous tax years (including FDSC Carry-forward) on a separate company basis (Enter NOL as a positive amount.) ▶ 5. 0.

6. **Maryland Adjusted Federal Taxable Income** (If line 4 is less than or equal to zero, enter amount from line 4.) (If line 4 is greater than zero, subtract line 5 from line 4 and enter result. If result is less than zero, enter zero.) 6. 53719.

MARYLAND ADDITION MODIFICATIONS

(All entries must be positive amounts.)

7a. State and local income tax **STATEMENT 1** ▶ 7a. 10501.

7b. Dividends and interest from another state, local or federal tax exempt obligation ▶ 7b. _____

7c. Net operating loss modification recapture (Do not enter NOL carryover. See instructions.) ▶ 7c. _____

7d. Domestic Production Activities Deduction ▶ 7d. _____

7e. Deduction for Dividends paid by captive REIT ▶ 7e. _____

7f. Other additions (Enter code letter(s) from instructions and attach schedule) ▶ 7f. _____

7g. Total Addition Modifications (Add lines 7a through 7f.) 7g. 10501.

MARYLAND SUBTRACTION MODIFICATIONS

(All entries must be positive amounts.)

8a. Income from US Obligations ▶ 8a. _____

8b. Other subtractions (Enter code letter(s) from instructions and attach schedule) ▶ 8b. 0.

8c. Total Subtraction Modifications (Add lines 8a and 8b.) 8c. 0.

NET MARYLAND MODIFICATIONS

9. Total Maryland Modifications (Subtract line 8c from 7g. If less than zero, enter negative amount.) 9. 10501.

10. Maryland Modified Income (Add lines 6 and 9.) 10. 64220.

APPORTIONMENT OF INCOME

(To be completed by multistate corporations whose apportionment factor is less than 1, otherwise skip to line 13.)

11. Maryland apportionment factor (from page 4 of this form) (If factor is zero, enter .000001.) ▶ 11. .312753

12. Maryland apportionment income (Multiply line 10 by line 11.) 12. 20085.

13. Maryland taxable income (from line 10 or line 12, whichever is applicable.) 13. 20085.

14. Tax (Multiply line 13 by 8.25%) 14. 1657.

15a. Estimated tax paid with Form 500D, Form MW506NRS and/or credited from 2018 overpayment ▶ 15a. 1598.

15b. Tax paid with an extension request (Form 500E) ▶ 15b. 2000.

You must file this form electronically to claim business tax credits from Form 500CR.

15c. Nonrefundable business income tax credits from Part AAA. (See instructions for Form 500CR.)

15d. Refundable business income tax credits from Part DDD. (See instructions for Form 500CR.)

15e. The Heritage Structure Rehabilitation Tax Credit is claimed on line 1 of Part DDD on Form 500CR. Check here if you are a non-profit corporation.

15f. Nonresident tax paid on behalf of the corporation by pass-through entities (Attach Maryland Schedule K-1.) ▶ 15f. _____

15g. Total payments and credits (Add lines 15a through 15f.) 15g. 3598.

16. Balance of tax due (If line 14 exceeds line 15g, enter the difference.) ▶ 16. _____

17. Overpayment (If line 15g exceeds line 14, enter the difference.) ▶ 17. 1941.

18. Interest and/or penalty from Form 500UP _____ or late payment interest **TOTAL.** ▶ 18. _____

19. Total balance due (Add lines 16 and 18, or if line 18 exceeds line 17 enter the difference.) 19. _____



NAME LUMINIS HEALTH FEIN 521169362

20. Amount of overpayment to be applied to estimated tax for 2020
(not to exceed the net of line 17 less line 18) ▶ 20. 1941.
21. Amount of overpayment TO BE REFUNDED
(Add lines 18 and 20, and subtract the total from line 17.) ▶ 21. _____

DIRECT DEPOSIT OF REFUND (See Instructions.) **Be sure the account information is correct.**

If this refund will go to an account outside of the United States, then to comply with banking rules, place a "Y" in this box ▶

and see Instructions.

For the direct deposit option, complete the following information clearly and legibly.

22a. Type of account: ▶ Checking Savings

22b. Routing Number (9-digits): ▶ _____

22c. Account number: ▶ _____

INFORMATIONAL PURPOSES ONLY (LINES 23 & 24)

23. NOL generated in Current Year - Carryforward 20 years and carry back 2 years (farming loss **ONLY**).
(If line 6 is less than zero, enter on line 23.) 23. 0.
24. NAM generated in Current Year - Carried Forward/Back with Loss on Line 23 per
Section 10-205(e) (If line 6 is less than zero AND line 9 is greater than zero, enter the
amount from line 9 on line 24.) 24. 0.



NAME LUMINIS HEALTH FEIN 521169362

Schedule A - COMPUTATION OF APPORTIONMENT FACTOR (Applies only to multistate corporations. See instructions.)

NOTE: Special apportionment formulas are required for rental/leasing, financial institutions, transportation and manufacturing companies. Worldwide headquartered companies see instructions.

	Column 1 TOTALS WITHIN MARYLAND	Column 2 TOTALS WITHIN AND WITHOUT MARYLAND	Column 3 DECIMAL FACTOR (Column 1 ÷ Column 2 rounded to six places)
1A. Receipts			
a. Gross receipts or sales less returns and allowances			
b. Dividends			
c. Interest			
d. Gross rents			
e. Gross royalties			
f. Capital gain net income			
STMT 2			
g. Other income (Attach schedule.)	623975	2666493	
h. Total receipts (Add lines 1A(a) through 1A(g), for Columns 1 and 2.)	623975	2666493	<u>.234006</u>
1B. Receipts Multiply factor on line 1A, Column 3 by 3. Disregard this line if special apportionment formula is used			<u>.702018</u>
2. Property			
a. Inventory			
b. Machinery and equipment			
c. Buildings			
d. Land			
e. Other tangible assets (Attach schedule.)			
f. Rent expense capitalized (multiply by eight)			
g. Total property (Add lines 2a through 2f, for Columns 1 and 2.)	0	0	<u>.000001</u>
3. Payroll			
a. Compensation of officers			
b. Other salaries and wages	575941	612383	
c. Total payroll (Add lines 3a and 3b, for Columns 1 and 2.)	575941	612383	<u>.940491</u>
4. Total of factors (Add entries in Column 3.)			<u>1.876516</u>
5. Maryland apportionment factor Divide line 4 by six for three-factor formula, or by the number of factors used if special apportionment formula required. (If factor is zero, enter .000001 on line 11 page 2.)			<u>.312753</u>

Check here if special apportionment formula is used.



NAME LUMINIS HEALTH FEIN 521169362

SCHEDULE B - ADDITIONAL INFORMATION REQUIRED (Attach a separate schedule if more space is necessary.)

- 1. Telephone number of corporation tax department: 4434816555
- 2. Address of principal place of business in Maryland (if other than indicated on page 1): _____
- 3. Brief description of operations in Maryland: HOSPITAL
- 4. Has the Internal Revenue Service made adjustments (for a tax year in which a Maryland return was required) that were not previously reported to the Maryland Revenue Administration Division? Yes No
If "yes", indicate tax year(s) here: _____ and submit an amended return(s) together with a copy of the IRS adjustment report(s) under separate cover.
- 5. Did the corporation file employer withholding tax returns/forms with the Maryland Revenue Administration Division for the last calendar year? Yes No
- 6. Is this entity part of the federal consolidated filing? Yes No
If a multistate operation, provide the following:
- 7. Is this entity a multistate corporation that is a member of a unitary group? Yes No
- 8. Is this entity a multistate manufacturer with more than 25 employees? Yes No

SIGNATURE AND VERIFICATION

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. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Check here if you authorize your preparer to discuss this return with us.

Officer's Signature

Date

KEVIN L. SMITH, CFO

Officer's Name and Title

LORI S BURGHAUSER

Preparer's Signature **(Required by Law)**

SCH GROUP INC
910 RIDGEBROOK ROAD

Preparer's name/or Firm's name, address and telephone number
SPARKS MD 21152
4104031500

▶ P00370694
Preparer's PTIN **(Required by Law)**

▶ _____
CODE NUMBERS (3 digits per line)

INCLUDE ALL REQUIRED PAGES OF FORM 500

Make checks payable to and mail to:

Comptroller Of Maryland
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write Your FEIN On Check Using Blue Or Black Ink.)

MD 500 ADDITION MODIFICATION: STATE AND LOCAL INCOME TAXES STATEMENT 1

DESCRIPTION	AMOUNT
CALIFORNIA TAXES - BASED ON INCOME	7700.
ILLINOIS TAXES - BASED ON INCOME	211.
MARYLAND TAXES - BASED ON INCOME	1701.
NORTH CAROLINA TAXES - BASED ON INCOME	889.
TOTAL TO FORM 500, PAGE 2, LINE 7A	10501.

MD 500 RECEIPTS - OTHER INCOME STATEMENT 2

DESCRIPTION	MARYLAND	EVERYWHERE
OTHER RECEIPTS	623975.	2666493.
TOTALS TO FORM 500, PAGE 4, LINE 1A(G)	623975.	2666493.

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

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020

2019

Department of the Treasury
Internal Revenue Service

▶ 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

<p>A <input checked="" type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408(e) <input type="checkbox"/> 530(a) <input type="checkbox"/> 408A <input type="checkbox"/> 529(a)</p>	Print or Type	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606</p> <p>City or town, state or province, country, and ZIP or foreign postal code ANNAPOLIS, MD 21401</p>	<p>D Employer identification number (Employees' trust, see instructions.) 52-1169362</p> <p>E Unrelated business activity code (See instructions.) 56</p>
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C Book value of all assets at end of year **992,420,560.**

F Group exemption number (See instructions.) ▶

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

H Enter the number of the organization's unrelated trades or businesses. ▶ 2 Describe the only (or first) unrelated trade or business here ▶ **MANAGEMENT FEES**. If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? **STMT 1** ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **KEVIN L. SMITH** Telephone number ▶ **(443) 481-1308**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales <u>575,941.</u>			
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		575,941.
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 a partnership or an S corporation (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from a controlled organization (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)	12		
13 Total. Combine lines 3 through 12	13		575,941.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (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		575,941.
16 Repairs and maintenance	16		
17 Bad debts	17		
18 Interest (attach schedule) (see instructions)	18		
19 Taxes and licenses	19		
20 Depreciation (attach Form 4562)	20		
21 Less depreciation claimed on Schedule A and elsewhere on return	21a		
22 Depletion	22		
23 Contributions to deferred compensation plans	23		
24 Employee benefit programs	24		
25 Excess exempt expenses (Schedule I)	25		
26 Excess readership costs (Schedule J)	26		
27 Other deductions (attach schedule)	27		
28 Total deductions. Add lines 14 through 27	28		575,941.
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13	29		0.
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30		0.
31 Unrelated business taxable income. Subtract line 30 from line 29	31		0.

Part III Total Unrelated Business Taxable Income	
32 Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	32 54,719.
33 Amounts paid for disallowed fringes	33
34 Charitable contributions (see instructions for limitation rules)	34 0.
35 Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33	35 54,719.
36 Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	36
37 Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35	37 54,719.
38 Specific deduction (Generally \$1,000, but see line 38 instructions for exceptions)	38 1,000.
39 Unrelated business taxable income. Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37	39 53,719.

Part IV Tax Computation	
40 Organizations Taxable as Corporations. Multiply line 39 by 21% (0.21)	40 11,281.
41 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 39 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	41
42 Proxy tax. See instructions	42
43 Alternative minimum tax (trusts only)	43
44 Tax on Noncompliant Facility Income. See instructions	44
45 Total. Add lines 42, 43, and 44 to line 40 or 41, whichever applies	45 11,281.

Part V Tax and Payments	
46a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	46a
b Other credits (see instructions)	46b
c General business credit. Attach Form 3800	46c
d Credit for prior year minimum tax (attach Form 8801 or 8827)	46d
e Total credits. Add lines 46a through 46d	46e
47 Subtract line 46e from line 45	47 11,281.
48 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	48
49 Total tax. Add lines 47 and 48 (see instructions)	49 11,281.
50 2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3	50 0.
51a Payments: A 2018 overpayment credited to 2019	51a
b 2019 estimated tax payments	51b 15,000.
c Tax deposited with Form 8868	51c 8,000.
d Foreign organizations: Tax paid or withheld at source (see instructions)	51d
e Backup withholding (see instructions)	51e
f Credit for small employer health insurance premiums (attach Form 8941)	51f
g Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	51g
52 Total payments. Add lines 51a through 51g	52 23,000.
53 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	53 94.
54 Tax due. If line 52 is less than the total of lines 49, 50, and 53, enter amount owed	54
55 Overpayment. If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid	55 11,625.
56 Enter the amount of line 55 you want: Credited to 2020 estimated tax 11,625. Refunded	56 0.

Part VI Statements Regarding Certain Activities and Other Information (see instructions)		
57 At any time during the 2019 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	Yes	No
▶ CAYMAN ISLANDS	X	
58 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.		X
59 Enter the amount of tax-exempt interest received or accrued during the tax year	\$	

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.

Sign Here

Signature of officer: _____ Date: _____ CFO Title: _____

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

Paid Preparer Use Only

Print/Type preparer's name: **LORI S. BURGHAUSER** Preparer's signature: _____ Date: **05/08/21** Check if self-employed PTIN: **P00370694**

Firm's name: **SC&H GROUP, INC.** Firm's EIN: **20-5991824**

Firm's address: **910 RIDGEBROOK ROAD SPARKS, MD 21152** Phone no.: **(410) 403-1500**

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

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		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes	No	
4a	Additional section 263A costs (attach schedule)	4a							
b	Other costs (attach schedule)	4b							
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)	
(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	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

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)				
(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) 0.	Enter here and on page 1, Part I, line 7, column (B) 0.
Total dividends-received deductions included in column 8			0.	0.

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)					
(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)				
			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).
Totals			0.	0.

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)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
Totals		0.		0.

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)						
(2)						
(3)						
(4)						
		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 25.
Totals		0.	0.			0.

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)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

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)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

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)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 1

CORPORATION'S NAME

IDENTIFYING NO

LUMINIS HEALTH, INC.

52-1622253

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income from an
Unrelated Trade or Business**

ENTITY **2**

OMB No. 1545-0047

2019

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020.

▶ 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

Department of the Treasury
Internal Revenue Service

Name of the organization **LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Employer identification number
52-1169362

Unrelated Business Activity Code (see instructions) ▶ _____

Describe the unrelated trade or business ▶ **PARTNERSHIP PASSTHROUGH INCOME**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a 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		
4 a 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 a partnership or an S corporation (attach statement) STATEMENT 2		5 66,220.		66,220.
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (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)		12		
13 Total. Combine lines 3 through 12		13 66,220.		66,220.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (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		
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		10,501.
20 Depreciation (attach Form 4562)	20			
21 Less depreciation claimed on Schedule A and elsewhere on return	21a			
22 Depletion		22		
23 Contributions to deferred compensation plans		23		
24 Employee benefit programs		24		
25 Excess exempt expenses (Schedule I)		25		
26 Excess readership costs (Schedule J)		26		
27 Other deductions (attach schedule) SEE STATEMENT 3		27		1,000.
28 Total deductions. Add lines 14 through 27		28		11,501.
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13		29		54,719.
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		30		0.
31 Unrelated business taxable income. Subtract line 30 from line 29		31		54,719.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

FORM 990-T (M)	INCOME (LOSS) FROM PARTNERSHIPS	STATEMENT 2
DESCRIPTION		NET INCOME OR (LOSS)
PREMIER PURCHASING PARTNERS, LP - ORDINARY BUSINESS INCOME (LOSS)		67,768.
HARVEST MLP INCOME FUND II LLC - ORDINARY BUSINESS INCOME (LOSS)		176.
GREENSPRING GLOBAL PARTNERS VIII-B, L.P. - ORDINARY BUSINESS INCOME (LOSS)		-1,724.
TOTAL INCLUDED ON SCHEDULE M, PART I, LINE 5		66,220.

FORM 990-T (M)	OTHER DEDUCTIONS	STATEMENT 3
DESCRIPTION		AMOUNT
ACCOUNTING FEES		1,000.
TOTAL TO SCHEDULE M, PART II, LINE 27		1,000.

**SCHEDULE O
(Form 1120)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Consent Plan and Apportionment Schedule
for a Controlled Group**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

OMB No. 1545-0123

Name LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Employer identification number 52-1169362
---	---

Part I Apportionment Plan Information

1 Type of controlled group:

- a Parent-subsidiary group
- b Brother-sister group
- c Combined group
- d Life insurance companies only

2 This corporation has been a member of this group:

- a For the entire year.
- b From _____, until _____.

3 This corporation consents and represents to:

- a Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
- b Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending _____, and for all succeeding tax years.
- c Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:

- a Elected by the component members of the group.
- b Required for the component members of the group.

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).

- a No apportionment plan is in effect and none is being adopted.
- b An apportionment plan is already in effect. It was adopted for the tax year ending JUNE 30, 2019, and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.

- a Yes.
 - (i) The statute of limitations for this year will expire on _____.
 - (ii) On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
- b No. The members may not adopt or amend an apportionment plan.

7 If the corporation has a short tax year that does not include December 31, check the box. See instructions.

Part II Apportionment (See instructions)

(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Apportionment		
			(c) Accumulated earnings credit	(d) Penalty for failure to pay estimated tax	(e) Other
1	LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	52-1169362	20-06		
2	PAVILION PARK, INC.	52-1890034	20-06		
3	LUMINIS HEALTH REAL ESTATE HOLDING CO., INC.	52-1622251	20-06		
4	LUMINIS HEALTH CARE SERVICES, INC. INC.	52-1646304	20-06		
5	PHYSICIAN ENTERPRISE, LLC	27-0263214	20-06		
6					
7					
8					
9					
10					
Total					

Schedule O (Form 1120) (Rev. 12-2018)

FORM 990-T
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Name(s) LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.					Identifying Number 52-1169362
(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			
10/15/19	2,820.	2,820.	61	.000136986	24.
12/15/19	2,821.	5,641.	16	.000136986	12.
12/31/19	0.	5,641.	75	.000136612	58.
03/15/20	2,820.	8,461.			
03/15/20	-12,000.	-3,539.			
06/15/20	2,820.	-719.			
06/30/20	0.	-719.	15	.000081967	
07/15/20	-3,000.	-3,719.			

Penalty Due (Sum of Column F). _____

* Date of estimated tax payment, withholding credit date or installment due date.

Name **LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.**

Employer identification number
52-1169362

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38, on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)		1	11,281.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1			
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method			
2c	Credit for federal tax paid on fuels (see instructions)			
2d	Total. Add lines 2a through 2c		2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty		3	11,281.
4	Enter the tax shown on the corporation's 2018 income tax return. See instructions. Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5		4	13,460.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	11,281.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty. See instructions.

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	10/15/19	12/15/19	03/15/20	06/15/20
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% (0.25) of line 5 above in each column	10	2,820.	2,821.	2,820.	2,820.
11 Estimated tax paid or credited for each period. For column (a) only, enter the amount from line 11 on line 15. See instructions	11			12,000.	
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12				3,539.
13 Add lines 11 and 12	13			12,000.	3,539.
14 Add amounts on lines 16 and 17 of the preceding column	14		2,820.	5,641.	
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	0.	0.	6,359.	3,539.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		2,820.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	2,820.	2,821.		
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18			3,539.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier. (C corporations with tax years ending June 30 and S corporations: Use 3rd month instead of 4th month. Form 990-PF and Form 990-T filers: Use 5th month instead of 4th month.) See instructions	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2019 and before 7/1/2019	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 6\% (0.06)}{365}$...	22 \$	\$	\$	\$
23 Number of days on line 20 after 06/30/2019 and before 10/1/2019	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 5\% (0.05)}{365}$...	24 \$	\$	\$	\$
25 Number of days on line 20 after 9/30/2019 and before 1/1/2020	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 5\% (0.05)}{365}$...	26 \$	\$	\$	\$
27 Number of days on line 20 after 12/31/2019 and before 4/1/2020	27	SEE ATTACHED WORKSHEET		
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 5\% (0.05)}{366}$...	28 \$	\$	\$	\$
29 Number of days on line 20 after 3/31/2020 and before 7/1/2020	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{366}$	30 \$	\$	\$	\$
31 Number of days on line 20 after 6/30/2020 and before 10/1/2020	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{366}$	32 \$	\$	\$	\$
33 Number of days on line 20 after 9/30/2020 and before 1/1/2021	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{366}$	34 \$	\$	\$	\$
35 Number of days on line 20 after 12/31/2020 and before 3/16/2021	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	36 \$	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37 \$	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 34; or the comparable line for other income tax returns	38 \$			94.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

FORM 990-T
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Name(s) LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Identifying Number 52-1169362
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(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			
10/15/19	2,820.	2,820.	61	.000136986	24.
12/15/19	2,821.	5,641.	16	.000136986	12.
12/31/19	0.	5,641.	75	.000136612	58.
03/15/20	2,820.	8,461.			
03/15/20	-12,000.	-3,539.			
06/15/20	2,820.	-719.			
06/30/20	0.	-719.	15	.000081967	
07/15/20	-3,000.	-3,719.			

Penalty Due (Sum of Column F). **94.**

* Date of estimated tax payment, withholding credit date or installment due date.

Information Return of U.S. Persons With Respect to Certain Foreign Corporations

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JUL 1, 2019**, and ending **JUN 30, 2020**

Attachment
Sequence No. **121**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC. Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 2000 MEDICAL PARKWAY, NO. 606 City or town, state, and ZIP code ANNAPOLIS, MD 21401	A Identifying number 52-1169362 B Category of filer (See instructions. Check applicable box(es): 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.00 %
Filer's tax year beginning JUL 1, 2019 , and ending JUN 30, 2020	

D Check box if this is a final Form 5471 for the foreign corporation

E Check if any excepted specified foreign financial assets are reported on this form (see instructions)

F Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
LUMINIS HEALTH, INC.	2000 MEDICAL PARKWAY, STE 606 ANNAPOLIS MD 21401	52-1622253	X		

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation COTTAGE INSURANCE COMPANY, LTD P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS				b(1) Employer identification number, if any 98-0461499
b(2) Reference ID number (see instructions)				
c Country under whose laws incorporated CAYMAN ISLANDS				
d Date of incorporation 06/06/05	e Principal place of business CAYMAN ISLANDS	f Principal business activity code number 524150	g Principal business activity SELF INSURANCE	h Functional currency UNITED STATES, DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation ARTEX RISK SOLUTIONS (CAYMAN) LTD P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different	

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	120,000	120,000

Schedule B Shareholders of Foreign Corporation

Part I U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of Subpart F income (enter as a percentage)
LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401 52-1169362	COMMON	120,000	120,000	100.00%

Part II Direct Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder. Also include country of incorporation or formation, if applicable.	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period
LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401 52-1169362	COMMON	120,000	120,000

Schedule C **Income Statement**

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	8,120,509.
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	8,120,509.
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	8,120,509.
	4 Dividends	4	1,037,365.
	5 Interest	5	
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
	7 Net gain or (loss) on sale of capital assets	7	-515,421.
8a Foreign currency transaction gain or loss - unrealized	8a		
	b Foreign currency transaction gain or loss - realized	8b	
9 Other income (attach statement) SEE STATEMENT 4	9	-984,585.	
10 Total income (add lines 3 through 9)	10	7,657,868.	
Deductions	11 Compensation not deducted elsewhere	11	
	12a Rents	12a	
	b Royalties and license fees	12b	
	13 Interest	13	
	14 Depreciation not deducted elsewhere	14	
	15 Depletion	15	
	16 Taxes (exclude income tax expense (benefit))	16	
	17 Other deductions (attach statement - exclude income tax expense (benefit)) SEE STATEMENT 5	17	9,783,110.
18 Total deductions (add lines 11 through 17)	18	9,783,110.	
Net Income	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	-2,125,242.
	20 Unusual or infrequently occurring items	20	
	21a Income tax expense (benefit) - current	21a	
	b Income tax expense (benefit) - deferred	21b	
22 Current year net income or (loss) per books (combine lines 19 through 21b)	22	-2,125,242.	
Other Comprehensive Income	23a Foreign currency translation adjustments	23a	
	b Other	23b	
	c Income tax expense (benefit) related to other comprehensive income	23c	
	24 Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	2,821,624.	3,400,185.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	()	()
3 Derivatives	3		
4 Inventories	4		
5 Other current assets (attach statement)	5	17,379,433.	10,043,050.
6 Loans to shareholders and other related persons	6		
7 Investment in subsidiaries (attach statement)	7		
8 Other investments (attach statement)	8	19,332,285.	25,531,053.
9a Buildings and other depreciable assets	9a		
b Less accumulated depreciation	9b	()	()
10a Depletable assets	10a		
b Less accumulated depletion	10b	()	()
11 Land (net of any amortization)	11		
12 Intangible assets:			
a Goodwill	12a		
b Organization costs	12b		
c Patents, trademarks, and other intangible assets	12c		
d Less accumulated amortization for lines 12a, 12b, and 12c	12d	()	()
13 Other assets (attach statement)	13		
14 Total assets	14	39,533,342.	38,974,288.
Liabilities and Shareholders' Equity			
15 Accounts payable	15	91,152.	56,087.
16 Other current liabilities (attach statement)	16		
17 Derivatives	17		
18 Loans from shareholders and other related persons	18		
19 Other liabilities (attach statement)	19	36,842,635.	32,443,888.
20 Capital stock:			
a Preferred stock	20a		
b Common stock	20b	120,000.	120,000.
21 Paid-in or capital surplus (attach reconciliation)	21	2,463,021.	8,463,021.
22 Retained earnings	22	16,534.	-2,108,708.
23 Less cost of treasury stock	23	()	()
24 Total liabilities and shareholders' equity	24	39,533,342.	38,974,288.

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," see the instructions for required statement.		
2 During the tax year, did the foreign corporation own an interest in any trust?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from their owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branches (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions).		
4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete lines 4b and 4c.		
b Enter the total amount of the base erosion payments	▶ \$	_____
c Enter the total amount of the base erosion tax benefit	▶ \$	_____
5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete line 5b.		
b Enter the total amount of the disallowed deductions (see instructions)	▶ \$	_____

FORM 5471	OTHER INCOME	STATEMENT 4	
DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNREALIZED LOSS			-984,585.
TOTAL TO 5471, SCHEDULE C, LINE 9			-984,585.

FORM 5471	OTHER DEDUCTIONS	STATEMENT 5	
DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNDERWRITING EXPENSES			9,388,009.
ADMINISTRATIVE EXPENSES			395,101.
TOTAL TO 5471, SCHEDULE C, LINE 17			9,783,110.

FORM 5471	OTHER CURRENT ASSETS	STATEMENT 10
DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INTEREST RECEIVABLE	20,021.	22,138.
OUTSTANDING CLAIMS RESERVES RECOVERABLE	17,285,870.	9,884,461.
PREPAID EXPENSES	5,793.	6,878.
ESCROW ACCOUNT	47,390.	129,573.
REINSURANCE RECOVERY RECEIVABLE	20,359.	0.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 5	17,379,433.	10,043,050.

FORM 5471

OTHER INVESTMENTS

STATEMENT 11

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
EQUITY MUTUAL FUNDS	4,789,870.	5,933,362.
FIXED INCOME MUTUAL FUNDS	10,213,526.	14,197,099.
EXCHANGE TRADED FUNDS	4,328,889.	5,400,592.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 8	<u>19,332,285.</u>	<u>25,531,053.</u>

FORM 5471

OTHER LIABILITIES

STATEMENT 12

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
PROVISION FOR ADVERSE CLAIMS DEVELOPMENT	18,339,185.	21,556,480.
PROVISION FOR REPORTED CLAIMS	18,503,450.	10,887,408.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 19	<u>36,842,635.</u>	<u>32,443,888.</u>

FORM 5471

RECONCILIATION OF PAID-IN OR CAPITAL SURPLUS

STATEMENT 13

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
ADDITIONAL PAID-IN CAPITAL	2,463,021.	8,463,021.

Schedule G Other Information (continued)

		Yes	No
6a	Is the filer of this Form 5471 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule M? If "Yes," complete lines 6b, 6c, and 6d.		X
b	Enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with the foreign corporation that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) (see instructions) ▶ \$ _____		
c	Enter the amount of gross income derived from a license of property to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
d	Enter the amount of gross income derived from services provided to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
7	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
8	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X
9	If the answer to question 7 is "Yes," was the foreign corporation a participant in a cost sharing arrangement that was in effect before January 5, 2009?		X
10	If the answer to question 7 is "Yes," did a U.S. taxpayer make any platform contributions as defined under Regulations section 1.482-7(c) to that cost sharing arrangement during the taxable year?		X
11	If the answer to question 10 is "Yes," enter the present value of the platform contributions in U.S. dollars ▶ \$ _____		
12	If the answer to question 10 is "Yes," check the box for the method under Regulations section 1.482-7(g) used to determine the price of the platform contribution transaction(s): <input type="checkbox"/> Comparable uncontrolled transaction method <input type="checkbox"/> Income method <input type="checkbox"/> Acquisition price method <input type="checkbox"/> Market capitalization method <input type="checkbox"/> Residual profit split method <input type="checkbox"/> Unspecified methods		
13	From April 25, 2014, to December 31, 2017, did the foreign corporation purchase stock or securities of a shareholder of the foreign corporation for use in a triangular reorganization (within the meaning of Regulations section 1.358-6(b)(2))?		X
14a	Did the foreign corporation receive any intangible property in a prior year or the current tax year for which the U.S. transferor is required to report a section 367(d) annual income inclusion for the taxable year?		X
	If "Yes," go to line 14b.		
b	Enter the amount of the earnings and profits reduction pursuant to section 367(d)(2)(B) for the taxable year ▶ \$ _____		
15	During the tax year, was the foreign corporation an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9)?		X
	If "Yes," see instructions and attach statement.		
16	During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4?		X
	If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).		
17	During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		X
18	During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		X
19	Did you answer "Yes" to any of the questions in the instructions for line 19? STMT 17	X	
	If "Yes," enter the corresponding code(s) from the instructions and attach statement (see instructions) ▶ _____		
20	Does the foreign corporation have interest expense disallowed under section 163(j) (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		
21	Does the foreign corporation have previously disallowed interest expense under section 163(j) carried forward to the current tax year (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		

FORM 5471

SCHEDULE G LINE 19 STATEMENT

STATEMENT 17

CODE	DESCRIPTION	AMOUNT
DED	DEDUCTIONS TAKEN INTO ACCOUNT	12,370.
EP	EXCESS SUBPART F INCOME OVER EARNINGS AND PROFITS	2,499,394.

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item F on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder ▶	Identifying number ▶	
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)		1a
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)		1b
c Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)		1c
d Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)		1d
e Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)		1e
f Other subpart F income (see instructions)		1f
2 Earnings invested in U.S. property (enter the result from Worksheet B in the instructions)		2
3 Section 245A eligible dividends (see instructions)		3
4 Factoring income		4
See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.		
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))		5
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits		6

	Yes	No
• Was any income of the foreign corporation blocked?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Did any such income become unblocked during the tax year (see section 964(b))?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE E
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Income, War Profits, and Excess Profits Taxes Paid or Accrued

▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instructions) PAS
a Separate Category (Enter code - see instructions.) ▶		
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Taxes for Which a Foreign Tax Credit Is Allowed

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) Foreign Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)	(e) U.S. Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)
1					
2					
3					
4					
5					
6					
7					
	(f) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(g) Tax Paid or Accrued (in local currency in which the tax is payable)	(h) Conversion Rate to U.S. Dollars	(i) In U.S. Dollars (divide column (g) by column (h))	(j) In Functional Currency of Foreign Corporation
1					
2					
3					
4					
5					
6					
7					
8	Total (combine lines 1 through 7 of column (i)). Report amount on Schedule E-1, line 4 ▶				
9	Total (combine lines 1 through 7 of column (j)). See instructions for Schedule H, line 2g ▶				

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes No If "Yes," state date of election ▶

Part III Taxes for Which a Foreign Tax Credit Is Disallowed (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Other	(h) Total
1								
2								
3	In functional currency (combine lines 1 and 2) ▶							
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions)) ▶							

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation

IMPORTANT: Enter amounts in U.S. dollars unless otherwise noted (see instructions).		Taxes related to:			
		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance) (in functional currency)	(d) Hovering Deficit and Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1)				
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for redetermination of prior year U.S. tax liability				
3a	Taxes unsuspended under anti-splitter rules				
b	Taxes suspended under anti-splitter rules				
4	Taxes reported on Schedule E, Part I, line 8, column (i)				
5a	Taxes carried over in nonrecognition transactions				
b	Taxes reclassified as related to hovering deficit after nonrecognition transaction				
6	Other adjustments (attach statement)				
7	Taxes paid or accrued on accumulated E&P (combine lines 1c through 6)				
8	Taxes deemed paid with respect to inclusions under section 951(a)(1) (see instructions)				
9	Taxes deemed paid with respect to inclusions under section 951A (see instructions)				
10	Taxes deemed paid with respect to actual distributions				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P				
12	Other (attach statement)				
13	Taxes related to hovering deficit offset of undistributed post-transaction E&P				
14	Balance at beginning of next year (combine lines 7 through 13)				

(e) Taxes related to previously taxed E&P (see instructions)

	(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)*

(e) Taxes related to previously taxed E&P (see instructions)

	(ix) Earnings Invested Excess Passive Assets (section 959(c)(1)(B))	(x) Section 965(a) Inclusion (section 959(c)(2))	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

**SCHEDULE H
(Form 5471)**

(December 2018)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instr.)
a Separate Category (Enter code-see instructions.) ▶		PAS
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

IMPORTANT: Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account		1	-2,125,242.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):			
		Net Additions	Net Subtractions	
a	Capital gains or losses	2a	984,585.	
b	Depreciation and amortization	2b		
c	Depletion	2c		
d	Investment or incentive allowance	2d		
e	Charges to statutory reserves	2e		
f	Inventory adjustments	2f		
g	Income taxes (see Schedule E, Part I, line 9, column (j))	2g		
h	Foreign currency gains or losses	2h		
i	Other (attach statement) SEE STATEMENT 18	2i	7,786,767.	8,120,509.
3	Total net additions	3	8,771,352.	
4	Total net subtractions	4	8,120,509.	
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	-1,474,399.	
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b		
c	Combine lines 5a and 5b	5c	-1,474,399.	
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))	5d	-1,474,399.	
	Enter exchange rate used for line 5d ▶		1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (12-2018)

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 18

<u>DESCRIPTION</u>	<u>NET ADDITIONS</u>	<u>NET SUBTRACTIONS</u>
RELATED PARTY PREMIUMS	0.	8,120,509.
RELATED PARTY CLAIMS PAID	7,786,767.	0.
TOTAL TO 5471, SCHEDULE H, LINE 2I	<u>7,786,767.</u>	<u>8,120,509.</u>

Foreign Corporation COTTAGE INSURANCE COMPANY, LTD

98-0461499

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5

Identifying number

LUMINIS HEALTH AAMC

52-1169362

Shareholder's income from foreign corporation

Table with 2 columns: Description and Line Number. Rows include: 1a Section 964(e)(4) Subpart F dividend income from the sale of stock of lower-tier foreign corporation, 1b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporation, 1c Section 954(c) Subpart F Foreign Personal Holding Company Income, 1d Section 954(d) Subpart F Foreign Base Company Sales Income, 1e Section 954(e) Subpart F Foreign Base Company Services Income, 1f Other Subpart F income, 2 Earnings invested in U.S. property, 3 Section 245A eligible dividends, 4 Factoring income, 5 Dividends received (translated at spot rate on payment date under section 989(b)(1)), 6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits.

**SCHEDULE I-1
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

Information for Global Intangible Low-Taxed Income

▶ **Attach to Form 5471.**

OMB No. 1545-0704

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471
LUMINIS HEALTH ANNE ARUNDEL MEDICAL

Identifying number
52-1169362

Name of foreign corporation
COTTAGE INSURANCE COMPANY, LTD

EIN (if any)
98-0461499

Reference ID number (see instr.)

Separate Category (Enter code - see instructions) ▶ **PAS**

		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income	1 7657868.		
2	Exclusions			
a	Effectively connected income	2a		
b	Subpart F income	2b 7657868.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (total of lines 2a-2e)	3 7657868.		
4	Gross income less total exclusions (line 1 minus line 3)	4 0.		
5	Deductions properly allocable to amount on line 4	5		
6	Tested income (loss) (line 4 minus line 5)	6 0.	1.000000	
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8	1.000000	
9a	Interest expense included on line 5	9a		
b	Qualified interest expense	9b		
c	Tested loss QBAI amount	9c		
d	Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d	1.000000	
10a	Interest income included in line 4	10a		
b	Qualified interest income	10b		
c	Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2019)

**SCHEDULE J
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings & Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471

**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number

52-1169362

Name of foreign corporation

COTTAGE INSURANCE COMPANY, LTD

EIN (if any)

98-0461499

Reference ID number

a Separate Category (Enter code - see instructions.) ▶ **PAS**
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. shareholders' information to complete amount for columns (e)(i), (e)(ii), (e)(iv), and (e)(x) through (e)(xii) (see instructions).

Important: Enter amounts in functional currency.

		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
						(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))
1a	Balance at beginning of year (as reported on prior year Schedule J)	- 938,885.	- 3,087,972.				
b	Beginning balance adjustments (attach statement)						
c	Adjusted beginning balance (combine lines 1a and 1b)	- 938,885.	- 3,087,972.				
2a	Reduction for taxes unsuspending under anti-splitter rules						
b	Disallowed deduction for taxes suspended under anti-splitter rules						
3	Current year E&P (or deficit in E&P)	- 1,474,399.					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a	E&P carried over in nonrecognition transaction						
b	Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6	Other adjustments (attach statement)						
7	Total current and accumulated E&P (combine lines 1c through 6)	- 2,413,284.	- 3,087,972.				
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P						
9	Actual distributions						
10	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12	Other adjustments (attach statement)						
13	Hovering deficit offset of undistributed posttransaction E&P (see instructions)						
14	Balance at beginning of next year (combine lines 7 through 13)	- 2,413,284.	- 3,087,972.				

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)*

	(e) Previously Taxed E&P (see instructions)							(x) Section 965(a) Inclusion (section 959(c)(2))
	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(ix) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	
1a								
b								
c								
2a								
b								
3								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

	(e) Previously Taxed E&P (see instructions)						(f)
	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(xvi))
1a							-4,026,857.
b							
c							-4,026,857.
2a							
b							
3							-1,474,399.
4							
5a							
b							
6							
7							-5,501,256.
8							
9							
10							
11							
12							
13							
14							-5,501,256.

Part II Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))

Important: Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2019)

**SCHEDULE M
(Form 5471)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0123

▶ Attach to Form 5471.

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471
**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number
52-1169362

Name of foreign corporation
COTTAGE INSURANCE COMPANY, LTD

EIN (if any)
98-0461499

Reference ID number

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **UNITED STATES, DOLLAR** **1.000000**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) ...					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Hybrid dividends received (see instr.)					
10 Dividends received (exclude hybrid dividends, deemed distributions under subpart F, and distributions of previously taxed income)					
11 Interest received					
12 Premiums received for insurance or reinsurance	2,443,110.				
13 Add lines 1 through 12	2,443,110.				
14 Purchases of stock in trade (inventory)					
15 Purchases of tangible property other than stock in trade					
16 Purchases of property rights (patents, trademarks, etc.)					
17 Platform contribution transaction payments paid					
18 Cost sharing transaction payments paid					
19 Compensation paid for technical, managerial, engineering, construction, or like services					
20 Commissions paid					
21 Rents, royalties, and license fees paid					
22 Hybrid dividends paid (see instructions)					
23 Dividends paid (exclude hybrid dividends paid)					
24 Interest paid					
25 Premiums paid for insurance or reinsurance					
26 Add lines 14 through 25					
27 Accounts Payable					
28 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
29 Accounts Receivable					
30 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

**SCHEDULE P
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**

▶ **Attach to Form 5471.**

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

OMB No. 1545-0123

Name of U.S. shareholder LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instructions) PAS
a Separate Category (Enter code - see instructions.) ▶		
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Previously Taxed E&P in Functional Currency (see instructions)

		(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a	Balance at beginning of year (see instructions)							
b	Beginning balance adjustments (attach statement)							
c	Adjusted beginning balance (combine lines 1a and 1b)							
2	Reduction for taxes unsuspended under anti-splitter rules							
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4	Previously taxed E&P carried over in nonrecognition transaction							
5	Other adjustments (attach statement)							
6	Total previously taxed E&P (combine lines 1c through 5)							
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8	Actual distributions of previously taxed E&P ...							
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions) ...							
11	Other adjustments (attach statement) ...							
12	Balance at beginning of next year (combine lines 6 through 11)							

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule P (Form 5471) (Rev. 12-2019)

Part I Previously Taxed E&P in Functional Currency (see instructions) <i>(continued)</i>										
	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Part II Previously Taxed E&P in U.S. Dollars

	(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a Balance at beginning of year (see instructions)							
b Beginning balance adjustments (attach statement)							
c Adjusted beginning balance (combine lines 1a and 1b)							
2 Reduction for taxes unsuspended under anti-splitter rules							
3 Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4 Previously taxed E&P carried over in nonrecognition transaction							
5 Other adjustments (attach statement)							
6 Total previously taxed E&P (combine lines 1c through 5)							
7 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8 Actual distributions of previously taxed E&P							
9 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)							
11 Other adjustments (attach statement)							
12 Balance at beginning of next year (combine lines 6 through 11)							

Schedule P (Form 5471) (Rev. 12-2019)

Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Information Return of U.S. Persons With Respect to Certain Foreign Corporations

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JUL 1, 2019**, and ending **JUN 30, 2020**

Attachment
Sequence No. **121**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC. Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 2000 MEDICAL PARKWAY, NO. 606 City or town, state, and ZIP code ANNAPOLIS, MD 21401 Filer's tax year beginning JUL 1, 2019 , and ending JUN 30, 2020	A Identifying number 52-1169362 B Category of filer (See instructions. Check applicable box(es): 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 45.78 % D Check box if this is a final Form 5471 for the foreign corporation <input type="checkbox"/> E Check if any excepted specified foreign financial assets are reported on this form (see instructions) <input type="checkbox"/> F Person(s) on whose behalf this information return is filed:
--	--

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
LUMINIS HEALTH, INC.	2000 MEDICAL PARKWAY, STE 606 ANNAPOLIS MD 21401	52-1162253	X		

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD. 201 WASHINGTON STREET, 29TH FLOOR BOSTON MA 02108				b(1) Employer identification number, if any b(2) Reference ID number (see instructions) EMER2021 c Country under whose laws incorporated CAYMAN ISLANDS	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
10/01/14	CJ	523900	INVESTING	UNITED STATES, DOLLAR	

2 Provide the following information for the foreign corporation's accounting period stated above.							
a Name, address, and identifying number of branch office or agent (if any) in the United States		b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">(i) Taxable income or (loss)</td> <td style="width:50%;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)		
(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)						
c Name and address of foreign corporation's statutory or resident agent in country of incorporation		d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different ATLANTIC FUND ADMINISTRATION, LLC THREE CANAL PLAZA PORTLAND ME 04101					

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	779,409	258,167

Schedule B Shareholders of Foreign Corporation

Part I U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of Subpart F income (enter as a percentage)
NATIONAL FIRE PROTECTION 1 BATTERYMARCH PARK QUINCY MA 02169	COMMON	133,644	133,644	51.77%
LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401	COMMON	183,990	118,195	45.78%

Part II Direct Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder. Also include country of incorporation or formation, if applicable.	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period
NATIONAL FIRE PROTECTION 1 BATTERYMARCH PARK QUINCY MA 02169	COMMON	133,644	133,644
LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401	COMMON	183,990	118,195

Schedule C **Income Statement**

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	
	4 Dividends	4	1,139,660.
	5 Interest	5	
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
	7 Net gain or (loss) on sale of capital assets	7	2,861,647.
8a Foreign currency transaction gain or loss - unrealized	8a		-5,441.
	b Foreign currency transaction gain or loss - realized	8b	-69,271.
	9 Other income (attach statement) SEE STATEMENT 8	9	-6,981,740.
	10 Total income (add lines 3 through 9)	10	-3,055,145.
Deductions	11 Compensation not deducted elsewhere	11	
	12a Rents	12a	
	b Royalties and license fees	12b	
	13 Interest	13	
	14 Depreciation not deducted elsewhere	14	
	15 Depletion	15	
	16 Taxes (exclude income tax expense (benefit))	16	
	17 Other deductions (attach statement - exclude income tax expense (benefit)) SEE STATEMENT 9	17	245,515.
18 Total deductions (add lines 11 through 17)	18	245,515.	
Net Income	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	-3,300,660.
	20 Unusual or infrequently occurring items	20	
	21a Income tax expense (benefit) - current	21a	
	b Income tax expense (benefit) - deferred	21b	
22 Current year net income or (loss) per books (combine lines 19 through 21b)	22	-3,300,660.	
Other Comprehensive Income	23a Foreign currency translation adjustments	23a	
	b Other	23b	
	c Income tax expense (benefit) related to other comprehensive income	23c	
	24 Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	1,259,413.	430,494.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	()	()
3 Derivatives	3		
4 Inventories	4		
5 Other current assets (attach statement)	5	615,368.	305,679.
6 Loans to shareholders and other related persons	6		
7 Investment in subsidiaries (attach statement)	7		
8 Other investments (attach statement)	8	79,280,017.	23,656,606.
9a Buildings and other depreciable assets	9a		
b Less accumulated depreciation	9b	()	()
10a Depletable assets	10a		
b Less accumulated depletion	10b	()	()
11 Land (net of any amortization)	11		
12 Intangible assets:			
a Goodwill	12a		
b Organization costs	12b		
c Patents, trademarks, and other intangible assets	12c		
d Less accumulated amortization for lines 12a, 12b, and 12c	12d	()	()
13 Other assets (attach statement)	13		
14 Total assets	14	81,154,798.	24,392,779.
Liabilities and Shareholders' Equity			
15 Accounts payable	15		
16 Other current liabilities (attach statement)	16	293,636.	696.
17 Derivatives	17		
18 Loans from shareholders and other related persons	18		
19 Other liabilities (attach statement)	19		
20 Capital stock:			
a Preferred stock	20a	80,861,162.	24,392,083.
b Common stock	20b		
21 Paid-in or capital surplus (attach reconciliation)	21		
22 Retained earnings	22		
23 Less cost of treasury stock	23	()	()
24 Total liabilities and shareholders' equity	24	81,154,798.	24,392,779.

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," see the instructions for required statement.		
2 During the tax year, did the foreign corporation own an interest in any trust?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from their owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branches (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions).		
4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete lines 4b and 4c.		
b Enter the total amount of the base erosion payments		\$ _____
c Enter the total amount of the base erosion tax benefit		\$ _____
5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete line 5b.		
b Enter the total amount of the disallowed deductions (see instructions)		\$ _____

FORM 5471 AMOUNT AND TYPE OF INDEBTEDNESS OF FOREIGN CORPORATION TO THE RELATED PERSONS DESCRIBED IN REGULATIONS SECTION 1.6046-1(B)(11) STATEMENT 6

AMOUNT	DESCRIPTION
0.	N/A

FORM 5471 NAME, ADDRESS, IDENTIFYING NUMBER AND NUMBER OF SHARES SUBSCRIBED TO BY EACH SUBSCRIBER TO THE STOCK OF THE FOREIGN CORPORATION STATEMENT 7

NAME AND ADDRESS	IDENTIFYING NUMBER	NUMBER OF SHARES
N/A		

FORM 5471 OTHER INCOME STATEMENT 8

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNREALIZED LOSS			-6,981,740.
TOTAL TO 5471, SCHEDULE C, LINE 9			-6,981,740.

FORM 5471 OTHER DEDUCTIONS STATEMENT 9

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
OPERATING FEE			245,515.
TOTAL TO 5471, SCHEDULE C, LINE 17			245,515.

FORM 5471

OTHER CURRENT ASSETS

STATEMENT 14

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
FOREIGN CURRENCY	69,970.	16,761.
INVESTMENTS SOLD RECEIVABLE	0.	99,902.
DIVIDENDS RECEIVABLE	503,058.	189,016.
OTHER ASSETS	5,485.	0.
DUE FROM INVESTMENT MANAGER	36,855.	0.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 5	615,368.	305,679.

FORM 5471

OTHER INVESTMENTS

STATEMENT 15

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INVESTMENTS IN SECURITIES	79,280,017.	23,656,606.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 8	79,280,017.	23,656,606.

FORM 5471

OTHER CURRENT LIABILITIES

STATEMENT 16

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
FOREIGN CAPITAL GAINS TAX PAYABLE	195,841.	696.
MANAGEMENT FEES PAYABLE	48,545.	0.
PROFESSIONAL FEES PAYABLE	36,541.	0.
OTHER LIABILITIES	12,709.	0.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 16	293,636.	696.

Schedule G Other Information (continued)

		Yes	No
6a	Is the filer of this Form 5471 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule M? If "Yes," complete lines 6b, 6c, and 6d.		X
b	Enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with the foreign corporation that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) (see instructions) ▶ \$ _____		
c	Enter the amount of gross income derived from a license of property to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
d	Enter the amount of gross income derived from services provided to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
7	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
8	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X
9	If the answer to question 7 is "Yes," was the foreign corporation a participant in a cost sharing arrangement that was in effect before January 5, 2009?		X
10	If the answer to question 7 is "Yes," did a U.S. taxpayer make any platform contributions as defined under Regulations section 1.482-7(c) to that cost sharing arrangement during the taxable year?		X
11	If the answer to question 10 is "Yes," enter the present value of the platform contributions in U.S. dollars ▶ \$ _____		
12	If the answer to question 10 is "Yes," check the box for the method under Regulations section 1.482-7(g) used to determine the price of the platform contribution transaction(s): <input type="checkbox"/> Comparable uncontrolled transaction method <input type="checkbox"/> Income method <input type="checkbox"/> Acquisition price method <input type="checkbox"/> Market capitalization method <input type="checkbox"/> Residual profit split method <input type="checkbox"/> Unspecified methods		
13	From April 25, 2014, to December 31, 2017, did the foreign corporation purchase stock or securities of a shareholder of the foreign corporation for use in a triangular reorganization (within the meaning of Regulations section 1.358-6(b)(2))?		X
14a	Did the foreign corporation receive any intangible property in a prior year or the current tax year for which the U.S. transferor is required to report a section 367(d) annual income inclusion for the taxable year?		X
	If "Yes," go to line 14b.		
b	Enter the amount of the earnings and profits reduction pursuant to section 367(d)(2)(B) for the taxable year ▶ \$ _____		
15	During the tax year, was the foreign corporation an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9)?		X
	If "Yes," see instructions and attach statement.		
16	During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4?		X
	If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).		
17	During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		X
18	During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		X
19	Did you answer "Yes" to any of the questions in the instructions for line 19?		X
	If "Yes," enter the corresponding code(s) from the instructions and attach statement (see instructions) ▶ _____		
20	Does the foreign corporation have interest expense disallowed under section 163(j) (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		
21	Does the foreign corporation have previously disallowed interest expense under section 163(j) carried forward to the current tax year (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item F on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder ▶	Identifying number ▶		
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)		1a	
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)		1b	
c Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)		1c	
d Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)		1d	
e Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)		1e	
f Other subpart F income (see instructions)		1f	521,736.
2 Earnings invested in U.S. property (enter the result from Worksheet B in the instructions)		2	
3 Section 245A eligible dividends (see instructions)		3	
4 Factoring income		4	
See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.			
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))		5	
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits		6	

	Yes	No
• Was any income of the foreign corporation blocked?		
• Did any such income become unblocked during the tax year (see section 964(b))?		

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE E
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Income, War Profits, and Excess Profits Taxes Paid or Accrued

▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD.	EIN (if any)	Reference ID number (see instructions) EMER2021
a Separate Category (Enter code - see instructions.) ▶ GEN b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Taxes for Which a Foreign Tax Credit Is Allowed

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) Foreign Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)	(e) U.S. Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)
1					
2					
3					
4					
5					
6					
7					
	(f) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(g) Tax Paid or Accrued (in local currency in which the tax is payable)	(h) Conversion Rate to U.S. Dollars	(i) In U.S. Dollars (divide column (g) by column (h))	(j) In Functional Currency of Foreign Corporation
1					
2					
3					
4					
5					
6					
7					
8	Total (combine lines 1 through 7 of column (i)). Report amount on Schedule E-1, line 4 ▶				
9	Total (combine lines 1 through 7 of column (j)). See instructions for Schedule H, line 2g ▶				

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes No If "Yes," state date of election ▶

Part III Taxes for Which a Foreign Tax Credit Is Disallowed (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Other	(h) Total
1								
2								
3	In functional currency (combine lines 1 and 2) ▶							
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions)) ▶							

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation

IMPORTANT: Enter amounts in U.S. dollars unless otherwise noted (see instructions).		Taxes related to:			
		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance) (in functional currency)	(d) Hovering Deficit and Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1)				
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for redetermination of prior year U.S. tax liability				
3a	Taxes unsuspending under anti-splitter rules				
b	Taxes suspended under anti-splitter rules				
4	Taxes reported on Schedule E, Part I, line 8, column (i)				
5a	Taxes carried over in nonrecognition transactions				
b	Taxes reclassified as related to hovering deficit after nonrecognition transaction				
6	Other adjustments (attach statement)				
7	Taxes paid or accrued on accumulated E&P (combine lines 1c through 6)				
8	Taxes deemed paid with respect to inclusions under section 951(a)(1) (see instructions)				
9	Taxes deemed paid with respect to inclusions under section 951A (see instructions)				
10	Taxes deemed paid with respect to actual distributions				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P				
12	Other (attach statement)				
13	Taxes related to hovering deficit offset of undistributed post-transaction E&P				
14	Balance at beginning of next year (combine lines 7 through 13)				

(e) Taxes related to previously taxed E&P (see instructions)

	(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))
1a								
b								
c								
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3a								
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5a								
b								
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12								
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14								

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)*

(e) Taxes related to previously taxed E&P (see instructions)

	(ix) Earnings Invested Excess Passive Assets (section 959(c)(1)(B))	(x) Section 965(a) Inclusion (section 959(c)(2))	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))
1a								
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5a								
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14								

**SCHEDULE H
(Form 5471)**

(December 2018)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND,	EIN (if any)	Reference ID number (see instr.) EMER2021
a Separate Category (Enter code-see instructions.) ▶		GEN
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

IMPORTANT: Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account	1	-3,300,660.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
		Net Additions	Net Subtractions
a	Capital gains or losses	2a	
b	Depreciation and amortization	2b	
c	Depletion	2c	
d	Investment or incentive allowance	2d	
e	Charges to statutory reserves	2e	
f	Inventory adjustments	2f	
g	Income taxes (see Schedule E, Part I, line 9, column (j))	2g	
h	Foreign currency gains or losses	2h	5,441.
i	Other (attach statement) SEE STATEMENT 19	2i	6,981,740.
3	Total net additions	3	6,987,181.
4	Total net subtractions	4	
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	3,686,521.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c	Combine lines 5a and 5b	5c	3,686,521.
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))	5d	3,686,521.
	Enter exchange rate used for line 5d ▶		1.000000

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (12-2018)

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 19

<u>DESCRIPTION</u>	<u>NET ADDITIONS</u>	<u>NET SUBTRACTIONS</u>
UNREALIZED LOSS REVERSAL	6,981,740.	0.
TOTAL TO 5471, SCHEDULE H, LINE 2I	6,981,740.	0.

Foreign Corporation THE EMERGING MARKETS EQUITY FUND, LTD.

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5	Identifying number
Shareholder's income from foreign corporation	
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of lower-tier foreign corporation	1a _____
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporation	1b _____
c Section 954(c) Subpart F Foreign Personal Holding Company Income	1c _____
d Section 954(d) Subpart F Foreign Base Company Sales Income	1d _____
e Section 954(e) Subpart F Foreign Base Company Services Income	1e _____
f Other Subpart F income	1f <u>521,736.</u>
2 Earnings invested in U.S. property	2 _____
3 Section 245A eligible dividends	3 _____
4 Factoring income	4 _____
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))	5 _____
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits	6 _____

**SCHEDULE I-1
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

Information for Global Intangible Low-Taxed Income

▶ **Attach to Form 5471.**

OMB No. 1545-0704

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471
LUMINIS HEALTH ANNE ARUNDEL MEDICAL Identifying number
52-1169362

Name of foreign corporation
THE EMERGING MARKETS EQUITY FUND, L EIN (if any) Reference ID number (see instr.)
EMER2021

Separate Category (Enter code - see instructions) ▶ **GEN**

		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income	1 4001307.		
2	Exclusions			
a	Effectively connected income	2a		
b	Subpart F income	2b 1139660.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (total of lines 2a-2e)	3 1139660.		
4	Gross income less total exclusions (line 1 minus line 3)	4 2861647.		
5	Deductions properly allocable to amount on line 4	5 314,786.		
6	Tested income (loss) (line 4 minus line 5)	6 2546861.	1.000000	2546861.
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8	1.000000	
9a	Interest expense included on line 5	9a		
b	Qualified interest expense	9b		
c	Tested loss QBAI amount	9c		
d	Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d	1.000000	
10a	Interest income included in line 4	10a		
b	Qualified interest income	10b		
c	Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2019)

**SCHEDULE J
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings & Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471

**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number

52-1169362

Name of foreign corporation

THE EMERGING MARKETS EQUITY FUND, LTD.

EIN (if any)

Reference ID number

EMER2021

- a** Separate Category (Enter code - see instructions.) ▶ **GEN**
- b** If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. shareholders' information to complete amount for columns (e)(i), (e)(ii), (e)(iv), and (e)(x) through (e)(xii) (see instructions).

Important: Enter amounts in functional currency.

	(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
					(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))
1a Balance at beginning of year (as reported on prior year Schedule J)						
b Beginning balance adjustments (attach statement)						
c Adjusted beginning balance (combine lines 1a and 1b)						
2a Reduction for taxes unsuspending under anti-splitter rules						
b Disallowed deduction for taxes suspended under anti-splitter rules						
3 Current year E&P (or deficit in E&P)	3,686,521.					
4 E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a E&P carried over in nonrecognition transaction						
b Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6 Other adjustments (attach statement)						
7 Total current and accumulated E&P (combine lines 1c through 6)	3,686,521.					
8 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P	-3,686,521.					
9 Actual distributions						
10 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12 Other adjustments (attach statement)						
13 Hovering deficit offset of undistributed posttransaction E&P (see instructions)						
14 Balance at beginning of next year (combine lines 7 through 13)		0.				

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)*

	(e) Previously Taxed E&P (see instructions)							(x) Section 965(a) Inclusion (section 959(c)(2))
	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(ix) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	
1a								
b								
c								
2a								
b								
3								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

	(e) Previously Taxed E&P (see instructions)						(f) Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(xvi))
	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	
1a							
b							
c							
2a							
b							
3							3,686,521.
4							
5a							
b							
6							
7							3,686,521.
8		2,546,861.				1,139,660.	0.
9							
10							
11							
12							
13							
14		2,546,861.				1,139,660.	3,686,521.

Part II Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))

Important: Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2019)

**SCHEDULE M
(Form 5471)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0123

▶ Attach to Form 5471.

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471
**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number
52-1169362

Name of foreign corporation
THE EMERGING MARKETS EQUITY FUND,

EIN (if any)

Reference ID number
EMER2021

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **UNITED STATES, DOLLAR** **1.000000**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) ...					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Hybrid dividends received (see instr.)					
10 Dividends received (exclude hybrid dividends, deemed distributions under subpart F, and distributions of previously taxed income)					
11 Interest received					
12 Premiums received for insurance or reinsurance					
13 Add lines 1 through 12					
14 Purchases of stock in trade (inventory)					
15 Purchases of tangible property other than stock in trade					
16 Purchases of property rights (patents, trademarks, etc.)					
17 Platform contribution transaction payments paid					
18 Cost sharing transaction payments paid					
19 Compensation paid for technical, managerial, engineering, construction, or like services					
20 Commissions paid					
21 Rents, royalties, and license fees paid					
22 Hybrid dividends paid (see instructions)					
23 Dividends paid (exclude hybrid dividends paid)					
24 Interest paid					
25 Premiums paid for insurance or reinsurance					
26 Add lines 14 through 25					
27 Accounts Payable					
28 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
29 Accounts Receivable					
30 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

**SCHEDULE O
(Form 5471)**

(Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Organization or Reorganization of Foreign Corporation, and Acquisitions and Dispositions of its Stock

Information about Schedule O (Form 5471) and its instructions is at www.irs.gov/form5471

▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND,	EIN (if any)	Reference ID number EMER2021

Important: Complete a separate Schedule O for each foreign corporation for which information must be reported.

Part I To Be Completed by U.S. Officers and Directors

(a) Name of shareholder for whom acquisition information is reported	(b) Address of shareholder	(c) Identifying number of shareholder	(d) Date of original 10% acquisition	(e) Date of additional 10% acquisition

Part II To Be Completed by U.S. Shareholders

Note: If this return is required because one or more shareholders became U.S. persons, attach a list showing the names of such persons and the date each became a U.S. person.

Section A - General Shareholder Information

(a) Name, address, and identifying number of shareholder(s) filing this schedule	(b) For shareholder's latest U.S. income tax return filed, indicate:			(c) Date (if any) shareholder last filed information return under section 6046 for the foreign corporation
	(1) Type of return (enter form number)	(2) Date return filed	(3) Internal Revenue Service Center where filed	
STMT 20 LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS				
NATIONAL FIRE PROTECTION 1 BATTERYMARCH PARK QUINCY, MA				

Section B - U.S. Persons Who Are Officers or Directors of the Foreign Corporation

(a) Name of U.S. officer or director	(b) Address	(c) Social security number	(d) Check appropriate box(es)	
			Officer	Director

Section C - Acquisition of Stock

(a) Name of shareholder(s) filing this schedule	(b) Class of stock acquired	(c) Date of acquisition	(d) Method of acquisition	(e) Number of shares acquired		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount paid or value given	(g) Name and address of person from whom shares were acquired

Section D - Disposition of Stock

(a) Name of shareholder disposing of stock	(b) Class of stock	(c) Date of disposition	(d) Method of disposition	(e) Number of shares disposed of		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount received	(g) Name and address of person to whom disposition of stock was made

Section E - Organization or Reorganization of Foreign Corporation

(a) Name and address of transferor	(b) Identifying number (if any)	(c) Date of transfer

(d) Assets transferred to foreign corporation			(e) Description of assets transferred by, or notes or securities issued by, foreign corporation
(1) Description of assets	(2) Fair market value	(3) Adjusted basis (if transferor was U.S. person)	

Section F - Additional Information

(a) If the foreign corporation or a predecessor U.S. corporation filed (or joined with a consolidated group in filing) a U.S. income tax return for any of the last 3 years, attach a statement indicating the year for which a return was filed (and, if applicable, the name of the corporation filing the consolidated return), the taxable income or loss, and the U.S. income tax paid (after all credits).

(b) List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock ►

(c) If the foreign corporation is a member of a group constituting a chain of ownership, attach a chart, for each unit of which a shareholder owns 10% or more in value or voting power of the outstanding stock. The chart must indicate the corporation's position in the chain of ownership and the percentages of stock ownership (see instructions for an example).

5471 SCHEDULE O

GENERAL SHAREHOLDER INFORMATION

STATEMENT 20

(A) NAME, ADDRESS, AND IDENTIFYING NUMBER OF SHAREHOLDER(S) FILING THIS SCHEDULE	(B) FOR SHAREHOLDER'S LATEST U.S. INCOME TAX RETURN FILED INDICATE:			(C) DATE SHAREHOLD -ER LAST FILED IN- FORMATION RTN UNDER SEC. 6046
	(1) TYPE OF RETURN (ENTER FORM NUMBER)	(2) DATE RETURN FILED	(3) INTERNAL REVENUE SERVICE CENTER WHERE FILED	

LUMINIS HEALTH AAMC
2001 MEDICAL PARKWAY ANNAPOLIS

NATIONAL FIRE PROTECTION
1 BATTERYMARCH PARK QUINCY, MA

**SCHEDULE P
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**

▶ **Attach to Form 5471.**

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

OMB No. 1545-0123

Name of U.S. shareholder LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD.	EIN (if any)	Reference ID number (see instructions) EMER2021
a Separate Category (Enter code - see instructions.) ▶		GEN
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Previously Taxed E&P in Functional Currency (see instructions)

		(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a	Balance at beginning of year (see instructions)							
b	Beginning balance adjustments (attach statement)							
c	Adjusted beginning balance (combine lines 1a and 1b)							
2	Reduction for taxes unsuspended under anti-splitter rules							
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4	Previously taxed E&P carried over in nonrecognition transaction							
5	Other adjustments (attach statement)							
6	Total previously taxed E&P (combine lines 1c through 5)							
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8	Actual distributions of previously taxed E&P ...							
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions) ...							
11	Other adjustments (attach statement) ...							
12	Balance at beginning of next year (combine lines 6 through 11)							

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule P (Form 5471) (Rev. 12-2019)

Part I **Previously Taxed E&P in Functional Currency** (see instructions) *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7					1165953.				521,736.	1687689.
8										
9										
10										
11										
12					1165953.				521,736.	1687689.

Part II Previously Taxed E&P in U.S. Dollars

	(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a Balance at beginning of year (see instructions)							
b Beginning balance adjustments (attach statement)							
c Adjusted beginning balance (combine lines 1a and 1b)							
2 Reduction for taxes unsuspended under anti-splitter rules							
3 Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4 Previously taxed E&P carried over in nonrecognition transaction							
5 Other adjustments (attach statement)							
6 Total previously taxed E&P (combine lines 1c through 5)							
7 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8 Actual distributions of previously taxed E&P							
9 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)							
11 Other adjustments (attach statement)							
12 Balance at beginning of next year (combine lines 6 through 11)							

Schedule P (Form 5471) (Rev. 12-2019)

Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7					1165953.			521,736.	1687689.	
8										
9										
10										
11										
12					1165953.			521,736.	1687689.	

Return of U.S. Persons With Respect to Certain Foreign Partnerships

▶ **Go to www.irs.gov/Form8865 for instructions and the latest information.**

2019

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign partnership's tax year

beginning **JAN 1**, 2019, and ending **DEC 31**, 2019

Attachment Sequence No. **118**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Filer's identification number 52-1169362
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Filer's address (if you aren't filing this form with your tax return)	A Category of filer (see Categories of Filers in the instructions and check applicable box(es)): 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/>
	B Filer's tax year beginning JUL 1 , 2019, and ending JUN 30 , 2020

C Filer's share of liabilities: Nonrecourse \$ **187**. Qualified nonrecourse financing \$ **0**. Other \$ **0**.

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent:

Name LUMINIS HEALTH, INC.	EIN 52-1622253
Address 2000 MEDICAL PARKWAY, SUITE 606 ANNAPOLIS, MD 21401	

E Check if any excepted specified foreign financial assets are reported on this form. See instructions

F Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identification number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner

G1 Name and address of foreign partnership
GREENSPRING GLOBAL PARTNERS VIII-B, LP

100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117

2(a) EIN (if any) 98-1335583
2(b) Reference ID number
3 Country under whose laws organized CAYMAN ISLANDS

4 Date of organization 11/04/2016	5 Principal place of business OTHER COUNTRY	6 Principal business activity code number 523900	7 Principal business activity INVESTMENT	8a Functional currency US DOLLAR	8b Exchange rate (see instructions)
--	--	---	---	---	--

H Provide the following information for the foreign partnership's tax year:

1 Name, address, and identification number of agent (if any) in the United States GREENSPRING ASSOCIATES, INC. 100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117	2 Check if the foreign partnership must file: <input type="checkbox"/> Form 1042 <input type="checkbox"/> Form 8804 <input checked="" type="checkbox"/> Form 1065 Service Center where Form 1065 is filed: E-FILE
--	--

3 Name and address of foreign partnership's agent in country of organization, if any MAPLES CORPORATE SERVICES LIMITED P.O. BOX 309, UGLAND HOUSE , GRAND CAYMAN CAYMAN ISLANDS KY1-110	4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different GREENSPRING ASSOCIATES, INC. 100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117
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5 During the tax year, did the foreign partnership pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions Yes No
If "Yes," enter the total amount of the disallowed deductions \$

6 Is the partnership a section 721(c) partnership, as defined in Temporary Regulations section 1.721(c)-1T(b)(14)? Yes No

7 Were any special allocations made by the foreign partnership? Yes No

8 Enter the number of Forms 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), attached to this return. See instructions **0**

9 How is this partnership classified under the law of the country in which it's organized? ▶ **PARTNERSHIP**

10 a Does the filer have an interest in the foreign partnership, or an interest indirectly through the foreign partnership, that's a separate unit under Reg. 1.1503(d)-1(b)(4) or part of a combined separate unit under Reg. 1.1503(d)-1(b)(4)(ii)? If "No," skip question 10b Yes No

b If "Yes," does the separate unit or combined separate unit have a dual consolidated loss, as defined in Reg. 1.1503(d)-1(b)(5)(ii)? Yes No

11 Does this partnership meet **both** of the following requirements?
 1. The partnership's total receipts for the tax year were less than \$250,000.
 2. The value of the partnership's total assets at the end of the tax year was less than \$1 million.
 If "Yes," don't complete Schedules L, M-1, and M-2. Yes No

- 12 a** Is the filer of this Form 8865 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule N? Yes No
- b** If "Yes," enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with or by the foreign partnership that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) ▶ _____
- c** If "Yes," enter the amount of gross income derived from a license of property to or by the foreign partnership that the filer included in its computation of FDDEI ▶ _____
- d** If "Yes," enter the amount of gross income derived from services provided to or by the foreign partnership that the filer included in its computation of FDDEI ▶ _____
- 13** Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership ▶ _____
- 14** At any time during the tax year were any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? Yes No
- 15 a** Were there any transfers of property or money within a 2-year period between the partnership and any of its partners that would require disclosure under Regs. 1.703-3 or 1.707-6? If "Yes," attach a statement identifying the transfers, the amount or value of each transfer, and an explanation of the tax treatment. See instructions for exceptions Yes No
- b** Did the partnership assume a liability or receive property subject to a liability where such liability was incurred by a partner within a 2-year period of transferring the property to the partnership? If "Yes," attach a statement identifying the property transferred, the amount or value of each transfer, the debt assumed or taken by the partnership, and an explanation of the tax treatment Yes No

Sign Here Only if You're Filing This Form Separately and Not With Your Tax Return. 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 general partner or limited liability company member) is based on all information of which preparer has any knowledge.

▶ _____ Signature of general partner or limited liability company member ▶ _____ Date

Paid Preparer Use Only	Print/Type preparer's name LORI S. BURGHAUSER	Preparer's signature <i>Lori Burghauser</i>	Date 05/08/21	Check <input type="checkbox"/> if self-employed	PTIN P00370694
	Firm's name ▶ SC&H GROUP, INC.			Firm's EIN ▶ 20-5991824	
	Firm's address ▶ 910 RIDGEBROOK ROAD			Phone no. (410) 403-1500	
	SPARKS, MD 21152				

Schedule A Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box **b**, enter the name, address, and U.S. taxpayer identification number (if any) of the person(s) whose interest you constructively own. See instructions.

a Owns a direct interest **b** Owns a constructive interest

Name	Address	Identification number (if any)	Check if foreign person	Check if direct partner

Schedule A-1 Certain Partners of Foreign Partnership (see instructions)

Name	Address	Identification number (if any)	Check if foreign person

Schedule A-2 Foreign Partners of Section 721(c) Partnership (see instructions)

Name of foreign partner	Address	Country of organization (if any)	U.S. taxpayer identification number (if any)	Check if related to U.S. transferor	Percentage interest	
					Capital	Profits
				<input type="checkbox"/>	%	%
				<input type="checkbox"/>	%	%

Does the partnership have any other foreign person as a direct partner? Yes No

Schedule A-3 Affiliation Schedule. List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership
GREENSPRING GLOBAL PARTNER	100 PAINTERS MILL ROAD	81-4458274		
	OWINGS MILLS, MD 21117			

**SCHEDULE O
(Form 8865)**

**Transfer of Property to a Foreign Partnership
(Under Section 6038B)**

OMB No. 1545-1668

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 8865. See the Instructions for Form 8865.**
▶ **Go to www.irs.gov/Form8865 for instructions and the latest information.**

Name of transferor **LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.** Filer's identifying number **52-1169362**

Name of foreign partnership **GREENSPRING GLOBAL PARTNERS VIII-** EIN (if any) **98-1335583** Reference ID number (see instr)

- 1 a** Is the partnership a section 721(c) partnership (as defined in Temporary Regulations section 1.721(c)-1T(b)(14))? See instructions Yes No
b If "Yes," was the gain deferral method applied to avoid the recognition of gain upon the contribution of property? Yes No
2 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Part I Transfers Reportable Under Section 6038B

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Recovery period	(f) Section 704(c) allocation method	(g) Gain recognized on transfer
Cash	01/01/20		1,000,000.				
Stock, notes receivable and payable, and other securities							
Inventory							
Tangible property used in trade or business							
Intangible property described in section 197(f)(9)							
Intangible property, other than intangible property described in section 197(f)(9)							
Other property							
Totals			1,000,000.				

3 Enter the transferor's percentage interest in the partnership: (a) Before the transfer **.9860** % (b) After the transfer **.9720** %

Supplemental Information Required To Be Reported (see instructions):

Part II Dispositions Reportable Under Section 6038B

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

Part III Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)? Yes No

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

Schedule O (Form 8865) 12-2018

**Return by a U.S. Transferor of Property
 to a Foreign Corporation**

▶ Go to www.irs.gov/Form926 for instructions and the latest information.
 ▶ Attach to your income tax return for the year of the transfer or distribution.

Part I U.S. Transferor Information (see instructions)

Name of transferor LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Identifying number (see instructions) 52-1169362
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- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation? Yes No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation LUMINIS HEALTH, INC.	EIN of parent corporation 52-1622253
---	--

- d** Have basis adjustments under section 367(a)(4) been made? Yes No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership N/A	EIN of partnership
-----------------------------------	--------------------

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

4 Name of transferee (foreign corporation) ABERDEEN U.S. PRIVATE EQUITY VII (OFFSHORE), LP	5a Identifying number, if any 98-1334150
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6 Address (including country) 94 SOLARIS AVENUE, PO BOX 1348 CAMANA BAY KY1-1108 CAYMAN ISLANDS	5b Reference ID number
--	-------------------------------

7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

- 9** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	10/16/2019		850,000.		

10 Was cash the only property transferred? Yes No
 If "Yes," skip the remainder of Part III and go to Part IV.

Section B - Other Property (other than intangible property subject to section 367(d))

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

11 Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed? Yes No

12 a Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation? Yes No
 If "Yes," go to line 12b.

b Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation? Yes No
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.

c Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation? Yes No
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.

d Enter the transferred loss amount included in gross income as required under section 91 ► \$ _____

13 Did the transferor transfer property described in section 367(d)(4)? Yes No
 If "No," skip Section C and questions 14a through 15.

Section C - Intangible Property Subject to Section 367(d)

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years? Yes No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life? Yes No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property? Yes No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ _____
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Supplemental Part III Information Required To Be Reported (see instructions)

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., ON VARIOUS DATES THROUGHOUT THE YEAR, TRANSFERRED CASH WITH AN AGGREGATE FAIR MARKET VALUE AND A BASIS OF \$1,000,000 TO ABERDEEN U.S. PRIVATE EQUITY VII (OFFSHORE), LP. NO PRIVATE LETTER RULINGS WERE ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE.

Part IV Additional Information Regarding Transfer of Property (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.
(a) Before 4.227 % (b) After 4.227 %
- 17 Type of nonrecognition transaction (see instructions) ▶ IRC SECTION 351
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
 - a Gain recognition under section 904(f)(3) Yes No
 - b Gain recognition under section 904(f)(5)(F) Yes No
 - c Recapture under section 1503(d) Yes No
 - d Exchange gain under section 987 Yes No
- 19 Did this transfer result from a change in entity classification? Yes No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions) Yes No
If "Yes," complete lines 20b and 20c.
- b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ _____
- c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)? Yes No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions Yes No

**Return by a U.S. Transferor of Property
 to a Foreign Corporation**

OMB No. 1545-0026

▶ Go to www.irs.gov/Form926 for instructions and the latest information.
 ▶ Attach to your income tax return for the year of the transfer or distribution.

Attachment
 Sequence No. **128**

Part I U.S. Transferor Information (see instructions)

Name of transferor LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Identifying number (see instructions) 52-1169362
---	--

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation? Yes No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation LUMINIS HEALTH, INC.	EIN of parent corporation 52-1622253
---	--

- d** Have basis adjustments under section 367(a)(4) been made? Yes No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
N/A	

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

Name of transferee (foreign corporation) COTTAGE INSURANCE COMPANY, LTD.	5a Identifying number, if any 98-0461499
--	--

Address (including country) P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	5b Reference ID number
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7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

- 9** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	07/01/2019		8,120,509.		

10 Was cash the only property transferred? **Yes** **No**
 If "Yes," skip the remainder of Part III and go to Part IV.

Section B - Other Property (other than intangible property subject to section 367(d))

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

11 Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed? **Yes** **No**

12 a Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation? **Yes** **No**
 If "Yes," go to line 12b.

b Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation? **Yes** **No**
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.

c Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation? **Yes** **No**
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.

d Enter the transferred loss amount included in gross income as required under section 91 ► \$ _____

13 Did the transferor transfer property described in section 367(d)(4)? **Yes** **No**
 If "No," skip Section C and questions 14a through 15.

Section C - Intangible Property Subject to Section 367(d)

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years? Yes No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life? Yes No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property? Yes No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ► \$ _____
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Supplemental Part III Information Required To Be Reported (see instructions)
SEE STATEMENT 21

Part IV Additional Information Regarding Transfer of Property (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.
 (a) Before 100.000 % (b) After 100.000 %
- 17 Type of nonrecognition transaction (see instructions) ► IRC SECTION 351
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
 - a Gain recognition under section 904(f)(3) Yes No
 - b Gain recognition under section 904(f)(5)(F) Yes No
 - c Recapture under section 1503(d) Yes No
 - d Exchange gain under section 987 Yes No
- 19 Did this transfer result from a change in entity classification? Yes No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions) Yes No
 If "Yes," complete lines 20b and 20c.
 b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ► \$ _____
 c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)? Yes No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions Yes No

FORM 926

STATEMENT 21

STATEMENT PURSUANT TO SECTION 1.351-3(A) BY LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., 52-1169362, A SIGNIFICANT TRANSFEROR:

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., ON VARIOUS DATES THROUGHOUT THE YEAR, TRANSFERRED CASH WITH AN AGGREGATE FAIR MARKET VALUE AND A BASIS OF \$8,120,509 TO COTTAGE INSURANCE COMPANY, LTD. NO PRIVATE LETTER RULINGS WERE ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KEVIN L. SMITH

- The books are in the care of ▶ **2000 MEDICAL PARKWAY, SUITE 606 - ANNAPOLIS, MD 21401**
Telephone No. ▶ **(443) 481-1308** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 7

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KEVIN L. SMITH

- The books are in the care of ▶ **2000 MEDICAL PARKWAY, SUITE 606 - ANNAPOLIS, MD 21401**
Telephone No. ▶ **(443) 481-1308** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 23,000.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 15,000.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 8,000.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 9

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KEVIN L. SMITH

- The books are in the care of ▶ **2000 MEDICAL PARKWAY, SUITE 606 - ANNAPOLIS, MD 21401**
Telephone No. ▶ **(443) 481-1308** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year _____ or
▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 210,000.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 210,000.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Luminis Health, Inc. and Subsidiaries
Years Ended June 30, 2020 and 2019
With Report of Independent Auditors

Ernst & Young LLP



Luminis Health, Inc. and Subsidiaries
Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2020 and 2019

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Report of Independent Auditors

The Board of Trustees
Luminis Health, Inc.

We have audited the accompanying consolidated financial statements of Luminis Health, Inc. (a Maryland not-for-profit corporation) and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Doctors Community Medical Center and subsidiaries, a wholly owned subsidiary, which statements reflect total assets of \$320,453,000 as of June 30, 2020, and revenues and gains in excess of expenses of \$4,460,000, for the year then ended or the financial statements of Cottage Insurance Company, Ltd., a wholly owned subsidiary, which statements reflect total assets of \$38,974,000 and \$39,535,000 as of June 30, 2020 and 2019, respectively, and net loss after elimination of intercompany revenues of \$10,246,000 and \$10,149,000, respectively, for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Doctors Community Medical Center and subsidiaries and Cottage Insurance Company, Ltd., are based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Luminis Health, Inc. and subsidiaries at June 30, 2020 and 2019, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Adoption of New Accounting Pronouncements

As discussed in Note 2 to the consolidated financial statements, Luminis Health, Inc. and subsidiaries changed its method of accounting for leases as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, effective July 1, 2019. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

October 23, 2020

Luminis Health, Inc. and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 178,795,000	\$ 15,100,000
Short-term investments	1,365,000	15,261,000
Current portion of assets whose use is limited	15,912,000	15,190,000
Patient receivables, net	118,882,000	80,307,000
Current portion of pledges receivable, net	945,000	494,000
Inventories	21,789,000	8,650,000
Prepaid expenses and other current assets	19,857,000	14,125,000
Total current assets	<u>357,545,000</u>	<u>149,127,000</u>
Property and equipment	1,096,845,000	918,666,000
Less accumulated depreciation and amortization	<u>(538,353,000)</u>	<u>(493,004,000)</u>
Net property and equipment	<u>558,492,000</u>	<u>425,662,000</u>
Other assets:		
Investments	338,985,000	386,056,000
Investments in joint ventures	14,024,000	8,886,000
Pledges receivable, net	3,192,000	2,802,000
Assets whose use is limited	41,020,000	35,973,000
Restricted collateral for interest rate swap contract	110,002,000	67,404,000
Right of use asset	44,995,000	—
Other assets	53,613,000	34,374,000
Total assets	<u>\$ 1,521,868,000</u>	<u>\$ 1,110,284,000</u>

Luminis Health, Inc. and Subsidiaries
Consolidated Balance Sheets (continued)

	June 30	
	2020	2019
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 40,441,000	\$ 30,458,000
Accrued salaries, wages, and benefits	53,438,000	37,814,000
Other accrued expenses	32,413,000	18,389,000
Current portion of long-term debt	16,440,000	11,029,000
Advances from third-party payors	182,697,000	23,903,000
Current portion of lease liability	8,753,000	—
Total current liabilities	334,182,000	121,593,000
Long-term debt, less current portion and unamortized original issue premium	470,308,000	359,735,000
Interest rate swap contracts	117,037,000	78,479,000
Accrued pension liability	29,276,000	6,076,000
Lease liability, less current portion	37,429,000	—
Other long-term liabilities	47,032,000	37,010,000
Total liabilities	1,035,264,000	602,893,000
Net assets:		
Without donor restrictions	460,552,000	482,661,000
With donor restrictions	23,861,000	24,730,000
Non-controlling interest	2,191,000	—
Total net assets	486,604,000	507,391,000
Total liabilities and net assets	\$ 1,521,868,000	\$ 1,110,284,000

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2020	2019
Operating revenue:		
Net patient service revenue	\$ 969,105,000	\$ 742,876,000
Other operating revenue	78,393,000	33,180,000
Total operating revenue	<u>1,047,498,000</u>	<u>776,056,000</u>
Operating expenses:		
Salaries and wages	479,880,000	349,660,000
Employee benefits	75,930,000	56,356,000
Supplies	197,487,000	159,489,000
Purchased services	226,375,000	137,557,000
Depreciation and amortization	45,994,000	36,833,000
Interest	16,151,000	13,118,000
Transaction costs	—	3,279,000
Total operating expenses	<u>1,041,817,000</u>	<u>756,292,000</u>
Operating income	<u>5,681,000</u>	<u>19,764,000</u>
Other (loss) income:		
Investment (loss) income, net	(9,700,000)	13,873,000
Loss from joint ventures and other, net	(673,000)	(545,000)
Inherent contribution	61,715,000	—
Pension credit (expense), net	1,116,000	(4,777,000)
Unrealized (losses) gains on trading securities, net	(15,151,000)	10,034,000
Realized and unrealized losses on interest rate swap contracts, net	<u>(43,149,000)</u>	<u>(23,361,000)</u>
Total other loss, net	<u>(5,842,000)</u>	<u>(4,776,000)</u>
(Deficit) excess of revenue over expenses	<u>\$ (161,000)</u>	<u>\$ 14,988,000</u>

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, June 30, 2018	\$ 469,018,000	\$ 26,304,000	\$ 495,322,000
Excess of revenues over expenses	14,988,000	–	14,988,000
Pension liability adjustment	(2,784,000)	–	(2,784,000)
Released from restrictions used for			
purchase of property and equipment	163,000	–	163,000
Transfers and other, net	1,276,000	–	1,276,000
Restricted gifts, bequests, and contributions	–	5,451,000	5,451,000
Unrealized losses on investments	–	(18,000)	(18,000)
Restricted investment income	–	60,000	60,000
Net assets released from restrictions	–	(7,964,000)	(7,964,000)
Other	–	897,000	897,000
Changes in net assets	<u>13,643,000</u>	<u>(1,574,000)</u>	<u>12,069,000</u>
Net assets, June 30, 2019	482,661,000	24,730,000	507,391,000
Net assets acquired	2,265,000	487,000	2,752,000
Deficit of revenues over expenses	(161,000)	–	(161,000)
Pension liability adjustment	(24,810,000)	–	(24,810,000)
Released from restrictions used for			
purchase of property and equipment	1,837,000	–	1,837,000
Transfers and other, net	951,000	(598,000)	353,000
Restricted gifts, bequests, and contributions	–	9,518,000	9,518,000
Unrealized losses on investments	–	(3,394,000)	(3,394,000)
Restricted investment income	–	693,000	693,000
Net assets released from restrictions	–	(7,575,000)	(7,575,000)
Changes in net assets	<u>(19,918,000)</u>	<u>(869,000)</u>	<u>(20,787,000)</u>
Net assets, June 30, 2020	<u>\$ 462,743,000</u>	<u>\$ 23,861,000</u>	<u>\$ 486,604,000</u>

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2020	2019
Operating activities		
(Decrease) increase in net assets	\$ (20,787,000)	\$ 12,069,000
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Change in net unrealized losses (gains) on investments	18,545,000	(10,016,000)
Realized and unrealized losses on interest rate swap contracts, net	43,149,000	23,361,000
Pension liability adjustment	24,810,000	2,784,000
Equity in earnings of joint ventures and other	804,000	854,000
Restricted contributions and pledges, net	(9,518,000)	(5,374,000)
Depreciation and amortization	45,994,000	36,833,000
Restricted investment income	(693,000)	(60,000)
Decrease (increase) in investments – trading	60,680,000	(86,894,000)
(Increase) decrease in assets whose use is limited, net – trading	(5,164,000)	625,000
Inherent contribution and net assets acquired	(64,467,000)	–
Net change in operating assets and liabilities	154,413,000	6,846,000
Net cash provided by (used in) operating activities	247,766,000	(18,972,000)
Investing activities		
Purchases of property and equipment	(62,284,000)	(34,686,000)
Payments on interest rate swaps	(4,591,000)	(4,185,000)
Cash acquired	34,168,000	–
Net cash used in investing activities	(32,707,000)	(38,871,000)
Financing and fundraising activities		
Payoff amount for 2008 Term and Construction Loans	–	(61,920,000)
Proceeds received from real estate loan	–	61,920,000
Repayments of long-term debt	(17,530,000)	(11,310,000)
Restricted contributions received and other	8,676,000	6,193,000
Restricted income received	693,000	60,000
Net cash used in financing and fundraising activities	(8,161,000)	(5,057,000)
Net increase (decrease) in cash, cash equivalents, and restricted cash	206,898,000	(62,900,000)
Cash, cash equivalents, and restricted cash at beginning of year	98,930,000	161,830,000
Cash, cash equivalents, and restricted cash at end of year	\$ 305,828,000	\$ 98,930,000
Cash and cash equivalents	\$ 178,795,000	\$ 15,100,000
Restricted cash, included in restricted collateral and assets whose use is limited	127,033,000	83,830,000
Cash, cash equivalents, and restricted cash at end of year	\$ 305,828,000	\$ 98,930,000

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30	
	2020	2020
Changes in operating assets and liabilities		
(Decrease) increase in operating assets:		
Patient receivables, net	\$ 265,000	\$ (1,418,000)
Inventories	(8,896,000)	(674,000)
Prepaid expenses and other	3,869,000	(2,734,000)
Other assets	11,797,000	10,425,000
	<u>7,035,000</u>	<u>5,599,000</u>
Increase in operating liabilities:		
Accounts payable	(5,845,000)	8,543,000
Accrued salaries, wages, and benefits	(422,000)	1,714,000
Other accrued expenses	14,024,000	(3,089,000)
Advances from third-party payors	151,029,000	2,898,000
Other long-term liabilities	(11,408,000)	(8,819,000)
	<u>147,378,000</u>	<u>1,247,000</u>
Net change in operating assets and liabilities	<u>\$ 154,413,000</u>	<u>\$ 6,846,000</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	<u>\$ 15,541,000</u>	<u>\$ 13,118,000</u>

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2020

1. Organization and Basis of Presentation

Luminis Health, Inc. (Luminis or the System), formerly known as Anne Arundel Health System, Inc. (AAHS), is a Maryland not-for-profit corporation. Luminis has the following wholly owned subsidiaries: Anne Arundel Medical Center, Inc. (the Hospital or AAMC) and its subsidiaries, Anne Arundel General Treatment Services, Inc. (GTS), Anne Arundel Mental Health Hospital, Inc., and Cottage Insurance Company, Ltd. (Cottage); Anne Arundel Medical Center Foundation, Inc. (the Foundation); Anne Arundel Health Care Services, Inc. (HCS); Anne Arundel Health Care Enterprises, Inc. (HCE); Physician Enterprise, LLC (PE) and its subsidiaries, Anne Arundel Physician Group, LLC, Orthopedic Physicians of Annapolis, Anne Arundel Medical Group Physical Therapy, LLC, and Community Clinics; Anne Arundel Real Estate Holding Company, Inc. (the Real Estate Company) and its subsidiaries, Pavilion Park, Inc. (PPI), Annapolis Exchange, LLC, and Blue Building, LLC; Anne Arundel Health System Research Institute, Inc. (RI); and Anne Arundel Medical Center Collaborative Care Network, LLC. AAMC is a private, not-for-profit corporation that operates a 349-licensed bed acute care hospital. AAMC, the Real Estate Company, and PPI own an interest in Kent Island Medical Arts, LLC (KIMA), a limited liability company that owns and operates a medical office building. PPI is the managing member of KIMA and has substantive participation rights in KIMA. The financial statements of KIMA are consolidated in the accompanying consolidated financial statements. The non-controlling interest in KIMA was 50% as of June 30, 2020 and 2019. The interest was \$929,000 and \$884,000 at June 30, 2020 and 2019, respectively, and is included within net assets without donor restriction on the accompanying consolidated balance sheets.

On July 1, 2019, Anne Arundel Health System, Inc. and Doctors Community Hospital and subsidiaries executed an affiliation agreement (the Agreement) providing for an affiliation between AAHS and Doctors Community Hospital and subsidiaries. In September 2019, Doctors Community Hospital and subsidiaries changed its name to Doctors Community Medical Center and subsidiaries (DCMC). This affiliation agreement resulted in DCMC becoming a wholly owned subsidiary of AAHS. DCMC is a Maryland health system that includes an acute care hospital and a network of other health care providers serving residents of Prince Georges County region near Lanham, Maryland, east of Washington, DC. On the date of the affiliation, the articles of incorporation and bylaws of DCMC were amended such that AAHS became the sole corporate member of the Doctors Community Medical Center and its subsidiaries. As part of the Agreement, AAHS committed approximately \$138,000,000 over a five-year period in strategic investments to DCMC to expand health care services.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

DCMC includes the following: Doctors Community Hospital, Inc. and its subsidiaries Doctors Community Medical Group, LLC; Doctors Community Healthcare Programs, LLC; Doctors Community Hospital Clinic, LLC; Doctors Community Health Ventures, Inc.; Doctors Regional Cancer Center LLC; Southern Maryland Integrated Care LLC; and Doctors Community Hospital Foundation, Inc. Doctors Community Hospital, Inc. is a nonprofit corporation that operates an acute care general hospital facility licensed for 190 beds. The accompanying consolidated financial statements include non-controlling interest held by third parties in less than wholly owned subsidiaries. The interest at DCMC was \$2,191,000 at June 30, 2020, and is included within net assets without donor restriction on the accompanying consolidated balance sheets.

In September 2019, Anne Arundel Health System, Inc. changed its name to Luminis Health, Inc.

Global Pandemic

In response to the ongoing COVID-19 pandemic, the Governor of the state of Maryland proclaimed a state of emergency and catastrophic health emergency within the state of Maryland on March 5, 2020, and renewed on March 17, 2020, April 10, 2020, and May 6, 2020. Effective March 16, 2020, all Maryland hospitals were ordered by the Maryland Department of Health to cease all elective and non-urgent medical procedures for the duration of the catastrophic health emergency. The Governor issued a state-wide stay-at-home order effective March 30, 2020.

Effective May 7, 2020, the Maryland Department of Health allowed resumption of elective and non-urgent medical procedures, and effective May 15, 2020, major provisions of the Governor's stay-at-home order were rescinded.

In response to the global pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law on March 27, 2020. The CARES Act authorized funding to hospitals and other health care providers to be distributed through the Public Health and Social Services Emergency Fund (Relief Fund). Payments from the Relief Fund are to be used to prevent, prepare for, and respond to coronavirus, and shall reimburse the recipient for health care related expenses or lost revenues/margins attributable to coronavirus and are not required to be repaid, provided the recipients attest to and comply with the terms and conditions.

The HSCRC has publicly announced its intention to support Maryland hospitals during the state of emergency and catastrophic health emergency within the state of Maryland and its collaboration with other Maryland regulatory agencies to remove licensure, regulatory, and other barriers to

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

hospitals in the provision of emergency health care services. Recognizing that hospitals will experience volume decline due to self-quarantining and canceled elective surgeries, the HSCRC has stated that Maryland hospitals will be permitted to increase rate corridors up to the 10% threshold or by an additional 5% from their current charging position, whichever is greater. This action is intended to allow hospitals that are undercharged under their Global Budget Revenue due to volume losses to increase their charges in order to make up for lost revenue and prepare for the eventual increase in COVID-19-related patient volume. The HSCRC has stated that this rate corridor increase will be a temporary, onetime adjustment to ensure financial viability of Maryland hospitals as they prepare for increased volume in COVID-19 patients. The HSCRC has also stated that it will consider additional corridor relief beyond this new policy on a case-by-case basis.

To further accommodate any Global Budget Revenue that Maryland hospitals may be unable to bill in fiscal year 2020 due to fluctuating volumes resulting from the COVID-19 pandemic, the HSCRC has stated that it will suspend undercharge penalties and allow Maryland hospitals to recoup those undercharges over the 12 months of fiscal year 2021 as a onetime adjustment net of the application of CARES Act relief funding. The HSCRC is proposing to reduce the System's undercharge by an amount derived from the CARES Act funding. Maryland hospitals will be allowed to bill any net undercharge in the next fiscal year, thus allowing them to recoup a portion of lost revenue associated with the catastrophic health emergency period. Further action by the HSCRC is expected in order to aid Maryland hospitals with regard to the increased expenses resulting from the COVID-19 pandemic.

The COVID-19 pandemic has severely impacted global financial markets and travel and commerce generally. As a result of the COVID-19 pandemic, many businesses and retail establishments in the United States, including Maryland, have closed or reduced business activity. Many potential patients are now unemployed, have been furloughed or their work hours have been reduced, which results in reduced wages and potential loss of health care insurance. The System cannot determine at this time the long-term impact of the COVID-19 pandemic on the System's ability to conduct its operations and the costs of its operations, its financial condition, or the returns and value of its investments and any effect on its pension funding and contribution obligations. In addition, while the suspension with respect to elective and non-urgent medical procedures was lifted, to date the volume of elective and non-urgent medical procedures, and the revenues resulting from such procedures, have not returned to pre-suspension levels and the amount of time needed to establish the volume of such procedures to pre-suspension levels cannot be determined.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Luminis and its wholly owned subsidiaries. The financial results of Doctors Community Medical Center and subsidiaries are only included from the date of acquisition, which was July 1, 2019. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Acquisition of Doctors' Hospital, Inc.

On July 1, 2019, AAHS completed a transaction that resulted in Doctors Community Hospital and subsidiaries becoming a wholly owned subsidiary of AAHS. This transaction was accounted for as an acquisition under Accounting Standards Codification (ASC) 958-805, *Not-for-Profit Mergers and Acquisitions*, during the year ended June 30, 2020.

The System elected to apply pushdown accounting whereby individual assets and liabilities were adjusted to the new basis of accounting as of the acquisition date.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The following information summarizes the recorded fair values of the assets acquired and liabilities assumed as of the date of the acquisition:

Cash and cash equivalents	\$ 34,168,000
Patient accounts receivable, net	38,840,000
Other receivables	5,620,000
Inventories	4,243,000
Prepaid expenses	3,981,000
Marketable securities	18,258,000
Joint ventures and equity investments	5,942,000
Property and equipment	116,540,000
Other noncurrent assets	30,093,000
Total assets acquired	<u>257,685,000</u>
Accounts payable and accrued expenses	31,875,000
Advances from third-party payors	7,765,000
Current portion of long-term debt	4,448,000
Long-term debt	128,123,000
Net pension liability	5,001,000
Deferred compensation and claims incurred but not reported	16,006,000
Total liabilities assumed	<u>193,218,000</u>
Non-controlling interest	<u>2,265,000</u>
Net assets acquired, net of non-controlling interest	<u>\$ 62,202,000</u>

An inherent contribution of \$61,715,000 was recorded by Luminis on its consolidated statements of operations and changes in net assets resulting from the difference between the net assets acquired, net of non-controlling interest and net assets with donor restrictions at Doctors Community Hospital and subsidiaries as of the acquisition date. Net assets with donor restrictions of \$487,000 was recorded within changes in net assets with donor restrictions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking and savings accounts, money market accounts, and short-term certificates of deposit with original maturities of 90 days or less, excluding those held in short-term investments and those classified as long-term investments. Cash balances and collateral held by a counterparty are principally uninsured and are subject to normal credit risks. At June 30, 2020 and 2019, and at various times during the year, the System maintained cash-in-bank balances in excess of the \$250,000 federally insured limits.

Derivative Instruments

On May 10, 2006, the Hospital entered into a forward variable-to-fixed interest rate swap agreement with an effective date of November 1, 2008. This contract was entered into in an effort to reduce the risk of variable interest rate debt and has a term through July 1, 2048. Under ASC 815, *Derivatives and Hedging*, the Hospital has recognized its derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value. As these derivative instruments are not designated as hedges, the unrealized gain or loss on these contracts has been recognized on the accompanying consolidated statements of operations and changes in net assets as realized and unrealized gains (losses) on interest rate swap contracts, net. The fair market values of the derivative instruments include a credit valuation adjustment (CVA) as required by ASC 820, *Fair Value Measurement*. When applying the CVA, the valuation of the variable-to-fixed interest rate swap contract was decreased by \$375,000 and \$361,000 as of June 30, 2020 and 2019, respectively.

On March 23, 2016, in an effort to reduce the amount of restricted cash pledged as collateral with the original counterparty, the Hospital entered into a novation agreement with a second counterparty. Immediately prior to the novation agreement, the System modified the existing swap to bifurcate the existing swap into a five-year swap with the remainder into a 2021 through 2048 swap. The terms of the bifurcated swap remain identical to the original swap. The novation agreement resulted in the return of \$29,164,000 as of June 30, 2016.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

A summary of the Hospital's derivative instruments and related activity at June 30 and for the years then ended, is as follows:

<u>Description of Derivative Instrument</u>	<u>Fair Value Liability</u>	
	<u>2020</u>	<u>2019</u>
Variable-to-fixed interest rate swap contract (maturity date March 2021)	\$ (4,442,000)	\$ (8,126,000)
Variable-to-fixed interest rate swap contract (maturity date July 2048)	<u>(112,595,000)</u>	<u>(70,353,000)</u>
	<u>\$(117,037,000)</u>	<u>\$ (78,479,000)</u>

The change in unrealized losses recognized in (deficit) excess of revenues over expenses for the years ended June 30, 2020 and 2019, were \$38,558,000 and \$19,176,000, respectively.

At June 30, 2020 and 2019, the net termination value (i.e., mark-to-market value) of the derivative instruments totaled \$119,671,000 and \$78,840,000, respectively. The Hospital may be exposed to credit loss in the event of nonperformance by the other party to the interest rate swap agreements, the risk of which is reflected in the fair value of the instruments under ASC 820. However, the Hospital does not anticipate nonperformance by the counterparty.

During fiscal year 2020 and 2019, the Hospital paid net payments under its interest rate swap program of \$4,591,000 and \$4,185,000, respectively. These amounts are included within realized and unrealized gains (losses) on interest rate swap contracts, net on the accompanying consolidated statements of operations and changes in net assets and within investing activities on the accompanying consolidated statements of cash flows.

Under the derivative contract for the 2021 through 2048 swap, the Hospital must transfer collateral for the benefit of the counterparty, to the extent that the termination values exceed certain limits. The Hospital's collateral requirement for the benefit of the counterparty was approximately \$110,002,000 and \$67,404,000 at June 30, 2020 and 2019, respectively. The ongoing mark-to-market values and resulting collateral requirements of the Hospital's interest rate swap contract are subject to variability based on market factors (primarily changes in interest rates). Collateral requirements under this interest rate swap contract are excluded from unrestricted cash and investments for purposes of determining the System's compliance with its liquidity covenants

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

under its Maryland Health and Higher Educational Facilities Authority (MHHEFA or the Authority) revenue bond agreements and its derivative agreements. Collateral amounts are included in noncurrent assets on the accompanying consolidated balance sheets. Approximately \$575,000 and \$2,795,000 of collateral was due to the financial institution as of June 30, 2020 and 2019.

The amount due to the financial institution is included in other accrued expenses on the accompanying consolidated balance sheet as of June 30, 2020 and 2019, and is reflected within investing activities on the accompanying consolidated statement of cash flows.

Assets Whose Use is Limited and Investments

Assets whose use is limited are principally composed of certain funds established to be held and invested by a trustee. These funds are related to the issuance of the Hospital's revenue bonds, investments held at Cottage, and certain permanently restricted endowment assets.

	June 30	
	2020	2019
Current:		
Principal, interest and other – bonds	\$ 12,382,000	\$ 12,258,000
Investments held at trustee	3,530,000	2,932,000
	\$ 15,912,000	\$ 15,190,000
Noncurrent:		
Endowment assets	\$ 15,482,000	\$ 16,641,000
Investments held at trustee	25,538,000	19,332,000
	\$ 41,020,000	\$ 35,973,000

The fair values of publicly traded securities and mutual funds are based on quoted market prices of individual securities or investments or estimated amounts using quoted market prices of similar investments. Alternative investments, some of which are structured so that the System holds limited partnership interests, are stated at fair value as estimated in an unquoted market. Valuations of these investments, and therefore the System's holdings, may be determined by the investment manager or general partner and for fund-of-funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

other estimates that require varying degrees of judgment. Investment income or loss from all unrestricted investments is included on the accompanying consolidated statements of operations and changes in net assets as part of other income (loss).

Investment income or loss on investments of assets with donor restrictions is added to or deducted from the restricted fund balance if the income is restricted. The cost of securities sold is based on the specific-identification method.

All investment balances are principally uninsured and subject to normal credit risk. Investments are classified as either current or noncurrent based on the maturity dates and the availability for current operations. Investments included in noncurrent assets consist of board-designated investment funds of \$338,985,000 and \$386,056,000 as of June 30, 2020 and 2019, respectively. Based on the System's investment policy, such amounts could be liquidated, at the discretion of the board, to satisfy short-term requirements.

Substantially all investments, other than borrowed funds required to be expended for capital projects, are classified as trading securities, with unrealized gains and losses included in (deficit) excess of revenues over expenses.

Borrowed funds required to be expended for capital projects are classified as other-than-trading and are included in assets whose use is limited.

Patient Receivables

Patient receivable include charges for amounts due from all patients less price concessions relating to allowances for the excess of established charges over the payments to be received on behalf of patients covered by Medicare, Medicaid, and other insurers. The provision for price concessions is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the price concessions based upon historical experience of self-pay accounts receivable, including those balances after insurance payments and not covered by insurance.

Insurance coverage and credit information are obtained from patients, when available. No collateral is obtained for accounts receivable.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Inventories

Inventories, which primarily consist of medical supplies and drugs, are carried at the lower of cost or market. Cost is determined using the first-in, first-out method (FIFO) or a similar method that approximates FIFO.

Property and Equipment

Property and equipment are stated at cost or fair value as of the acquisition date for DCMC property and equipment. Included in computers and software are capitalized labor costs of \$14,344,000 and \$11,594,000 as of June 30, 2020 and 2019, respectively. Depreciation and amortization, including amortization of assets recorded under capital leases, are recorded on the straight-line method over the estimated useful lives of the assets.

The following is a summary of property and equipment:

	Estimated Useful Lives	June 30 2020	2019
Land		\$ 22,823,000	\$ 14,901,000
Land improvements	20 years	23,480,000	22,413,000
Buildings and improvements	20–40 years	592,593,000	491,022,000
Fixed equipment	5–20 years	55,510,000	10,824,000
Leasehold improvements	5–10 years	62,389,000	55,651,000
Movable equipment	7–10 years	221,851,000	203,404,000
Computers and software	3–5 years	96,079,000	88,528,000
Construction-in-progress	–	22,120,000	31,923,000
		\$ 1,096,845,000	\$ 918,666,000

Construction-in-progress consists of direct costs associated with hospital department renovations, certain leasehold improvements, and smaller capital projects. As these projects are completed, the related assets are transferred out of construction-in-progress and into the appropriate asset category and are depreciated over the applicable useful lives.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments in Joint Ventures

Luminis accounts for its investments in joint ventures using the equity method of accounting. During 2011, the Real Estate Company and another party formed West County, LLC, a joint venture that owns and operates a medical office building that opened in December 2012. The Real Estate Company has a 50% interest in this joint venture, with each owner's investment being \$7,575,000 and \$7,242,000 as of June 30, 2020 and 2019, respectively.

Doctors Community Health Ventures, Inc. (Health Ventures) has a \$5,388,000 joint venture investment in Magnolia Gardens LLC. This investment is consistent with the mission and strategic plan of Doctors Community Medical Center. The investment in Magnolia Gardens LLC represents a 51% interest and is not consolidated with the financial statements of Luminis because Health Ventures does not control the investee.

Deferred Debt Issuance Costs

Administrative, legal, financing, underwriting discount, and other miscellaneous expenses that were incurred in connection with debt financings were deferred and are being amortized over the lives of the bond issues using the straight-line method, which approximates the effective-interest method in all material respects. The amortization expense of the deferred debt issue costs was \$479,000 and \$297,000 for the years ended June 30, 2020 and 2019, respectively.

Net Assets

Net resources that are not restricted by donors are included in net assets without donor restrictions. Gifts of long-lived operating assets, such as property, plant, or equipment, are reported as net assets without donor restrictions and excluded from income. Resources restricted by donors for a specified time or purpose are reported as net assets with donor restrictions.

When the specific purposes are met, either through passage of a stipulated time period or when the purpose for restriction is accomplished, they are released to other operating revenues on the statement of operations and changes in net assets. Resources restricted by donors for additions to property, plant, and equipment are initially reported as net assets with donor restrictions and are transferred to net assets without donor restrictions when expended. Donor-imposed restrictions, which stipulate that the resources be maintained permanently, are reported as net assets with donor restrictions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment income related to net assets with donor restrictions is classified as net assets without donor restrictions based on the intent of the donor.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. This includes regulatory discounts allowed to Blue Cross, Medicare, Medicaid, and other third-party payors and charity care.

During 2020 and 2019, approximately 39% and 35%, respectively, of net patient service revenue was received under the Medicare program, 25% and 28% from Blue Cross, 26% and 30% from contracts with other third parties, and 10% and 7% from other sources.

The following table sets forth the detail of net patient service revenue:

	Year Ended June 30	
	2020	2019
Gross patient service revenue	\$ 1,262,664,000	\$ 955,469,000
Revenue deductions:		
Charity care	15,409,000	5,326,000
Contractual and other allowances	278,148,000	207,267,000
Net patient service revenue	<u>\$ 969,105,000</u>	<u>\$ 742,876,000</u>

In May 2014, the Financial Accounting Standards Board (FASB) issued a new standard related to revenue recognition. The System adopted the new standard effective July 1, 2018, using the modified retrospective method of transition. The most significant change from the adoption of the new standard relates to the System's estimation for the allowance for doubtful accounts. Under the previous standards, the System's estimate for amounts not expected to be collected based upon historical experience, were reflected as provision for bad debts and deducted from net patient service revenue to arrive at net patient service revenue less provision for bad debts. Under the new standard, those amounts will continue to be recognized as a reduction to net patient service revenue, however, not reflected separately as provision for bad debts, and accordingly the caption net patient service revenue less provision for bad debts will no longer be presented on the consolidated statements of operations and changes in net assets. Subsequent changes in the

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

estimate of collectibility due to a change in the financial status of a payor, for example a bankruptcy, will be recognized as bad debt expense in operating expenses. This adoption of the new standard did not have a material impact on the accompanying consolidated financial statements.

Additionally, the System's revenues may be subject to adjustment as a result of examination by government agencies or contractors and as a result of differing interpretation of government regulations, medical diagnosis, charge coding, medical necessity, or other contract terms. Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor and the System's historical settlement activity, including an assessment to ensure it is probable a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews and investigations.

The System has elected the practical expedient allowed under FASB ASC 606-10-32-18, *Revenue from Contracts with Customers*, and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System's expectation that the period between the time the service is provided to a patient and the time that the patient or third-party payor pays for that service will be one year or less.

The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections; business and economic conditions; trends in federal, state, and private employer health care coverage; and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities that represent a majority of the System's revenues and patient receivable as a primary source of information in estimating the collectibility of patient receivable.

Luminis employs physicians in several hospital-based specialties (including, but not limited to, obstetrics, intensive care, and hospitalists). Net physician revenue is recognized when the services are provided and recorded at the estimated net realizable amount based on the contractual arrangements with third-party payors and the expected payments from the third-party payors and

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

the patients. The difference between the billed charges and the estimated net realizable amounts are recorded as a reduction in physician revenue when the services are provided. The System recognized net physician revenue of \$149,933,000 and \$141,202,000 for the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, \$15,097,000 and \$10,764,000, respectively, of net physician accounts receivable are included in patient receivables on the accompanying consolidated balance sheets.

Charity Care

AAMC provides charity care to patients who meet certain criteria established under its charity care guidelines. Because members of AAMC do not pursue the collection of amounts determined to qualify as charity care, they are not reported as revenue on the accompanying consolidated statements of operations and changes in net assets. The direct and indirect costs associated with providing this care are \$4,531,000 and \$4,493,000 for the years ended June 30, 2020 and 2019, respectively. These costs are calculated by applying a ratio of operating expenses over gross patient charges to the charity care provided at established rates. The state of Maryland's rate system includes components within the rates to partially compensate hospitals for uncompensated care.

The cost of charity care provided by DCMC totaled \$9,528,010 for the year ended June 30, 2020. Rates charged by DCMC for regulated services are determined based on assessment of direct and indirect cost calculated pursuant to the methodology established by the Commission, and therefore the cost of charity services noted above for DCMC are equivalent to its established rates for those services. For any charity services rendered by subsidiaries other than from the DCMC, the cost of charity care is calculated by applying the estimated total cost-to-charge ratio for the non-Hospital services to the total amount of charges for services provided to patients benefitting from the charity care policies of the DCMC's non-Hospital affiliates. These charges are excluded from consolidated net patient service revenue.

Other Operating Revenue

Other operating revenue is composed of grant revenue, cafeteria revenue, net assets released from restrictions for operating purposes, and other miscellaneous items.

On April 2, 2020, the System received \$45,472,000 in provider relief funds authorized in the CARES Act from the U.S. Department of Health and Human Services (HHS). The System expects that these relief funds will be forgivable, but uncertainty exists as to the final outcome of the terms

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

and conditions associated with the relief funds. Management will continue to monitor compliance with the terms and conditions of the Relief Fund and the impact of the pandemic on the System's revenues and expenses. If unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted. Furthermore, the HSCRC is proposing to reduce the System's ability to recoup undercharges from its GBR reimbursement program in future years by an amount derived from these provider relief funds. The final outcome of the HSCRC's decisions on treatment of the undercharge resulting from the Global Budget Reimbursement Revenue program and application of CARES Act funding to GBR limits is still being evaluated. Luminis recognized these funds in other operating revenue during the period as the conditions for use were deemed to have been met.

Advances From Third-Party Payors

On April 10, 2020, the System received \$151,767,000 from the Centers for Medicare and Medicaid Services (CMS) Accelerated and Advance Payment Program. This program provides hospitals with working capital advances that begin to become payable 120 days from the date of receipt of the funds and must be fully repaid within one year through an automatic reduction of claims receipts from CMS. As of June 30, 2020, none of these funds have been used. These funds, which represent contract liabilities as defined in ASC 606, have been recorded within advances from third-party payors on the accompanying consolidated balance sheet at June 30, 2020.

Transaction Costs

During fiscal year 2019, the System incurred \$3,279,000 for administrative and marketing costs that resulted from the transaction for Doctors Community Medical Center and subsidiaries becoming a wholly owned subsidiary of Luminis Health, Inc.

Donations and Bequests

Unconditional promises to give cash and other assets are reported at fair value on the date the promise is received. Conditional promises to give, and indications of intentions to give, are reported at fair value on the date the gift is received. The gifts are reported as donor-restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, the asset is reclassified to without donor restrictions on the accompanying consolidated statements of operations and changes in net assets. Donor-restricted contributions

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements. Contributions that are unrestricted are reflected as other operating revenue on the accompanying consolidated statements of operations and changes in net assets.

Scheduled payments for pledges receivable for the years ending June 30 are as follows:

2021	\$ 2,599,000
2022–2024	658,000
2025 and thereafter	1,605,000
Less:	
Impact of discounting pledges receivable to net present value	352,000
Allowance for uncollectible pledges	373,000
Net pledges receivable	<u>\$ 4,137,000</u>

Pledges receivable are discounted using rates between 1.2% and 2.5%.

(Deficit) Excess of Revenues Over Expenses

The accompanying consolidated statements of operations and changes in net assets include (deficit) excess of revenues over expenses. Changes in net assets without donor restrictions that are excluded from (deficit) excess of revenues over expenses, consistent with industry practice, include contributions received and used for additions of long-lived assets and certain changes in pension liabilities.

Group Purchasing Organization Initial Public Offering

The Hospital has participated and owned equity in the Premier Limited Partnership (Premier), which has served as a group purchasing organization for many years. This participation provides purchasing contract rates and rebates the System would not be able to obtain on its own. The Hospital accounts for its investment in Premier using the equity method of accounting.

During the year ended June 30, 2014, Premier restructured from a privately held company to a public company in an initial public offering (IPO) and several financial transactions have occurred with those holding equity in Premier before the IPO, including the System. As a result, the System

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

received a cash payment of approximately \$1,500,000 in exchange for 16% of its previous ownership in Premier. In addition, in exchange for the extension of the group purchasing contract, the System received partial ownership of the new public company (the Class B units).

The System received 309,580 Class B units that are earned in seven separate tranches over an 85-month period ending October 31, 2020. At June 30, 2020 and 2019, this investment was \$10,388,000 and \$13,094,000, respectively, and is reflected in other assets on the consolidated balance sheets. The opportunity will exist in the future for these Class B units to be converted to the Premier public company stock. Prior to vesting, the Class B units may be transferred or sold with the approval of Premier. During the years ended June 30, 2020 and 2019, the System recognized approximately \$1,216,000 and \$1,988,000, respectively, of income related to tranches 6 and 7 of the Class B units, which is included as a reduction of supplies expense on the consolidated statement of operations and changes in net assets. The value of the Class B units is tied to the group purchasing contract and is considered a vendor incentive.

Income Tax Status

Luminis, the Hospital, the Foundation, HCS, GTS, PE, and RI have received determination letters from the Internal Revenue Service (IRS) stating that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). The Real Estate Company has received a determination letter from the IRS stating that it is exempt from federal income taxes under Section 501(c)(2) of the Internal Revenue Code. Doctors Community Hospital and the Doctors Community Hospital Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as public charities. Both entities are entitled to rely on this determination as long as there are no substantial changes in their character, purposes, or methods of operation. Management has concluded that there have been no such changes, and therefore the status of the various entities as public charities exempt from federal income taxation remain in effect.

Anne Arundel Mental Health Hospital is organized and operated as a tax-exempt organization, and has applied for IRS recognition of exemption from federal income tax under Section 501(c)(3) of the Code, but has not yet received IRS recognition of exemption.

The state in which the various entities operate also provides a general exemption from state income taxation for organizations that are exempt from federal income taxation. However, both entities are subject to federal and state income taxation at corporate tax rates on unrelated business income.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Exemption from other state and local taxes, such as real and personal property taxes is separately determined. The various entities had no unrecognized tax benefits or such amounts were immaterial during the periods presented. For tax periods with respect to which unrelated business income was recognized, a tax return was filed in order to report any unrelated business income as well as any taxes due.

HCE and PPI are subject to federal and state income taxes. These income taxes are immaterial to the accompanying consolidated financial statements.

Certain limited liability companies within the consolidated group are not subject to income taxes. Taxable income or loss is passed through to and reportable by the members individually.

Under the Cayman Islands Tax Concessions Law (Revised), the Governor-in-Cabinet issued an undertaking regarding Cottage on November 29, 2005, exempting it from all local income, profit, or capital gains taxes. The undertaking has been issued for a period of 20 years and, at the present time, no such taxes are levied in the Cayman Islands. Accordingly, no provision for taxes is made in these consolidated financial statements.

Doctors Regional Cancer Center, LLC (DRCC) and Southern Maryland Integrated Healthcare, LLC (ACO) are Maryland limited liability companies that have not elected to be taxed as corporations under current Treasury regulations. Both are owned by more than one member. DRCC and ACO are subject to the partnership tax rules under Subchapter K of the Internal Revenue Code of 1986 (IRC), as amended. Under these rules neither is subject to federal or state income tax, but must file annual information returns indicating their gross and taxable income to determine the tax results to their members.

The Doctors Community Sleep Center, LLC (Sleep Center) and Doctors Community Healthcare Programs (CHP) are Maryland limited liability companies that have not elected to be taxed as corporations under current treasury regulations. Sleep Center and CHP are wholly owned by the Hospital. As such, the Sleep Center and CHP are considered “disregarded entities” under current IRC regulations.

Under the requirements of ASC 740, *Income Taxes*, tax-exempt organizations could be required to record an obligation as the result of a tax position they have historically taken on various tax exposure items. Luminis has determined that it does not have any uncertain tax positions through June 30, 2020.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Recent Accounting Pronouncements

Effective July 1, 2018, the System adopted FASB Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method of transition. This ASU converged and replaced existing revenue recognition guidance, including industry-specific guidance and requires revenue to be recognized in an amount that reflects the consideration the entity expects to be entitled in an exchange of goods or services. The adoption of this ASU did not materially impact the consolidated financial statements.

Effective June 30, 2019, the System adopted FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. This ASU changed certain financial statement requirements for not-for-profit entities in an effort to make the information more meaningful to users and reduce reporting complexity. The System adopted the ASU in the prior year and adjusted the presentation in these consolidated financial statements accordingly. The ASU was applied retrospectively to all periods presented.

Effective July 1, 2019, the System adopted the FASB ASU 2016-02, *Leases (Topic 842)*, using the modified retrospective transition approach as of the period of adoption, or fiscal year 2020. The FASB issued ASU 2016-02 in order to increase transparency and comparability by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. The System's financial statements for periods prior to July 1, 2019, were not modified for the application of the new lease accounting standard. The main difference between the guidance in ASU 2016-02 and previous U.S. GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating under previous U.S. GAAP.

Upon the adoption of ASU 2016-02, the System recorded the following balances on the consolidated balance sheet: \$54,977,000 in right-of-use asset long term; \$10,056,000 of current liabilities in lease liability short term; and \$44,976,000 of long-term liabilities in lease liability

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

long term. The standard did not materially impact the System's accompanying consolidated statement of operations and changes in net assets or consolidated statement of cash flows for the year ended June 30, 2020.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Luminis has adopted ASU 2016-18 using a retrospective transition method, and as such, certain reclassifications were made to 2019 amounts previously reported on the consolidated statement of cash flows.

New Accounting Standards Not Yet Adopted

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The amendments help entities evaluate the accounting for implementation costs paid by a customer in a cloud computing arrangement by providing guidance for determining when the service contract includes a software license. The System is evaluating the impact of this guidance, which will be effective in 2021.

3. Regulatory Environment

Medicare and Medicaid

The Medicare and Medicaid reimbursement programs represent a substantial portion of Luminis' revenues. Luminis' operations are subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Over the past several years, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Regulatory Environment (continued)

programs, together with the imposition of fines and penalties, as well as repayments for patient services previously billed. Compliance with fraud and abuse standards and other government regulations can be subject to future government review and interpretation. Also, future changes in federal and state reimbursement funding mechanisms and related government budgeting constraints could have an adverse effect on Luminis.

In 1983, Congress approved a Medicare prospective payment plan for most inpatient services as part of the Social Security Amendment Act of 1983. Hospitals in Maryland were granted a waiver from the Medicare prospective payment system under Section 1814(b) of the Social Security Act. The waiver would remain in effect as long as the Maryland rate of increase in payments per admission remained below the national average rate of increase.

In January 2014, the Centers for Medicare and Medicaid Services approved a modernized waiver that includes both inpatient and outpatient revenue. The new waiver will be in place as long as Maryland hospitals achieve significant quality improvements and limit the per capita growth for all payors for Maryland residents.

Maryland Health Services Cost Review Commission

AAMC and Doctors Community Hospital's rate structure for all hospital-based services is subject to review and approval by the Maryland Health Services Cost Review Commission (HSCRC or the Commission). Under the HSCRC rate-setting system, the Hospital's inpatient and outpatient charges are the same for all patients, regardless of payor, including Medicare and Medicaid.

Beginning in fiscal year 2014, AAMC and Doctors Community Hospital entered into an agreement with the HSCRC to participate in the Global Budget Revenue (GBR) program. The GBR model is a revenue constraint and quality improvement system to provide hospitals with strong financial incentives to manage their resources efficiently and effectively in order to slow the rate of increase in health care costs and improve health care delivery processes and outcomes. Under the GBR, total revenue is capped at a predetermined fixed amount. The annual approved revenue is calculated using a permanent base revenue with positive or negative adjustments for inflation, assessments, performance in quality-based programs, infrastructure requirements, and population. Revenue may also be adjusted annually for market share levels and shifts of regulated services to unregulated settings.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Regulatory Environment (continued)

Starting in January 2019, Maryland's hospitals began operating under a new ten-year contract with the federal government entitled Maryland Performance Adjustment (MPA). The MPA is designed to test whether the improvements hospitals have made under the previous modernized waiver can be expanded to all health care providers. The GBR methodology will remain in place for hospital rate setting under the MPA. In addition, programs aimed to measure and reduce total health care spending for attributed Medicare patients, including pre- and post-acute care by all providers, are being introduced during this contract period.

The Commission's rate-setting methodology compares the approved rate with the actual average rate charged. Overcharges and undercharges due to either patient volume or price variances, adjusted for penalties where applicable, are applied to decrease (in the case of overcharges) or increase (in the case of undercharges) future approved rates on an annual basis. The System was undercharged by \$54,399,000 and overcharged by \$260,000 for the years ended June 30, 2020 and 2019, respectively. The undercharge of \$54,399,000 for the year ended June 30, 2020 did not include amounts recognized in CARES Act funding discussed in the other operating revenue section in Note 2.

While the System is expecting the HSCRC to allow for recovery in future periods of the undercharge experienced during the year, mainly due to lower volume as the result of the COVID-19 pandemic, uncertainty exists as to the final outcome of HSCRC rate-setting decision making.

The timing of HSCRC's rate adjustments for the System could result in an increase or reduction in rates due to the variances and penalties described above in a year subsequent to the year in which such items occur, and there is at least a possibility that the amounts may be material.

The AAMC and DCMC's policy is to recognize revenue based on actual charges for services to patients in the year in which the services are performed. The Hospital's revenues may be subject to adjustment as a result of examination by government agencies or contractors, and as a result of differing interpretation of government regulations, medical diagnoses, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until a subsequent period than which the services were rendered.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Investments

Investments, including assets whose use is limited, are stated at fair value. Borrowed funds that are required to be expended on specified capital projects under MHHEFA revenue bond agreements are classified as available for sale. All other investments and assets whose use is limited are classified as trading securities.

	June 30	
	2020	2019
Assets whose use is limited:		
Endowment assets:		
Cash and cash equivalents	\$ 1,145,000	\$ 1,237,000
Equity mutual funds	9,279,000	9,661,000
Fixed income mutual funds	5,058,000	5,737,000
	15,482,000	16,635,000
Amounts held by trustee:		
Cash and cash equivalents	12,382,000	12,320,000
U.S. Government obligations	7,000	7,000
	12,389,000	12,327,000
Amounts held by Cottage:		
Cash and cash equivalents	3,504,000	2,869,000
Equity mutual funds	11,334,000	6,581,000
Fixed income mutual funds	14,223,000	12,751,000
	29,061,000	22,201,000
Total assets whose use is limited	56,932,000	51,163,000
Less current portion	15,912,000	15,190,000
	\$ 41,020,000	\$ 35,973,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Investments (continued)

Amounts held by the trustee are broken down as follows:

	June 30	
	2020	2019
Bond indenture	\$ 12,389,000	\$ 12,270,000
Other investments:		
	June 30	
	2020	2019
Cash and cash equivalents	\$ 14,388,000	\$ 15,368,000
Equity mutual funds	173,069,000	178,576,000
Fixed income mutual funds	100,475,000	133,747,000
Alternative investments	52,418,000	73,626,000
	340,350,000	401,317,000
Less short-term investments	1,365,000	15,261,000
Investments	\$ 338,985,000	\$ 386,056,000

The components of investment (loss) income, net are as follows:

	June 30	
	2020	2019
Interest and dividend income, net	\$ 132,000	\$ 10,257,000
Realized (losses) gains, net	(9,832,000)	3,616,000
	\$ (9,700,000)	\$ 13,873,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements

ASC 820 defines fair value and establishes a framework for measuring fair value in accordance with U.S. GAAP. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1 – Defined as observable inputs, such as quoted prices in active markets
- Level 2 – Defined as inputs other than quoted prices in active markets that are either directly or indirectly observable
- Level 3 – Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

ASC 820 requires that the fair value of derivative contracts include adjustments related to the credit risks of both parties associated with the derivative transactions. The fair value of Luminis' derivative contracts reflected in the accompanying consolidated financial statements includes adjustments related to the credit risks of the parties to the transactions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

The following tables present the fair value hierarchy for Luminis' financial assets and liabilities measured at fair value on a recurring basis.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 178,795,000	\$ 178,126,000	\$ 669,000	\$ —
Trading securities and assets whose use is limited:				
Cash and cash equivalents	31,296,000	18,257,000	13,039,000	—
Equity securities	194,977,000	194,977,000	—	—
Fixed income securities	122,785,000	119,753,000	3,032,000	—
U.S. Government obligation securities	6,000	6,000	—	—
Alternative investments	52,418,000	22,663,000	—	29,755,000
Total	<u>401,482,000</u>	<u>355,656,000</u>	<u>16,071,000</u>	<u>29,755,000</u>
Collateral for interest rate swap:				
Cash and cash equivalents	110,002,000	110,002,000	—	—
Less investments included in other assets	4,200,000	4,200,000	—	—
Total assets	<u>\$ 686,079,000</u>	<u>\$ 639,584,000</u>	<u>\$ 16,740,000</u>	<u>\$ 29,755,000</u>
Liabilities				
Derivative instruments	<u>\$ (117,037,000)</u>	<u>\$ —</u>	<u>\$ (117,037,000)</u>	<u>\$ —</u>
Total liabilities	<u>\$ (117,037,000)</u>	<u>\$ —</u>	<u>\$ (117,037,000)</u>	<u>\$ —</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

	June 30, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 15,100,000	\$ 15,100,000	\$ —	\$ —
Trading securities and assets whose use is limited:				
Cash and cash equivalents	31,794,000	31,794,000	—	—
Equity securities	194,818,000	194,818,000	—	—
Fixed income securities	152,235,000	152,235,000	—	—
U.S. Government obligation securities	6,000	6,000	—	—
Alternative investments	73,627,000	37,997,000	—	35,630,000
Total	452,480,000	416,850,000	—	35,630,000
Collateral for interest rate swap:				
Cash and cash equivalents	67,404,000	67,404,000	—	—
Total assets	\$ 534,984,000	\$ 499,354,000	\$ —	\$ 35,630,000
Liabilities				
Derivative instruments	\$ (78,479,000)	\$ —	\$ (78,479,000)	\$ —
Total liabilities	\$ (78,479,000)	\$ —	\$ (78,479,000)	\$ —

Luminis' Level 1 securities primarily consist of U.S. Treasury securities, exchange-traded mutual funds, and cash. Luminis determines the estimated fair value for its Level 1 securities using quoted (unadjusted) prices for identical assets or liabilities in active markets.

Luminis' Level 2 securities primarily consist of cash and cash equivalents. Luminis determines the estimated fair value for these Level 2 securities using the following methods: quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets in non-active markets (few transactions, limited information, noncurrent prices, high variability over time), inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curve volatilities, default rates), and inputs that are derived principally from or corroborated by other observable market data. Part of AAMC's alternative investments, approximately \$22,663,000 and \$35,800,000 at June 30, 2020 and 2019, respectively, are invested in international

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

equity funds and are considered Level 1 investments due to quoted price being readily available. The majority of the remaining alternative investments \$24,489,000 and \$29,653,000 at June 30, 2020 and 2019, respectively are invested in a fund focused on energy infrastructure and are considered Level 3 investments due to quoted price not being readily available. The underlying assets of the fund are publicly traded energy-related master limited partnerships and equity securities. Certain alternative investments require written notification over a certain period prior to redemption.

Luminis' Level 2 securities also consist of derivative instruments, which are reported using valuation models commonly used for derivatives. Valuation models require a variety of inputs, including contractual terms, market-fixed prices, inputs from forward price yield curves, notional quantities, measures of volatility, and correlations of such inputs.

The following table sets forth a summary of changes in the fair value of the Level 3 assets:

Balance at June 30, 2019	\$ 35,630,000
Realized and unrealized gains and losses	<u>(5,875,000)</u>
Balance at June 30, 2020	<u><u>\$ 29,755,000</u></u>

Luminis also has pledges receivable, which are measured at fair value on a nonrecurring basis and are discounted to the net present value upon receipt using an appropriate risk-free discount rate based on the term of the receivable. Since these inputs are not observable, pledges receivable would be considered Level 3 fair value measurements upon their initial recording. Pledges receivable are recorded net of an allowance for uncollectible pledges. The following table provides a reconciliation of the beginning and ending balances of pledges receivable that used significant unobservable inputs.

	Year Ended June 30	
	2020	2019
Pledges receivable:		
Balance at July 1	\$ 3,296,000	\$ 4,115,000
New pledges	2,967,000	2,542,000
Collections of pledges	(2,028,000)	(3,146,000)
Write-off of pledges	(160,000)	(168,000)
Change in reserves	62,000	(47,000)
Balance at June 30	<u><u>\$ 4,137,000</u></u>	<u><u>\$ 3,296,000</u></u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit

For AAMC and affiliates, long-term debt consists of the following:

	Interest Rate	Maturity Dates	June 30	
			2020	2019
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2017	2.0%–5.0%	2018–2043	\$ 56,905,000	\$ 58,935,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2014	2.0%–5.0%	2015–2040	113,817,000	116,200,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2012	2.0%–5.0%	2013–2035	56,991,000	59,735,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2009B	Variable	2041–2044	60,000,000	60,000,000
Kent Island term loan from a bank	Variable	2021	5,617,000	5,908,000
Real Estate Loan	Variable	2028	55,850,000	59,492,000
			349,180,000	360,270,000
Less current portion of long-term debt			11,461,000	11,029,000
Less deferred debt issue costs			3,531,000	3,803,000
Unamortized original issue premium, net			13,354,000	14,297,000
Long-term debt			\$ 347,542,000	\$ 359,735,000

These debt instruments are secured by the receipts of the AAMC obligated group and substantially all of the property and equipment of the consolidated Group.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

For AAMC and affiliates, principal payments due under all debt instruments as of June 30, 2020, are as follows:

2021	\$ 11,461,000
2022	16,589,000
2023	11,667,000
2024	11,987,000
2025	12,332,000
Thereafter	285,144,000
	<u>\$ 349,180,000</u>

Series 2017 Revenue Bonds

In November 2017, AAMC entered into a loan agreement with the MHHEFA for the issuance of Series 2017 Revenue Bonds (referred to as the 2017 Bonds). The proceeds of the 2017 Bonds were used to advance refund the Series 2010 Bonds previously provided by MHHEFA. The bonds being refunded were originally obtained to finance the expansion of the parking garage for AAMC's acute care pavilion, and costs related to the issuance. The 2017 Bonds provide for annual principal payments each July 1 from 2018 through 2043. Interest is payable annually each July 1 starting in July 2018. The 2017 Bonds bear stated interest rates between 2.00% and 5.00% and were issued at a premium of \$4,590,000, which is amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The effective annual interest rate for the 2017 Bonds for the year ended June 30, 2020 and June 30, 2019, was 3.64% and 1.93%, respectively.

Series 2014 Revenue Bonds

In November 2014, AAMC entered into a loan agreement with the MHHEFA for the issuance of Series 2014 Revenue Bonds (referred to as the 2014 Bonds). The proceeds of the 2014 Bonds were used to advance refund the Series 2009A Bonds previously provided by MHHEFA. The bonds being refunded were originally obtained to finance a portion of the costs of construction for an eight-story patient care building, two parking garages, and costs related to the issuance. The 2014 Bonds provide for annual principal payments each July 1 from 2015 through 2040. Interest is payable semiannually each July 1 and January 1, beginning in January 2015. The 2014 Bonds bear stated interest rates between 2.00% to 5.00% and were issued at a premium of \$7,520,000, which

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

is amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The effective annual interest rate for the 2014 Bonds for the years ended June 30, 2020 and 2019, was 4.49% and 2.24%, respectively.

Series 2012 Revenue Bonds

In October 2012, AAMC entered into a loan agreement with MHHEFA for the issuance of \$73,625,000 of Series 2012 Revenue Bonds (referred to as the 2012 Bonds). The proceeds of the 2012 Bonds were used to repay the Series 2004A Bonds and the Series 1998 Bonds previously provided by the Authority. The bonds being refinanced were originally obtained to finance a new replacement hospital (Series 1998 Bonds) and to finance major renovations to AAMC's Cancer Center and land acquisition (Series 2004A Bonds). The 2012 Bonds provide for annual principal payments each July 1 from 2013 through 2035. Interest is payable semiannually on each July 1 and January 1, beginning July 1, 2013. The 2012 Bonds bear stated interest at rates of 2.00% to 5.00% and were issued at a premium of \$6,746,000. The effective annual interest rates for the 2012 Bonds for the years ended June 30, 2020 and 2019, were 4.34% and 2.16%, respectively.

The provisions of the 2017, 2014, and 2012 Bonds, together with the Series 2009 Bonds, require Luminis and certain subsidiaries to comply with certain covenants on an annual basis, including a debt service coverage requirement, a debt-to-capitalization requirement, and a liquidity requirement. Luminis, AAMC, and HCS are members of the AAMC obligated group for all of the above stated revenue bonds issued by MHHEFA.

Series 2009 Revenue Bonds

In January 2009, AAMC entered into a loan agreement with the MHHEFA for the issuance of \$120,000,000 of Series 2009A Revenue Bonds (the 2009A Bonds) and in February 2009, \$60,000,000 of Series 2009B Revenue Bonds (the 2009B Bonds) (collectively referred to as the 2009 Bonds). The proceeds of the 2014 Bonds were used to advance refund the Series 2009A Bonds previously provided by the MHHEFA. The proceeds of the 2009 Bonds were used to finance a portion of the costs of construction of an eight-story patient care building, two new parking garages, and certain costs relating to the issuance. The 2009B Bonds provide for annual principal payments each July 1, from 2041 through 2044. Interest is payable semiannually on each July 1 and January 1, beginning July 1, 2009. The 2009B Bonds bear interest at variable rates, as set forth in the loan agreement. The maximum interest rate is 12% for the 2009B Bonds. The effective annual interest rates for the 2009B Bonds for the years ended June 30, 2020 and 2019,

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

were 1.18% and 1.65%, respectively. The principal and interest payments on the Series 2009B Bonds are secured by a letter of credit equal to the original principal of the bonds plus an amount equal to 40 days' interest thereon, calculated at the maximum rate. The current letter of credit, which was extended on May 1, 2019, expires on July 1, 2024. Under certain circumstances, AAMC would need to fully redeem the 2009B Bonds upon expiration of the letter of credit, unless a conforming replacement letter of credit was secured prior to such expiration.

The related balances are included in assets whose use is limited and consist of the following:

	June 30	
	2020	2019
Debt service funds	\$ 12,382,000	\$ 12,263,000
Construction fund and capitalized interest fund	7,000	7,000
	<u>\$ 12,389,000</u>	<u>\$ 12,270,000</u>

Bank Line of Credit and Real Estate Loan

AAMC maintains two lines of credit with a bank providing available credit of \$90,000,000. An agreement for \$50,000,000 with the bank is reviewed for renewal on February 28 of each year. Interest on any borrowings accrues at the one-month London Interbank Offered Rate (LIBOR) plus 0.75%. A second agreement for \$40,000,000 was completed on April 24, 2020, and is reviewed for renewal each year. Interest on any borrowing accrues at the one-month LIBOR plus 1.5%. At June 30, 2020 and 2019, AAMC had no balance on the lines of credit.

On October 23, 2008, the Real Estate Company secured a term loan in the amount of \$55,000,000 with a bank. The proceeds from the term loan were used to refinance line of credit proceeds and fund certain construction costs related to a medical office building. The loan bore interest at a variable rate, based on the LIBOR market index rate plus 1.25%. The term loan required monthly payments of \$235,000 with all remaining amounts due upon final maturity on November 5, 2018. The effective annual interest rate for the year ending June 30, 2019, was 2.25%. This loan was subsequently refinanced on October 17, 2018.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

On October 23, 2008, the Real Estate Company entered into a construction loan in the amount of \$30,000,000 with a bank to fund the construction of a medical office building. The loan was issued under the same loan agreement as the term loan discussed in the preceding paragraph. The debt is secured by the medical office building. Interest only was due during the construction period at a rate equal to the LIBOR market index rate plus 1.25%. The loan converted to a term loan after the completion of the construction in July 2009. The term loan provided for monthly principal and interest payments and has a final maturity of November 5, 2018. The effective annual interest rate for the year ended June 30, 2019, was 4.65%. This loan was subsequently refinanced on October 17, 2018.

On October 17, 2018, the Real Estate Company secured a real estate loan from the bank through a wholly owned subsidiary and the proceeds were used to pay off the 2008 Term Loan and 2008 Construction Loan previously provided by the bank. The loans being refinanced were originally obtained to finance certain medical office buildings owned by the Real Estate Company. The new loan requires flat monthly principal payments (amortized over 17 years) plus interest at one month Libor + 1.10% from 2018 through 2028 with a balloon payment due October 5, 2028, of \$25,800,000. The effective interest rates for the years ended June 30, 2020 and 2019, were 2.65% and 4.65%.

Kent Island Term Loan

In August 2007, KIMA entered into a construction loan agreement with a bank in the amount of \$9,000,000 that would convert to a term loan after the completion of the construction. The proceeds were used to construct a medical office building. The debt was secured by the medical office building. Interest only was due during the construction period at a rate of the 30-day LIBOR plus 1.0%. The construction was completed in June 2008.

On May 9, 2017, KIMA refinanced the term loan with a \$6,567,000 promissory note. The promissory note provides for monthly principal and interest payments and has a final maturity of December 2021. The promissory note bears interest at a variable rate, based on the 30-day LIBOR plus 1.2%. The effective annual interest rates for the years ended June 30, 2020 and 2019, were 2.88% and 3.58%, respectively.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

For DCMC, long-term debt consists of the following:

	Interest Rate	Maturity Dates	June 30, 2020
Maryland Health and Higher Education Facilities			
Authority Revenue Bonds, Series 2017B Bond	2.18%	2024	\$ 24,165,000
Authority Revenue Bonds, Series 2016 Bond:			
Series 2016A – Tax-Exempt Private Placement 2007 Refunding	2.57%	2030	16,795,000
Series 2016A – Tax-Exempt Private Placement 2010 Partial Refunding	2.57%	2030	15,150,000
Authority Revenue Bonds, Series 2017A:			
Term bond	5.00%	2031	6,720,000
Term bond	5.00%	2032	7,055,000
Term bond	5.00%	2033	7,410,000
Term bond	5.00%	2034	7,780,000
Term bond	5.00%	2038	35,234,000
			<u>120,309,000</u>
Less current portion of long-term debt			4,979,000
Less deferred debt issue costs			1,340,000
Premium, net of accumulated amortization			8,776,000
Long-term debt			<u><u>\$ 122,766,000</u></u>

For DCMC, principal payments due under all debt instruments as of June 30, 2020, are as follows:

2021	\$ 4,979,000
2022	5,070,000
2023	5,195,000
2024	5,265,000
2025	5,965,000
Thereafter	93,835,000
	<u><u>\$ 120,309,000</u></u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

On June 28, 2016, MHHEFA issued \$73,445,000 principal amount of Revenue Bonds, Series 2016A (\$31,945,000), and Series 2016B (\$41,500,000). The proceeds of this issue were used to retire the Series 2007A Bonds and Series 2010 Bonds (partial) previously provided by the Authority. In 2017, the Series 2016B taxable note was converted as planned to Series 2017B. On March 23, 2017, the Series 2016 were converted to Series 2017B bonds as planned when the 2016B bonds were issued in June 2016.

On February 8, 2017, MHHEFA issued \$64,165,000 principal amount of Revenue Bonds, Series 2017A. The proceeds of this issue were used to retire the remainder of the Series 2010 Bonds previously provided by the Authority.

The obligated group for MHHEFA bond issuances issued to Doctors Community Medical Center includes Doctors Community Hospital, CHP, Foundation, Sleep Center, Doctors Community Medical Group and Doctors Integrated Healthcare Network and Health Ventures excluding the MAUI, Magnolia Gardens, DI LLC, ACO, and STM. The Series 2017A, Series 2017B, and Series 2016 Bonds are secured by the revenue and accounts receivable of the obligated group, and certain other property secured by a deed of trust. The obligated group is required to maintain certain compliance ratios and covenants as defined under the bond documents.

7. Retirement Plans

Anne Arundel Medical Center Plan

AAMC has a qualified noncontributory, defined benefit pension plan (the Plan) that covers substantially all employees. AAMC's policy is to fund pension costs as determined by its actuary. Adopted by the Board of Trustees on June 11, 2009, and effective September 1, 2009, AAMC amended the Plan to freeze future benefit accruals, and participants have not earned any additional benefits under the Plan since that date. However, subsequent to September 1, 2009, participants have continued to vest in benefits they have earned through September 1, 2009. The frozen benefit balance for the participants will only accrue interest credits until the participants' benefit commencement dates. FASB ASC 715, *Compensation – Retirement Benefits*, requires AAMC to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plan on its consolidated balance sheet, with a corresponding adjustment to unrestricted net assets. The pension liability adjustment to net assets without donor restrictions represents the change in net unrecognized actuarial losses that have not

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

yet been recognized as part of (deficit) excess of revenues over expenses. These amounts are subsequently recognized as a net periodic benefit cost pursuant to AAMC's historical accounting policy for amortizing such amounts.

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended June 30 and the accumulated benefit obligation for the AAMC is as follows:

	June 30	
	2020	2019
Accumulated benefit obligation	\$ 138,148,000	\$ 124,331,000
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 124,331,000	\$ 124,571,000
Service cost	—	—
Interest cost	4,047,000	4,758,000
Actuarial loss	16,039,000	8,705,000
Benefits paid	(2,446,000)	(2,332,000)
Settlements paid	(3,823,000)	(11,371,000)
Projected benefit obligation at end of year	138,148,000	124,331,000
Change in plan assets:		
Fair value of plan assets at beginning of year	118,255,000	121,257,000
Actual return on plan assets	(1,421,000)	5,901,000
Employer contribution	4,832,000	4,800,000
Benefits paid	(2,446,000)	(2,332,000)
Settlements paid	(3,823,000)	(11,371,000)
Fair value of plan assets at end of year	115,397,000	118,255,000
Net liability recognized	\$ (22,751,000)	\$ (6,076,000)

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

	June 30	
	2020	2019
Net amounts recognized on the consolidated balance sheets consist of:		
Accrued pension costs	<u>\$ (22,751,000)</u>	<u>\$ (6,076,000)</u>
Amounts recognized in unrestricted net assets that have not been recognized in net periodic benefit costs consist of:		
Net actuarial loss	<u>\$ 95,271,000</u>	<u>\$ 71,988,000</u>

The following table sets forth the weighted average assumptions used to determine the benefit obligations of AAMC:

	June 30	
	2020	2019
Discount rate	2.45%	3.35%
Rate of compensation increase	N/A	N/A

The following table sets forth the weighted average assumptions used to determine the net periodic benefit cost of AAMC:

	Year Ended June 30	
	2020	2019
Discount rate	3.35%	4.13%
Expected return on plan assets	6.25%	7.00%
Rate of compensation increase	N/A	N/A

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

AAMC's net periodic pension benefit cost included the following components:

	June 30	
	2020	2019
Service cost	\$ —	\$ —
Interest cost	4,047,000	4,758,000
Expected return on plan assets	(7,533,000)	(8,403,000)
Amortization of prior service cost	—	—
Recognized net actuarial loss	1,709,000	1,484,000
Loss recognized from partial settlement of projected benefit obligation	—	6,938,000
Net periodic cost (credit)	\$ (1,777,000)	\$ 4,777,000

The estimated net loss of the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year for AAMC is \$1,777,000.

AAMC's defined benefit plan invests in a diversified mix of traditional asset classes. Investments in certain types of U.S. equity securities and fixed-income securities are made to maximize long-term results while recognizing the need for adequate liquidity to meet ongoing benefit and administrative obligations. Risk tolerance of unexpected investment and actuarial outcomes is continually evaluated by understanding the pension plan's liability characteristics. Equity investments are used primarily to increase the overall plan returns. Debt securities provide diversification benefits and liability hedging attributes that are desirable, especially in falling interest rate environments.

AAMC's target asset allocation percentages as of June 30, 2020, were as follows: 60% investment grade bonds, 16% international equity, 13% large cap domestic stocks, 4% small cap domestic stocks, and 7% alternative investments and exchange-traded notes.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following tables present the fair value hierarchy of assets of the defined benefit pension plan of AAMC.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 669,000	\$ —	\$ 669,000	\$ —
Mutual funds:				
Equity	20,127,000	20,127,000	—	—
Corporate bonds	57,830,000	57,830,000	—	—
International equity	12,520,000	12,520,000	—	—
International bonds	8,715,000	8,715,000	—	—
Closed-end funds ETF	5,512,000	5,512,000	—	—
Alternative investments:				
Common/collective trust	2,398,000	2,398,000	—	—
Partnership	2,395,000	2,395,000	—	—
Other	5,231,000	—	—	5,231,000
	\$ 115,397,000	\$ 109,497,000	\$ 669,000	\$ 5,231,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

	June 30, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 4,025,000	\$ —	\$ 4,025,000	\$ —
Mutual funds:				
Equity	20,237,000	20,237,000	—	—
Corporate bonds	57,573,000	57,573,000	—	—
International equity	11,922,000	11,922,000	—	—
International bonds	9,382,000	9,382,000	—	—
Alternative investments:				
Common/collective trust	3,813,000	—	3,813,000	—
Partnership	3,248,000	—	3,248,000	—
Other	8,055,000	—	8,055,000	—
	<u>\$ 118,255,000</u>	<u>\$ 99,114,000</u>	<u>\$ 19,141,000</u>	<u>\$ —</u>

Level 1 securities primarily consist of exchange-traded mutual funds. Level 2 securities primarily consist of money market funds. Methods consistent with those discussed in Note 5 are used to estimate the fair values of these securities. Level 3 securities consist of a fund focused on energy infrastructure and are considered Level 3 investments due to quoted price not being readily available. The underlying assets of the fund are publicly traded energy-related master limited partnerships and equity securities.

The overall expected rate of return on assets assumptions was based on historical returns, with adjustments made to reflect expectations of future returns. The extent to which the future expectations were recognized considered the target rates of returns for the future, which have historically not changed.

AAMC currently intends to make voluntary contributions to the defined benefit pension plan of \$4,800,000 in fiscal year 2021.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following benefit payments for AAMC are expected to be paid:

2021	\$ 7,855,000
2022	7,470,000
2023	7,391,000
2024	7,071,000
2025	7,586,000
2026–2030	38,880,000

In addition to the noncontributory defined benefit pension plan, AAMC also offers an employee defined contribution plan. Participation in the plan is voluntary. Substantially all full-time employees of AAMC are eligible to participate. Employees may elect to contribute a minimum of 1% of compensation, and a maximum amount as determined by Sections 403(b) and 415 of the Internal Revenue Code. Any employee making contributions to the plan is entitled to a AAMC contribution that will match the employee contribution at the rate of 50% to 75%, depending on the number of years of service, up to a maximum of 5% of qualified compensation. Matching contributions under this defined contribution plan were \$8,830,000 and \$8,000,000 in fiscal years 2020 and 2019, respectively.

Doctors Community Hospital Plan

DCMC froze the defined benefit pension plan that it sponsors (the Plan) in 2011, which covered substantially all employees. The decision to terminate the Plan has not been made by the board of directors. The benefits are based on years of service and employee compensation during years of employment. DCMC's funding policy is to make sufficient contributions to the Plan to comply with the minimum funding provisions of the Employee Retirement Income Security Act of 1974 (ERISA). DCMC expects to contribute \$1,232,000 to the Plan during 2020 to keep the funding levels at the ERISA requirements. The measurement date of the Plan is June 30.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended June 30 and the accumulated benefit obligation at June 30, 2020 for DCMC is as follows:

Accumulated benefit obligation	<u>\$ 23,049,000</u>
Change in projected benefit obligation:	
Projected benefit obligation at beginning of year	\$ 21,661,000
Service cost	636,000
Interest cost	1,883,000
Actuarial loss	(112,000)
Benefits paid	(1,019,000)
Settlements paid	<u>23,049,000</u>
Projected benefit obligation at end of year	<u>23,049,000</u>
Change in plan assets:	
Fair value of plan assets at beginning of year	16,660,000
Actual return on plan assets	294,000
Employer contribution	664,000
Benefits paid	(112,000)
Settlements paid	<u>(982,000)</u>
Fair value of plan assets at end of year	<u>16,524,000</u>
Net liability recognized	<u>\$ (6,525,000)</u>
Net amounts recognized on the consolidated balance sheets consist of:	
Accrued pension costs	<u>\$ (6,525,000)</u>
Amounts recognized in unrestricted net assets that have not been recognized in net periodic benefit costs consist of:	
Net actuarial loss	<u>\$ 9,634,000</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following table sets forth the weighted average assumptions used to determine the benefit obligations of DCMC as of June 30, 2020:

Discount rate	2.05%
Rate of compensation increase	N/A

The following table sets forth the weighted average assumptions used to determine the net periodic benefit cost for the year ended June 30, 2020:

Discount rate	2.05%
Expected return on plan assets	6.00%
Rate of compensation increase	N/A

DCMC's net periodic pension benefit cost included the following components as of June 30, 2020:

Interest cost	\$ 636,000
Expected return on plan assets	(956,000)
Recognized net actuarial loss	570,000
Effect of settlement	<u>411,000</u>
Net periodic cost	<u>\$ 661,000</u>

The estimated net loss of the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year for DCMC is \$1,499,000.

DCMC's target asset allocation percentages as of June 30, 2020, were as follows: 62% investment grade bonds, 3% international equity, 16% large cap domestic stocks, and 19% small cap domestic stocks.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following table presents the fair value hierarchy of assets of the defined benefit pension plan of DCMC.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Mutual funds:				
Equity	\$ 15,571,000	\$ 15,571,000	\$ –	\$ –
Alternative investments:				
Common/collective trust	953,000	–	953,000	–
	\$ 16,524,000	\$ 15,571,000	\$ 953,000	\$ –

DCMC currently intends to make voluntary contributions to the defined benefit pension plan of \$1,232,000 in fiscal year 2021.

The following benefit payments for DCMC are expected to be paid:

2021	\$ 2,428,000
2022	1,292,000
2023	1,235,000
2024	1,257,000
2025	1,581,000
2026–2030	6,330,000

The combined pension liability of both entities is as follows:

AAMC	\$ 22,751,000
DCMC	6,525,000
Total	\$ 29,276,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

DCMC has a 403b defined contribution plan (the contribution plan) covering substantially all its employees. The contribution plan is employee and employer contributory. DCMC contributed a match of \$0.50 for every \$1.00 of elective deferrals for a plan year for eligible employees up to 4% of base compensation. Defined contribution plan expense amounted to \$1,266,000 for 2020.

DCMC has a deferred compensation plan that permits certain executives to defer receiving a portion of their compensation. The deferred amounts are included in other assets in the accompanying consolidated balance sheets. The associated liability of an equal amount is included in other liabilities in the accompanying consolidated balance sheets. The liability recorded regarding the deferred compensation was \$3,832,000 as of June 30, 2020.

DCMC is the beneficiary of split dollar life insurance policies in place for certain executives. The amounts that could be realized by DCMC under the insurance contracts are approximately \$9,000,000 as of June 30, 2020, are included in other assets on the consolidated balance sheets.

8. Concentrations of Credit Risk

Certain members of Luminis grant credit without collateral to their 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 for AAMC:

	June 30	
	2020	2019
Medicare	25%	26%
Medicaid	4	5
Blue Cross	19	18
Commercial, HMO, PPO, and other	43	32
Patients	9	19
	100%	100%

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Concentrations of Credit Risk (continued)

The mix of receivables from patients and third-party payors was as follows for the DCMC as of June 30, 2020:

Medicare	28%
Medicaid	21
Blue Cross	10
Commercial, HMO, PPO, and other	29
Patients	12
	<hr/>
	100%
	<hr/> <hr/>

9. Malpractice Insurance Costs and Self-Insured Professional Liability

Until August 1, 1998, AAMC and certain subsidiaries maintained insurance coverage for general and professional liability claims on a claims-made basis. The professional liability coverage included a per-case deductible of \$250,000, up to a maximum out-of-pocket amount of \$750,000 annually. Effective August 1, 1998, the Group changed its professional liability coverage to a full coverage claims-made policy with no annual deductibles. This policy included tail coverage for claims incurred prior to August 1, 1998, but reported subsequently. Effective August 1, 2002, AAMC changed its professional liability coverage back to a claims-made policy with a per-case deductible of \$250,000, up to a maximum out-of-pocket amount of \$750,000 annually. Also, AAMC did not purchase tail coverage for claims incurred prior to August 1, 2002, which were not yet reported.

Effective March 1, 2004, AAMC changed its professional liability coverage to a self-insurance trust with annual exposure limits of \$2,000,000 per claim and \$11,000,000 in the aggregate. AAMC carried an excess liability insurance policy for claims above these limits.

Effective July 1, 2005, Cottage was formed as a captive insurer to provide professional liability insurance for AAMC. Cottage is a wholly owned subsidiary of AAMC, which was formed in the Cayman Islands. The primary layer of professional and general liability insurance coverage is self-insured through Cottage and the secondary layer is fully reinsured through several highly rated commercial carriers.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Malpractice Insurance Costs and Self-Insured Professional Liability (continued)

For the period from July 1, 2005 to June 30, 2009, Cottage issued claims-made policies covering AAMC professional liability (including employed physicians) and on an occurrence basis, comprehensive general liability risks of AAMC and certain affiliates. Policy limits were \$2,000,000 per claim with a \$9,000,000 policy aggregate. Effective July 1, 2005, Cottage assumed existing liabilities from AAMC's self-insured trust discussed above on a claims-made basis. Effective July 1, 2009, Cottage issued a claims-made policy providing \$2,000,000 per claim for AAMC professional liability coverage and \$1,000,000 per claim for comprehensive general liability coverage, subject to a consolidated annual aggregate limit of \$10,000,000. Effective July 1, 2018, policy limits were increased to \$5,000,000 per claim with a \$25,000,000 policy aggregate.

For the period from July 1, 2005 to June 30, 2008, Cottage also issued an excess umbrella coverage policy (covering AAMC professional liability) with limits of \$20,000,000 per claim with a policy aggregate. For claims reported on and subsequent to July 1, 2008, the coverage limit provided is \$30,000,000 per claim with a policy aggregate. These excess limits are in excess of the primary policy, and the umbrella policies are 100% reinsured with highly rated third-party commercial reinsurers.

The provision for estimated professional liability claims, general liability claims, and workers' compensation claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. As of June 30, 2020, and 2019, the balance for outstanding claims reserves recorded at Cottage is \$32,444,000 and \$36,843,000 and reinsurance receivable is \$9,884,000 and \$17,286,000, respectively. The remaining tail liability for claims incurred but not reported is \$11,667,000 and \$10,607,000 as of June 30, 2020 and 2019, respectively, with \$10,163,000 of the 2020 liability and \$9,226,000 of the 2019 liability recorded at the AAMC. The remainder of the liability is recorded at PE. The Group has employed an independent actuary to estimate the ultimate settlement of such claims. In management's opinion, the amounts recorded provide an adequate reserve for loss contingencies. However, changes in circumstances affecting professional liability claims could cause these estimates to change by material amounts in the short term.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Malpractice Insurance Costs and Self-Insured Professional Liability (continued)

DCMC has coverage for professional and general liabilities on a claims-made basis from Freestate Healthcare Insurance Company, Ltd. (Freestate), a group captive formed by several Maryland hospitals. DCMC owns 20% interest in the captive and accounts for it using the cost method. The cost of \$15,000 is recorded in other noncurrent assets on the accompanying consolidated balance sheets as of June 30, 2020. Premiums are expensed as incurred and are established based on the DCMC historical experience supplemented as necessary with industry experience. The total premium is allocated to each of the shareholders based on their experience. Retrospective premium assessments and credits are calculated based on the aggregate experience of all named insureds under the policy. Each named insured's assessment of credit is based on the percentage of their actual exposure to the actual exposure of all named insureds. In management's opinion, the assets of Freestate are sufficient to meet its obligations as of June 30, 2020. If the financial condition of Freestate were to materially deteriorate in the future, and Freestate was unable to pay its claim obligations, the responsibility to pay those claims would return to the member hospitals. The captive is responsible for claims up to \$1,000,000 for each and every loss event. Additional coverage has been purchased by the captive for all claims in excess of \$1,000,000 to a limit of \$6,000,000 effective March 1, 2006, \$10,000,000 effective March 1, 2012, and \$15,000,000 effective March 1, 2019. The estimated unpaid loss liability reserved by the captive for DCMC was \$9,466,000 at June 30, 2020. These amounts are included in long-term liabilities and the related anticipated insurance recoveries were reported in noncurrent assets on the accompanying consolidated balance sheets. The liability for all claims incurred but not reported for DCMC was \$1,106,000 at June 30, 2020. The discount rate for unpaid losses is 3.5% for the year ended June 30, 2020. DCMC engages a consulting actuary to assist in the determination of all professional liability claims incurred but not reported.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies

Leases

The following table presents the components of the Luminis' right-of-use assets and liabilities related to ASC 842 leases and their classification in Luminis' consolidated balance sheets as of June 30, 2020:

Component of Lease Balances	Classification in Consolidated Balance Sheet	June 30, 2020
Assets		
Operating lease assets	Right of use asset long term	\$ 44,995,000
Total leased assets		<u>\$ 44,995,000</u>
Liabilities		
Operating lease liabilities:		
Current	Lease liability short term	\$ 8,753,000
Long term	Lease liability long term	<u>37,429,000</u>
Total operating lease liabilities		<u>\$ 46,182,000</u>

Luminis determines if an arrangement is a lease at inception of the contract. The right-of-use assets represent Luminis' right to use the underlying assets for the lease term and the lease liabilities represent Luminis' obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Luminis uses a risk-free discount rate that is determined using Treasury securities of a comparable term to that of its leases when acting as a lessee.

Luminis' operating leases are primarily for real estate and equipment. Real estate leases include leases of medical facilities and office spaces. Equipment leases mainly include lease of copiers and medical equipment. Luminis' real estate lease agreements typically have initial terms of 3 to 20 years, and equipment lease agreements typically have initial terms of 3 to 5 years.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

Real estate leases may include one or more options to renew that can extend the lease term from five to ten years. The exercise of lease renewal options is at Luminis' sole discretion. In general, Luminis does not consider renewal options to be reasonably likely to be exercised; therefore, renewal options are generally not recognized as part of Luminis' right-of-use assets and lease liabilities. Certain equipment leases also include options to purchase the leased equipment. The useful life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Luminis currently does not have any leases whereby there is a transfer of title or a purchase option that is reasonably certain to be exercised; hence, all of Luminis' leases are depreciated over the lease term.

Certain of the Luminis' lease agreements for real estate include payments based on actual common area maintenance expenses and other operating expenses. These variable lease payments are recognized in purchased services but are not included in the right of-use asset or liability balances. Luminis' lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

Luminis elected the accounting policy practical expedients by class of underlying asset to: (i) exclude recording leases with an initial term of 12 months or less (short-term leases) as right-of-use assets and liabilities on the consolidated balance sheets; and (ii) combine associated lease and non-lease components into a single lease component. Non-lease components, which are not significant overall, are combined with lease components. Luminis' has elected these practical expedients for real estate, equipment, and all other asset classes when acting as a lessee.

Luminis' also elected the practical expedient package not to reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial indirect costs for existing leases.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

The following table presents the components of the Luminis' lease expense for the year ended June 30, 2020:

Operating lease expense	\$ 11,826,000
Finance lease expense:	
Amortization of leased assets	27,000
Interest on lease liabilities	2,000
Total finance lease expense	11,855,000
Variable lease expense	60,000
Short-term lease expense	5,000
Total lease expense	\$ 11,920,000

Total rent expense under operating leases was \$9,875,000 for the year ended June 30, 2019, and is included in purchased services on the accompanying consolidated statement of operations and changes in net assets.

The weighted average lease terms and discount rates for operating and finance leases are as follows as of June 30, 2020:

Weighted average remaining lease term (years):	
Operating leases	8.1
Finance leases	2.2
Weighted average discount rate:	
Operating leases	3.2%
Finance leases	1.8%

Cash flow and other information related to leases are included in the following table for the year ended June 30, 2020:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash outflows from operating leases	\$ 21,756,000
Operating cash outflows from finance leases	1,000
Financing cash outflows from finance leases	26,000
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	8,507,000
Finance leases	27,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

The following table summarizes the maturity lease obligations as of June 30, 2020:

	Operating Leases	Finance Leases	Total
2021	\$ 8,922,000	\$ 63,000	\$ 8,985,000
2022	7,706,000	28,000	7,734,000
2023	5,817,000	5,000	5,822,000
2024	4,544,000	–	4,544,000
2025	2,830,000	–	2,830,000
Thereafter	16,999,000	–	16,999,000
Total lease payments	46,818,000	96,000	46,914,000
Less: Imputed interest	729,000	3,000	732,000
Total lease liabilities	\$ 46,089,000	\$ 93,000	\$ 46,182,000

Contingencies

Members of Luminis have been named as defendants in various legal proceedings arising from the performance of their normal activities. In the opinion of management, after consultation with legal counsel and after consideration of applicable insurance, the amount of the Luminis' ultimate liability under all current legal proceedings will not have a material adverse effect on its consolidated financial position or results of operations.

Luminis' revenues may be subject to adjustment as a result of examination by government agencies or contractors, based upon differing interpretations of government regulations, medical diagnoses, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until subsequent to the period during which the services were rendered. Section 302 of the Tax Relief and Health Care Act of 2006 authorized a permanent program involving the use of third-party recovery audit contractors (RACs) to identify Medicare overpayments and underpayments made to providers. Management has established protocols to respond to RAC requests and payment denials. Payment recoveries resulting from RAC reviews are appealable through administrative and judicial processes, and management intends to pursue the reversal of adverse determinations where appropriate. In addition to overpayments that are not reversed on appeal, management will incur additional costs to respond to requests for records and pursue the reversal of payment denials. As of June 30, 2020 and 2019, Luminis has recorded an

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

estimated reserve regarding the Medicare overpayments. In the opinion of the Luminis' management, the ultimate settlement of this matter will not have a material adverse effect on the consolidated financial position of Luminis.

During the year ended June 30, 2018, the System recorded a \$3,500,000 accrual related to an inquiry by the Department of Justice regarding a potential billing discrepancy. A final settlement was signed in June 2019 and the payment amount approximated the amount accrued at June 30, 2018. A corporate integrity agreement (CIA) was also signed in June 2019 with the Office of Inspector General of the Department of Health and Human Services. The CIA will be in place for five years and will require periodic reporting of various matters by an independent review organization and the System.

During the year ended June 30, 2020, DCMC recorded an accrual related to a billing error that it intends to self-report to the Department of Health and Human Services. DCMC expects to work with the Federal Government to come to a resolution on this matter. It is possible that other regulatory conditions may be part of the final resolution. Based on consultation with legal counsel, management believes the final resolution will not have a material adverse effect on the June 30, 2020 financial statements.

11. Functional Expenses

Members of Luminis provide general health care services to residents within their service area. Expenses related to providing these services are as follows:

	Health Care Services	General and Administrative	Total
Year ended June 30, 2020			
Salaries and wages	\$ 401,827,000	\$ 78,053,000	\$ 479,880,000
Employee benefits	63,580,000	12,350,000	75,930,000
Supplies	189,335,000	8,152,000	197,487,000
Purchases services	113,213,000	113,162,000	226,375,000
Depreciation and amortization	22,742,000	23,252,000	45,994,000
Interest	16,151,000	—	16,151,000
Total operating expenses	<u>\$ 806,848,000</u>	<u>\$ 234,969,000</u>	<u>\$ 1,041,817,000</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Functional Expenses (continued)

	Health Care Services	General and Administrative	Total
Year ended June 30, 2019			
Salaries and wages	\$ 293,400,000	\$ 56,260,000	\$ 349,660,000
Employee benefits	45,157,000	11,199,000	56,356,000
Supplies	158,348,000	1,141,000	159,489,000
Purchases services	70,001,000	67,556,000	137,557,000
Depreciation and amortization	26,647,000	10,186,000	36,833,000
Interest	13,118,000	–	13,118,000
Transaction costs	–	3,279,000	3,279,000
Total operating expenses	<u>\$ 606,671,000</u>	<u>\$ 149,621,000</u>	<u>\$ 756,292,000</u>

12. Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, patient receivables, prepaid expenses and other current assets, accounts payable, accrued salaries, wages and benefits, other accrued expenses, and advances from third-party payors approximate fair value, given the short-term nature of these financial instruments or their methods of valuation. The following methods and assumptions were used by Luminis in estimating the fair value of other financial instruments.

Investments and Assets Whose Use is Limited

Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Pledges Receivable

Luminis estimates that the carrying value of pledges receivable approximates fair value, given the discount rates applied.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Net Assets

Net assets with donor restrictions are restricted for use, as follows:

	June 30	
	2020	2019
Hospital capital additions	\$ 7,248,000	\$ 6,382,000
Hospital operating programs	16,613,000	16,207,000
	\$ 23,861,000	\$ 22,589,000

14. Liquidity and Availability

Financial assets available for general expenditure within one year of the balance sheet date comprise the following as of June 30, 2020:

Assets

Current assets:

Cash and cash equivalent	\$ 178,795,000
Short-term investments	1,365,000
Current portion of assets whose use is limited	15,912,000
Patient receivables, net	118,882,000
Current portion of pledges receivable, net	945,000
Prepaid expenses and other current assets	19,857,000
Investments*	338,985,000
Total financial assets	\$ 674,741,000

*While these investments are long-term in nature, they are available for general expenditures within one year of the balance sheet date if necessary.

AAMC's bond covenant requires AAMC to maintain unrestricted cash and marketable securities on hand to meet 90 days of normal operating expenses. The AAMC obligated group was compliant with all financial covenants as of June 30, 2020 and 2019.

DCMC's bond covenant requires DCMC to maintain unrestricted cash and marketable securities on hand to meet 60 days of normal operating expenses. The DCMC obligated group was compliant with all financial covenants as of June 30, 2020.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. Subsequent Events

Luminis has evaluated the impact of subsequent events through October 23, 2020, representing the date at which the accompanying consolidated financial statements were issued.

On July 20, 2020, Luminis received \$20,019,000 in provider relief funds authorized in the CARES Act from HHS. Luminis expects that these relief funds will be forgivable, but uncertainty exists as to the final outcome of the terms and conditions associated with the relief funds. Management will continue to monitor compliance with the terms and conditions of the Relief Fund and the impact of the pandemic on the System's revenues and expenses. If unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted. Furthermore, the HSCRC is proposing to reduce Luminis' ability to recoup undercharges from its GBR reimbursement program in future years by an amount derived from these provider relief funds. The final outcome of the HSCRC's decisions on treatment of the undercharge resulting from the Global Budget Reimbursement Revenue program and application of CARES Act funding to GBR limits is still being evaluated.

On October 22, 2020, HHS released additional reporting requirements for health care entities that received distributions from the Provider Relief Fund. The Post-Payment Notice of Reporting Requirements (the Notice) supplements the previous notice issued on July 20, 2020, and amended on August 14, 2020 and September 19, 2020. The System considered the effects of the changes included in the Notice and concluded these changes represent non-recognized (i.e., Type II) subsequent events in accordance with ASC 855, *Subsequent Events*, since the reporting requirements included in the Notice provide evidence about conditions that did not exist at the balance sheet date, but instead are conditions that arose after that date but before financial statements were issued. Based on the expectations of the revenue to be recognized through December 31, 2020, the Company does not believe the new guidance will result in a material change to amounts recorded in the June 30, 2020, financial statements related to the Provider Relief Funds. The System will continue to monitor changes in reporting guidance or additional clarifications that may be issued by HHS, which would affect the accounting for distributions from the Provider Relief Fund. In addition, the System will continue to monitor guidance from the HSCRC related to how the HSCRC will interpret the new HHS guidance.

On October 1, 2020, a new law was signed that included modifications to the CMS Accelerated and Advance Payment Program. These modifications included an extension to the previous terms discussed within Note 2. The changes in payments terms are considered a non-recognized subsequent event in accordance with ASC 855.

Except for those events mentioned above, no events have occurred that require disclosure in or adjustments to the accompanying consolidated financial statements.

Supplementary Information

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet

June 30, 2020

	Luminis Health, Inc.	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Services, Inc.	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Center Collaborative Care Network LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
Assets												
Current assets:												
Cash and cash equivalents	\$ (7,700,000)	\$ 80,540,000	\$ 423,000	\$ (19,000)	\$ 1,191,000	\$ 7,000	\$ 716,000	\$ 2,000	\$ 4,414,000	\$ 99,221,000	\$ —	\$ 178,795,000
Short-term investments	—	912,000	—	—	—	—	—	—	453,000	—	—	1,365,000
Current portion of assets whose use is limited	—	15,912,000	—	—	—	—	—	—	—	—	—	15,912,000
Patient receivables, net	—	69,769,000	2,448,000	—	—	677,000	10,519,000	—	—	35,469,000	—	118,882,000
Current portion of pledges receivable, net	—	—	—	—	—	—	—	—	945,000	—	—	945,000
Inventories	—	15,677,000	—	—	—	—	525,000	—	—	5,587,000	—	21,789,000
Prepaid expenses and other current assets	11,000	8,033,000	93,022,000	4,900,000	23,468,000	775,000	2,104,000	5,030,000	33,678,000	5,380,000	(156,544,000)	19,857,000
Total current assets	(7,689,000)	190,843,000	95,893,000	4,881,000	24,659,000	1,459,000	13,864,000	5,032,000	39,490,000	145,657,000	(156,544,000)	357,545,000
Property and equipment	123,000	772,018,000	28,349,000	3,732,000	138,279,000	77,000	27,376,000	—	2,013,000	124,878,000	—	1,096,845,000
Less accumulated depreciation and amortization	—	(418,394,000)	(26,372,000)	(1,905,000)	(66,552,000)	(77,000)	(14,741,000)	—	(146,000)	(10,166,000)	—	(538,353,000)
Net property and equipment	123,000	353,624,000	1,977,000	1,827,000	71,727,000	—	12,635,000	—	1,867,000	114,712,000	—	558,492,000
Other assets:												
Investments	—	317,410,000	—	—	—	—	—	—	1,552,000	20,023,000	—	338,985,000
Investments in joint ventures	—	—	—	254,000	7,575,000	—	—	—	—	6,195,000	—	14,024,000
Pledges receivable, net	—	—	—	—	—	—	—	—	3,192,000	—	—	3,192,000
Assets whose use is limited	—	25,538,000	—	—	—	—	—	—	15,482,000	—	—	41,020,000
Beneficial interest in net assets of AAMC Foundation, Inc.	—	23,450,000	—	—	—	—	—	—	—	—	(23,450,000)	—
Restricted collateral for interest rate swap contract	—	110,002,000	—	—	—	—	18,597,000	—	—	4,544,000	—	110,002,000
Right of use asset	—	8,539,000	882,000	785,000	11,648,000	—	1,392,000	—	387,000	29,322,000	—	44,995,000
Other assets	576,829,000	22,581,000	—	—	1,338,000	—	1,392,000	—	—	—	(578,236,000)	55,613,000
Total assets	\$ 569,263,000	\$ 1,051,987,000	\$ 98,752,000	\$ 7,747,000	\$ 116,947,000	\$ 1,459,000	\$ 46,488,000	\$ 5,032,000	\$ 61,970,000	\$ 320,453,000	\$ (758,230,000)	\$ 1,521,868,000

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet (continued)

June 30, 2020

	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Services, Inc.	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Collaborative Care Network LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
\$	69,678,000	899,000	1,536,000	316,000	1,224,000	8,283,000	214,000	6,659,000	10,274,000	(121,961,000)	\$ 40,441,000
	12,901,000	312,000	1,056,000	—	149,000	5,177,000	—	77,000	14,654,000	—	53,438,000
	1,369,000	—	4,000	3,599,000	—	1,740,000	—	31,784,000	13,953,000	(35,970,000)	32,413,000
	—	—	—	4,033,000	—	—	—	—	4,979,000	—	16,440,000
	—	—	—	661,000	—	7,977,000	—	—	51,905,000	—	182,697,000
	—	124,000	450,000	1,283,000	—	2,850,000	—	—	1,184,000	—	8,753,000
	83,948,000	1,335,000	3,046,000	9,892,000	1,373,000	26,027,000	1,889,000	38,520,000	96,949,000	(157,931,000)	334,182,000
	—	—	—	57,288,000	—	—	—	—	122,766,000	—	470,308,000
	—	—	—	—	—	—	—	—	—	—	117,037,000
	—	—	—	—	—	—	—	—	6,525,000	—	29,276,000
	—	767,000	335,000	10,511,000	—	15,982,000	—	—	4,075,000	—	37,429,000
	—	—	—	—	—	167,000	—	—	14,421,000	—	47,032,000
	83,948,000	2,102,000	3,381,000	77,691,000	1,373,000	42,176,000	1,889,000	38,520,000	244,736,000	(157,931,000)	1,035,264,000
	462,606,000	96,650,000	4,366,000	39,256,000	86,000	4,312,000	3,143,000	(608,000)	73,058,000	(553,987,000)	460,552,000
	22,709,000	—	—	—	—	—	—	24,058,000	468,000	(46,312,000)	23,861,000
	485,315,000	96,650,000	4,366,000	39,256,000	86,000	4,312,000	3,143,000	23,450,000	75,717,000	(600,299,000)	2,191,000
	\$ 569,263,000	\$ 98,752,000	\$ 7,747,000	\$ 116,947,000	\$ 1,459,000	\$ 46,488,000	\$ 5,032,000	\$ 61,970,000	\$ 320,453,000	\$ (758,230,000)	\$ 1,521,868,000

Liabilities and net assets

Current liabilities:

Accounts payable
 Accrued salaries, wages, and benefits
 Other accrued expenses
 Current portion of long-term debt
 Advances from third-party payors
 Current portion of lease liability
 Total current liabilities

Long-term debt, less current portion and unamortized

original issue premium
 Interest rate swap contract
 Accrued pension liability
 Lease liability, less current portion
 Other long-term liabilities
 Total liabilities

Net assets:

Without donor restrictions
 With donor restrictions
 Non-controlling interest
 Total net assets
 Total liabilities and net assets

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Statement of Operations

Year Ended June 30, 2020

	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Care Network LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
Operating revenue:										
Net patient service revenue	\$ 564,209,000	\$ 28,206,000	\$ -	\$ -	\$ 137,567,000	\$ -	\$ -	\$ 239,123,000	\$ -	\$ 969,105,000
Other operating revenue	33,627,000	630,000	22,447,000	1,893,000	41,378,000	1,483,000	4,993,000	21,884,000	(71,597,000)	78,393,000
Total operating revenue	1,332,000	597,836,000	28,836,000	20,323,000	1,893,000	1,483,000	4,993,000	261,007,000	(71,597,000)	1,047,498,000
Operating expenses:										
Salaries and wages	231,182,000	6,146,000	-	-	1,701,000	(92,000)	1,402,000	108,829,000	-	479,880,000
Employee benefits	42,106,000	1,120,000	-	-	349,000	37,000	232,000	17,006,000	-	75,930,000
Supplies	140,029,000	1,102,000	153,000	7,000	20,977,000	3,000	36,000	35,088,000	-	197,487,000
Purchased services	136,454,000	13,508,000	9,768,000	932,000	44,846,000	2,009,000	892,000	80,684,000	(71,295,000)	226,375,000
Foundation transfer to AAHC and subsidiaries	(3,515,000)	-	-	-	-	-	3,749,000	-	(234,000)	-
Depreciation and amortization	28,919,000	852,000	3,751,000	2,000	2,009,000	-	28,000	10,413,000	(68,000)	45,994,000
Interest	10,136,000	-	1,763,000	-	2,000	-	-	4,318,000	-	16,151,000
Total operating expenses	585,311,000	22,728,000	15,435,000	2,991,000	199,642,000	1,957,000	6,339,000	256,338,000	(71,597,000)	1,041,817,000
Operating income (loss)	203,000	12,525,000	6,108,000	(1,221,000)	7,012,000	(474,000)	(1,346,000)	4,669,000	-	5,681,000
Other (loss) income:										
Investment (loss) income, net	(12,993,000)	-	-	-	-	-	2,827,000	461,000	-	(9,700,000)
Loss from joint ventures and other, net	(74,000)	-	5,000	-	-	-	-	253,000	61,175,000	(673,000)
Inherent contribution	-	-	314,000	-	-	-	-	-	-	61,715,000
Pension credit (expense), net	1,777,000	-	-	-	-	-	-	(661,000)	-	1,116,000
Change in unrealized (losses) gains on trading securities, net	(11,597,000)	-	185,000	-	-	-	(3,477,000)	(262,000)	-	(15,151,000)
Realized and unrealized losses on interest rate swap contracts, net	(43,149,000)	-	-	-	-	-	-	-	-	(43,149,000)
Total other income (loss), net	(66,036,000)	-	504,000	-	-	-	(650,000)	(209,000)	61,175,000	(5,842,000)
(Deficit) excess of revenue over expenses	\$ 743,000	\$ (53,511,000)	\$ 6,108,000	\$ (2,387,000)	\$ 7,516,000	\$ (474,000)	\$ (1,996,000)	\$ 4,460,000	\$ 61,175,000	\$ (161,000)

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet

June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	\$ 80,459,000	\$ 19,000	\$ 62,000	\$ -	\$ -	\$ 80,540,000
Short-term investments	912,000	-	-	-	-	912,000
Current portion of assets whose use is limited	12,382,000	-	-	3,530,000	-	15,912,000
Patient receivables, net	68,164,000	210,000	1,395,000	-	-	69,769,000
Inventories	15,677,000	-	-	-	-	15,677,000
Due from affiliates, net	500,000	1,363,000	-	-	(1,514,000)	349,000
Prepaid expenses and other current assets	7,653,000	2,000	-	29,000	-	7,684,000
Total current assets	185,747,000	1,594,000	1,457,000	3,559,000	(1,514,000)	190,843,000
Property and equipment	735,814,000	9,057,000	27,147,000	-	-	772,018,000
Less accumulated depreciation and amortization	(413,435,000)	(4,744,000)	(215,000)	-	-	(418,394,000)
Net property and equipment	322,379,000	4,313,000	26,932,000	-	-	353,624,000
Other assets:						
Investments	317,410,000	-	-	-	-	317,410,000
Investments in joint ventures	-	-	-	-	-	-
Assets whose use is limited	7,000	-	-	25,531,000	-	25,538,000
Beneficial interest in net assets of Anne Arundel Medical Center Foundation, Inc.	23,450,000	-	-	-	-	23,450,000
Notes receivable from affiliate	1,559,000	-	-	-	-	1,559,000
Restricted collateral for interest rate swap contract	110,002,000	-	-	-	-	110,002,000
Right of use asset	8,539,000	-	-	-	-	8,539,000
Other assets	23,327,000	-	-	9,884,000	(12,189,000)	21,022,000
Total assets	\$ 992,420,000	\$ 5,907,000	\$ 28,389,000	\$ 38,974,000	\$ (13,703,000)	\$ 1,051,987,000

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet (continued)

June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Liabilities and net assets						
Current liabilities:						
Accounts payable	\$ 24,219,000	\$ 24,000	\$ 50,000	\$ 56,000	\$ -	\$ 24,349,000
Accrued salaries, wages, and benefits	18,831,000	167,000	114,000	-	-	19,112,000
Other accrued expenses	15,933,000	1,000	-	-	-	15,934,000
Current portion of long-term debt	7,428,000	-	-	-	-	7,428,000
Intercompany payables	12,280,000	-	28,225,000	-	(1,535,000)	38,970,000
Advances from third-party payors	120,479,000	-	-	-	-	120,479,000
Current portion of lease liability	2,862,000	-	-	-	-	2,862,000
Total current liabilities	202,032,000	192,000	28,389,000	56,000	(1,535,000)	229,134,000
Long-term debt, less current portion and unamortized original issue premium	290,254,000	-	-	-	-	290,254,000
Interest rate swap contract	117,037,000	-	-	-	-	117,037,000
Accrued pension liability	22,751,000	-	-	-	-	22,751,000
Lease liability, less current portion	5,759,000	-	-	-	-	5,759,000
Other long-term liabilities	-	-	-	32,444,000	-	32,444,000
Total liabilities	637,833,000	192,000	28,389,000	32,500,000	(1,535,000)	697,379,000
Net assets:						
Without donor restrictions	331,649,000	5,715,000	-	6,474,000	(12,168,000)	331,670,000
With donor restrictions	22,938,000	-	-	-	-	22,938,000
Total net assets	354,587,000	5,715,000	-	6,474,000	(12,168,000)	354,608,000
Total liabilities and net assets	\$ 992,420,000	\$ 5,907,000	\$ 28,389,000	\$ 38,974,000	\$ (13,703,000)	\$ 1,051,987,000

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Statement of Operations

Year Ended June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Operating revenue:						
Net patient service revenue	\$ 557,943,000	\$ 4,810,000	\$ 1,456,000	\$ -	\$ -	\$ 564,209,000
Other operating revenue	36,221,000	489,000	839,000	8,121,000	(12,043,000)	33,627,000
Total operating revenue	594,164,000	5,299,000	2,295,000	8,121,000	(12,043,000)	597,836,000
Operating expenses:						
Salaries and wages	225,875,000	4,054,000	1,253,000	-	-	231,182,000
Employee benefits	41,222,000	583,000	301,000	-	-	42,106,000
Supplies	139,555,000	616,000	92,000	-	(234,000)	140,029,000
Purchased services	133,365,000	921,000	693,000	9,771,000	(8,296,000)	136,454,000
Foundation transfer to Anne Arundel Medical Center Foundation, Inc. and subsidiaries	-	-	-	-	(3,515,000)	(3,515,000)
Depreciation and amortization	28,378,000	329,000	212,000	-	-	28,919,000
Interest	10,136,000	-	-	-	-	10,136,000
Total operating expenses	578,531,000	6,503,000	2,551,000	9,771,000	(12,045,000)	585,311,000
Operating income (loss)	15,633,000	(1,204,000)	(256,000)	(1,650,000)	2,000	12,525,000
Other (loss) income:						
Investment loss, net	(12,645,000)	-	-	(348,000)	-	(12,993,000)
(Loss) income from joint venture and other, net	(3,657,000)	-	-	-	3,583,000	(74,000)
Pension credit	1,777,000	-	-	-	-	1,777,000
Change in unrealized losses on trading securities, net	(11,470,000)	-	-	(127,000)	-	(11,597,000)
Realized and unrealized losses on interest rate swap contracts, net	(43,149,000)	-	-	-	-	(43,149,000)
Total other (loss) income, net	(69,144,000)	-	-	(475,000)	3,583,000	(66,036,000)
(Deficit) excess of revenue over expenses	\$ (53,511,000)	\$ (1,204,000)	\$ (256,000)	\$ (2,125,000)	\$ 3,585,000	\$ (53,511,000)

Luminis Health, Inc. and Subsidiaries

Supplementary Description of Consolidating and Eliminating Entries

June 30, 2020

1. To eliminate intercompany payables and receivables
2. To eliminate investments in subsidiaries and related net asset accounts
3. To eliminate intercompany income and expense generated from management fees, staffing contracts, captive insurance premiums, and operating leases
4. To eliminate intercompany notes
5. To eliminate income of wholly owned subsidiaries
6. To eliminate intercompany revenue and expense for interest and other miscellaneous transactions
7. To eliminate the AAMC's beneficial interest in the Foundation

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Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code

(Sections 170(f)(10), 664(c)(2), 4911, 4912, 4941, 4942, 4943, 4944, 4945, 4955, 4958, 4959, 4960, 4965, 4966, 4967, and 4968)

2019

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form4720 for instructions and the latest information.

For calendar year 2019 or other tax year beginning **JUL 1**, 2019, and ending **JUN 30**, 2020

Name of organization or entity LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Employer identification number 52-1169362
Number, street, and room or suite no. (or P.O. box if mail is not delivered to street address) 2000 MEDICAL PARKWAY, NO. 606	Check box for type of annual return: <input checked="" type="checkbox"/> Form 990 <input type="checkbox"/> Form 990-EZ <input type="checkbox"/> Form 990-PF <input type="checkbox"/> Other <input type="checkbox"/> Form 5227
City or town, state or province, country, and ZIP or foreign postal code ANNAPOLIS, MD 21401	

		Yes	No
A Is the organization a foreign private foundation within the meaning of section 4948(b)?			X
B Has corrective action been taken on any taxable event that resulted in Ch. 42 taxes being reported on this form? (Enter "N/A" if not applicable)			N/A

If "Yes," attach a detailed description and documentation of the corrective action taken and, if applicable, enter the fair market value of any property recovered as a result of the correction ▶ \$ If "No," (that is, any uncorrected acts or transactions), attach an explanation (see instructions).

Part I Taxes on Organization (Sections 170(f)(10), 664(c)(2), 4911(a), 4912(a), 4942(a), 4943(a), 4944(a)(1), 4945(a)(1), 4955(a)(1), 4959, 4960(a), 4965(a)(1), 4966(a)(1), and 4968(a))

1 Tax on undistributed income - Schedule B, line 4	1		
2 Tax on excess business holdings - Schedule C, line 7	2		
3 Tax on investments that jeopardize charitable purpose - Schedule D, Part I, column (e)	3		
4 Tax on taxable expenditures - Schedule E, Part I, column (g)	4		
5 Tax on political expenditures - Schedule F, Part I, column (e)	5		
6 Tax on excess lobbying expenditures - Schedule G, line 4	6		
7 Tax on disqualifying lobbying expenditures - Schedule H, Part I, column (e)	7		
8 Tax on premiums paid on personal benefit contracts	8		
9 Tax on being a party to prohibited tax shelter transactions - Schedule J, Part I, column (h)	9		
10 Tax on taxable distributions - Schedule K, Part I, column (f)	10		
11 Tax on a charitable remainder trust's unrelated business taxable income. Attach statement	11		
12 Tax on failure to meet the requirements of section 501(r)(3) - Schedule M, Part II, line 2	12		
13 Tax on excess executive compensation - Schedule N	13	224,062.	
14 Tax on net investment income of private colleges and universities - Schedule O	14		
15 Total (add lines 1 - 14)	15	224,062.	

Part II-A Taxes on Managers, Self-Dealers, Disqualified Persons, Donors, Donor Advisors, and Related Persons
(Sections 4912(b), 4941(a), 4944(a)(2), 4945(a)(2), 4955(a)(2), 4958(a), 4965(a)(2), 4966(a)(2), and 4967(a))

(a) Name and address of person subject to tax. City or town, state or province, country, ZIP or foreign postal code	(b) Taxpayer identification number
a	
b	
c	
	(c) Tax on self-dealing - Schedule A, Part II, col. (d), and Part III, col. (d)
a	
b	
c	
Total	
	(d) Tax on investments that jeopardize charitable purpose - Schedule D, Part II, col. (d)
a	
b	
c	
Total	
	(e) Tax on taxable expenditures - Schedule E, Part II, col. (d)
a	
b	
c	
Total	
	(f) Tax on political expenditures - Schedule F, Part II, col. (d)
a	
b	
c	
Total	
	(g) Tax on disqualifying lobbying expenditures - Sch H, Part II, col. (d)
a	
b	
c	
Total	
	(h) Tax on excess benefit transactions - Schedule I, Part II, col. (d), and Part III, col. (d)
a	
b	
c	
Total	
	(i) Tax on being a party to prohibited tax shelter transactions - Schedule J, Part II, col. (d)
a	
b	
c	
Total	
	(j) Tax on taxable distributions - Schedule K, Part II, col. (d)
a	
b	
c	
Total	
	(k) Tax on prohibited benefits - Sch L, Part II, col. (d), and Part III, col. (d)
a	
b	
c	
Total	
	(l) Total - Add cols. (c) through (k)
a	
b	
c	
Total	

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.

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Part II-B Summary of Taxes (See Tax Payments in the instructions.)	
1	Enter the taxes listed in Part II-A, column (I), that apply to managers, self-dealers, disqualified persons, donors, donor advisors, and related persons who sign this form. If all sign, enter the total amount from Part II-A, column (I)
2	Total tax. Add Part I, line 15, and Part II-B, line 1
3	Total payments including amount paid with Form 8868 (see instructions)
4	Tax due. If line 2 is larger than line 3, enter amount owed (see instructions)
5	Overpayment. If line 2 is smaller than line 3, enter the difference. This is your refund

SCHEDULE A - Initial Taxes on Self-Dealing (Section 4941)

Part I Acts of Self-Dealing and Tax Computation		
(a) Act number	(b) Date of act	(c) Description of act
1		
2		
3		
4		
5		

(d) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VI-B, applicable to the act	(e) Amount involved in act	(f) Initial tax on self-dealer (10% of col. (e))	(g) Tax on foundation managers (if applicable) (lesser of \$20,000 or 5% of col. (e))

Part II Summary of Tax Liability of Self-Dealers and Proration of Payments			
(a) Names of self-dealers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Self-dealer's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Foundation Managers and Proration of Payments			
(a) Names of foundation managers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (g), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE B - Initial Tax on Undistributed Income (Section 4942)

1	Undistributed income for years before 2018 (from Form 990-PF for 2019, Part XIII, line 6d)	1
2	Undistributed income for 2018 (from Form 990-PF for 2019, Part XIII, line 6e)	2
3	Total undistributed income at end of current tax year beginning in 2019 and subject to tax under section 4942 (add lines 1 and 2)	3
4	Tax - Enter 30% of line 3 here and on Part I, line 1	4

Form 4720 (2019)

SCHEDULE C - Initial Tax on Excess Business Holdings (Section 4943)

Business Holdings and Computation of Tax

If you have taxable excess holdings in more than one business enterprise, attach a separate schedule for each enterprise. Refer to the instructions for each line item before making any entries.

Name and address of business enterprise

Employer identification number

Form of enterprise (corporation, partnership, trust, joint venture, sole proprietorship, etc.)

		(a) Voting stock (profits interest or beneficial interest)	(b) Value	(c) Nonvoting stock (capital interest)
1	Foundation holdings in business enterprise	1		
2	Permitted holdings in business enterprise	2		
3	Value of excess holdings in business enterprise	3		
4	Value of excess holdings disposed of within 90 days; or, other value of excess holdings not subject to section 4943 tax (attach statement)	4		
5	Taxable excess holdings in business enterprise - line 3 minus line 4	5		
6	Tax - Enter 10% of line 5	6		
7	Total tax - Add amounts on line 6, columns (a), (b), and (c); enter total here and on Part I, line 2	7		

SCHEDULE D - Initial Taxes on Investments That Jeopardize Charitable Purpose (Section 4944)

Part I Investments and Tax Computation

(a) Investment number	(b) Date of investment	(c) Description of investment	(d) Amount of investment	(e) Initial tax on foundation (10% of col. (d))	(f) Initial tax on foundation managers (if applicable) - (lesser of \$10,000 or 10% of col. (d))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 3					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments

(a) Names of foundation managers liable for tax	(b) Investment no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE E - Initial Taxes on Taxable Expenditures (Section 4945)

Part I Expenditures and Computation of Tax				
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Name and address of recipient	(e) Description of expenditure and purposes for which made
1				
2				
3				
4				
5				
(f) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VI-B, applicable to the expenditure			(g) Initial tax imposed on foundation (20% of col. (b))	(h) Initial tax imposed on foundation managers (if applicable)- (lesser of \$10,000 or 5% of col. (b))
Total - Column (g). Enter here and on Part I, line 4				
Total - Column (h). Enter total (or prorated amount) here and in Part II, column (c), below				

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments			
(a) Names of foundation managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (h), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE F - Initial Taxes on Political Expenditures (Section 4955)

Part I Expenditures and Computation of Tax					
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of political expenditure	(e) Initial tax imposed on organization or foundation (10% of col. (b))	(f) Initial tax imposed on managers (if applicable) (lesser of \$5,000 or 2½% of col. (b))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 5					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Organization Managers or Foundation Managers and Proration of Payments			
(a) Names of organization managers or foundation managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE G - Tax on Excess Lobbying Expenditures (Section 4911)

1	Excess of grass roots expenditures over grass roots nontaxable amount (from Schedule C (Form 990 or 990-EZ), Part II-A, column (b), line 1h). (See the instructions before making an entry.)	1
2	Excess of lobbying expenditures over lobbying nontaxable amount (from Schedule C (Form 990 or 990-EZ), Part II-A, column (b), line 1i). (See the instructions before making an entry.)	2
3	Excess lobbying expenditures - enter the larger of line 1 or line 2	3
4	Tax - Enter 25% of line 3 here and on Part I, line 6	4

SCHEDULE H - Taxes on Disqualifying Lobbying Expenditures (Section 4912)

Part I Expenditures and Computation of Tax					
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of lobbying expenditures	(e) Tax imposed on organization (5% of col. (b))	(f) Tax imposed on organization managers (if applicable)- (5% of col. (b))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 7					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Organization Managers and Proration of Payments			
(a) Names of organization managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE I - Initial Taxes on Excess Benefit Transactions (Section 4958)

Part I Excess Benefit Transactions and Tax Computation		
(a) Transaction number	(b) Date of transaction	(c) Description of transaction
1		
2		
3		
4		
5		
(d) Amount of excess benefit	(e) Initial tax on disqualified persons (25% of col. (d))	(f) Tax on organization managers (if applicable) (lesser of \$20,000 or 10% of col. (d))

SCHEDULE I - Initial Taxes on Excess Benefit Transactions (Section 4958) *Continued*

Part II Summary of Tax Liability of Disqualified Persons and Proration of Payments			
(a) Names of disqualified persons liable for tax	(b) Trans. no. from Part I, col. (a)	(c) Tax from Part I, col. (e), or prorated amount	(d) Disqualified person's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of 501(c)(3), (c)(4) & (c)(29) Organization Managers and Proration of Payments			
(a) Names of 501(c)(3), (c)(4) & (c)(29) organization managers liable for tax	(b) Trans. no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE J - Taxes on Being a Party to Prohibited Tax Shelter Transactions (Section 4965)

Part I Prohibited Tax Shelter Transactions (PTST) and Tax Imposed on the Tax-Exempt Entity (see instructions)				
(a) Transaction number	(b) Transaction date	(c) Type of transaction 1 - Listed 2 - Subsequently listed 3 - Confidential 4 - Contractual protection	(d) Description of transaction	
1				
2				
3				
4				
5				
(e) Did the tax-exempt entity know or have reason to know this transaction was a PTST when it became a party to the transaction? Answer Yes or No		(f) Net income attributable to the PTST	(g) 75% of proceeds attributable to the PTST	(h) Tax imposed on the tax-exempt entity (see instructions)
Total - Column (h). Enter here and on Part I, line 9				

SCHEDULE L - Taxes on Prohibited Benefits Distributed From Donor Advised Funds (Section 4967).

See the instructions.

Part I Prohibited Benefits and Tax Computation		
(a) Item number	(b) Date of prohibited benefit	(c) Description of benefit
1		
2		
3		
4		
5		
(d) Amount of prohibited benefit	(e) Tax on donors, donor advisors, or related persons (125% of col. (d)) (see instructions)	(f) Tax on fund managers (if applicable) (lesser of 10% of col. (d) or \$10,000) (see instructions)

Part II Summary of Tax Liability of Donors, Donor Advisors, Related Persons, and Proration of Payments			
(a) Names of donors, donor advisors, or related persons liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (e) or prorated amount	(d) Donor's, donor advisor's, or related person's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Fund Managers and Proration of Payments			
(a) Names of fund managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f) or prorated amount	(d) Fund manager's total tax liability (add amounts in col. (c)) (see instructions)

**Schedule M - Tax on Hospital Organization for Failure to Meet the Community Health Needs
Assessment Requirements** (Sections 4959 and 501(r)(3)). (See instructions.)

Part I Failures to Meet Section 501(r)(3)

(a) Item number	(b) Name of hospital facility	(c) Description of the failure	(d) Tax year hospital facility last conducted a CHNA	(e) Tax year hospital facility last adopted an implementation strategy
1				
2				
3				
4				
5				

Part II Computation of Tax

1	Number of hospital facilities operated by the hospital organization that failed to meet the Community Health Needs Assessment requirements of section 501(r)(3)	1
2	Tax - Enter \$50,000 multiplied by line 1 here and on Part I, line 12	2

SCHEDULE N - Tax on Excess Executive Compensation (Section 4960). (See instructions.)

(a) Item number	(b) Name of covered employee	(c) Excess remuneration	(d) Excess parachute payment	(e) Total. Add column (c) and (d)
1	SEE STATEMENT 1			
2				
3				
4				
5				
6	Attachment, if necessary. See instructions			
Total (add column (e) items 1 - 6)				1,066,963.
Tax. Enter 21% of the amount above here and on Part I, line 13				224,062.

SCHEDULE O - Excise Tax on Net Investment Income of Private Colleges and Universities
(Section 4968)

	(a) Name	(b) EIN	(c) Gross investment income (See instructions.)	(d) Capital gain net income	(e) Administrative expenses allocable to income included in cols. (c) and (d)	(f) Net investment income (See instructions.)
1	Filing Organization					
2	Related Organization					
3	Related Organization					
4	Related Organization					
5	Total from attachment, if necessary					
6	Total					
7	Excise Tax on Net Investment Income. Enter 1.4% of the amount in 6(f) here and on Part I, line 14					

LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.

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.

Sign Here

	CFO	
Signature of officer or trustee	Title	Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
LORI S. BURGHAUSER	LORI S. BURGHAUSER	05/08/21		P00370694
Firm's name ▶ SC&H GROUP, INC.			Firm's EIN ▶ 20-5991824	
Firm's address ▶ 910 RIDGEBROOK ROAD SPARKS, MD 21152			Phone no. (410) 403-1500	

(A) ITEM NO	(B) NAME OF COVERED EMPLOYEE	(C) EXCESS RENUMERATION	(D) EXCESS PARACHUTE PAYMENT	(E) TOTAL
1.	VICTORIA BAYLESS	1,066,963.		1,066,963.
TOTAL EXCESS EXECUTIVE COMPENSATION				1,066,963.

2019 TAX RETURN FILING INSTRUCTIONS

NORTH CAROLINA FORM CD-405

FOR THE YEAR ENDING

June 30, 2020

Prepared For:

Luminis Health Anne Arundel Medical
Center, Inc.
2000 Medical Parkway, Suite 606
Annapolis, MD 21401

Prepared By:

SC&H Group, Inc.
910 Ridgebrook Road
Sparks, MD 21152

To Be Signed and Dated By:

The appropriate corporate officer(s).

Amount of Tax:

Total tax	\$	889
Less: payments and credits	\$	2,418
Plus: other amount	\$	0
Plus: interest and penalties	\$	0
Overpayment	\$	1,529

Overpayment:

Credit to your estimated tax	\$	1,529
Other amount	\$	0
Refunded to you	\$	0

Make Check Payable to:

Not applicable

Mail Tax Return and Check (if applicable) to:

NCDOR
P.O. Box 25000
Raleigh, NC 27640-0500

Return Must be Mailed On or Before:

Please mail as soon as possible.

Special Instructions:

C Corporation Tax Return 2019
North Carolina Department of Revenue

For calendar year 2019, or other tax year beginning 07 01 19 and ending 06 30 20

DOR Use Only

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CEN 2000 MEDICAL PARKWAY SUITE 606 ANNAPOLIS MD 21401				Federal Employer ID Number 521169362 N.C. Secretary of State ID Number NAICS Code 621510	
<input type="checkbox"/> Initial Return	<input type="checkbox"/> Short Year Return	<input type="checkbox"/> Captive REIT	<input type="checkbox"/> Non U.S./Foreign	<input type="checkbox"/> NC-Rehab	<input type="checkbox"/> NC-478 is attached
<input type="checkbox"/> Final Return	<input type="checkbox"/> Amended Return	<input checked="" type="checkbox"/> Tax Exempt	<input type="checkbox"/> Combined Return (Approved Taxpayers Only)	<input type="checkbox"/> Has Escheatable Property	

LUMI 2000 21401 521169362 621510
PP P00370694 PFSP P IR N FR N SR N AR N
TN 4434816555 RE N TE Y NF N CR N NCR N 478 N EP N FDEXT N

Federal Extension Were you granted an automatic extension to file your 2019 federal income tax return (Form 1120)?
Yes
No

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER INC
2000 MEDICAL PARKWAY SUITE 606 ANNAPOLIS MD 21401

GR	0	09	0	21	0	30	1529
TA	0	10	35585	22	0	34	0
01	0	11	-37	24	0	EU	
HCE	N	13	0	26	889	35A	0
02	0	15	0	27A	1000	35B	0
03	0	16	35548	27B	1418	38	1529
05	0	17	1000000	27C	0	39	0
06	0	18	35548	27D	0	40	0
07	0	19	0	27E	0	41	0
08	0	20	35548	29	0		



Sch. A Computation of Franchise Tax		9. Franchise Tax Overpaid 0	
1. Net Worth	0	Sch. B Computation of Corporate Income Tax	
Holding Company Exception	N	10. Federal Taxable Income	35585
2. Investment in N.C. Tangible Property	0	11. Adjustments to Federal Taxable Income	-37
3. Appraised Value of N.C. Tangible Property	0	12. Net Income Before Contributions	35548
4. Taxable Amount	0	13. Contributions to Donees Outside N.C.	0
5. Total Franchise Tax Due	0	14. N.C. Taxable Income	35548
6. Payment with Franchise Tax Extension	0	15. Nonapportionable Income	0
7. Tax Credits	0	16. Apportionable Income	35548
8. Franchise Tax Due	0	17. Apportionment Factor	100.0000 %

I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Refund Due 0 Payment Due 0

CFO 443-481-6555
Signature and Title of Officer: Date Corporate Phone Number

Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID PREPARER USE ONLY If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge.

LORI S. BURGHAUSER (410) 403-1500 P00370694
Signature of Paid Preparer: Date Preparer's Phone Number Preparer's FEIN, SSN, or PTIN

FEIN
 SSN
 PTIN

CD-405 Line-by-Line Information

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of **0**

Sch. B Computation of Corporate Income Tax		Sch. D Investment in N.C. Tangible Property	
18. Income Apportioned to N.C.	35548	Inventory valuation method	
19. Nonapportionable Income Allocated to N.C.	0	1. Total inventories located in N.C.	0
20. Income Subject to N.C. Tax	35548	2. Total furniture, fixtures, and M & E located in N.C.	0
21. % Depletion over Cost - N.C. Property	0	3. Total land and buildings located in N.C.	0
22. State Net Loss (Attach schedule)	0	4. Total leasehold improvements and other N.C. tangible property	0
23. Income Before Contributions to N.C. Donees	35548	5. Add Lines 1 through 4	0
24. Contributions to N.C. Donees	0	6. Accumulated depreciation, depletion, and amortization with respect to N.C. tangible property	0
25. Net Taxable Income	35548	7. Debts existing for the purchase or improvement of N.C. real estate	0
26. N.C. Net Income Tax	889	8. Investment in N.C. Tangible Property	0
27. Payments and Credits		Sch. E Appraised Value of N.C. Tangible Property	
a. Income Tax Extension	1000	1. County tax value of N.C. tangible property	0
b. 2019 Estimated Tax (previous payments if amended)	1418	2. Appraised value of N.C. tangible property	0
c. Partnership (include Form D-403, NC K-1)	0	Sch. G Federal Taxable Income Before NOL Deduction	
d. Nonresident Withholding (include 1099 or W-2)	0	1. a. Gross receipts or sales	0
e. Tax Credits	0	b. Returns and allowances	0
28. Add Lines 27a through 27e	2418	c. Balance - Line 1a minus Line 1b	0
29. Income Tax Due	0	2. Cost of goods sold (Attach schedule)	0
30. Income Tax Overpaid	1529	3. Gross Profit (Line 1c minus Line 2)	0
Tax Due or Refund		4. Dividends (Attach schedule)	0
31. Franchise Tax Due or Overpayment	0	5. a. Interest on obligations of U.S. and its instrumentalities	0
32. Income Tax Due or Overpayment	-1529	b. Other interest	0
33. Balance of Tax Due or Overpayment	-1529	6. Gross rents	0
34. Underpayment of Estimated Income Tax	0	7. Gross royalties (Attach schedule)	0
EU. Exception to Underpayment of Estimated Tax		8. Capital gain net income (Attach schedule)	0
35. a. Interest	0	9. Net gain (loss) (Attach schedule)	0
b. Penalties	0	10. Other income (Attach schedule)	0
c. Add Lines 35a and 35b	0	11. Total Income	0
36. Total Due	0	12. Compensation of officers (Attach sch., including addresses)	0
37. Overpayment	1529	13. Salaries and wages (less employment credits)	0
38. 2020 Estimated Income Tax	1529	14. Repairs and maintenance	0
39. N.C. Nongame and Endangered Wildlife Fund	0	15. Bad debts	0
40. N.C. Education Endowment Fund	0	16. Rents	0
41. Amount to be Refunded	0	17. Taxes and licenses	0
Sch. C Net Worth		18. Interest	0
1. Total assets	0	19. Charitable contributions	0
2. Total liabilities	0	20. a. Depreciation	0
3. Line 1 minus Line 2	0	b. Depreciation included in cost of goods sold	0
4. Accumulated depreciation, depletion, and amortization permitted for income tax purposes (Attach sch)	0	c. Balance - Line 20a minus 20b	0
5. Line 3 minus Line 4	0	21. Depletion	0
6. Affiliated indebtedness (Attach schedule)	0	22. Advertising	0
7. Line 5 plus (or minus) Line 6	0	23. Pension, profit-sharing, and similar plans	0
8. Apportionment factor	0.0000%	24. Employee benefit programs	0
9. Net Worth	0	25. Reserved for future use	0
		26. Other deductions (Attach schedule)	0
		27. Total Deductions	0
		28. Taxable Income Per Federal Return Before NOL and Special Deductions	0
		29. Special Deductions	0
		30. Federal Taxable Income	0

Sch. H Adjustments to Federal Taxable Income

1. Additions		
a. Taxes based on net income	1a.	889
b. Contributions	1b.	0
c. Royalties to related members	1c.	0
d. Net interest expense to related members	1d.	0
e. Expenses attributable to income not taxed	1e.	0
f. Bonus depreciation	1f.	0
g. Section 179 expense deduction	1g.	0
h. Other (Attach schedule)	1h.	0
2. Total Additions	2.	889
3. Deductions		
a. U.S. obligation interest (net of expenses) (Attach schedule)	3a.	0
b. Other deductible dividends	3b.	0
c. Royalties received from related members	3c.	0
d. Qualified interest expense to related members	3d.	0
e. Bonus depreciation	3e.	0
f. Section 179 expense deduction	3f.	0
g. Other (Attach schedule)	3g.	926
4. Total Deductions	4.	926
5. Adjustments to Federal Taxable Income	5.	-37

SEE STATEMENT 2

Sch. I Contributions

1. Contributions to Donees Outside N.C.		
a. Total contributions to donees outside N.C.	1a.	0
b. Multiply Schedule B, Line 12 by 5%, if Line 12 is greater than zero. Otherwise enter zero.	1b.	1777
c. Amount Deductible	1c.	0
2. Contributions to N.C. Donees		
a. Total contributions to N.C. donees other than those listed in Line 2d	2a.	0
b. Multiply Sch. B, Line 23 by 5%, if Line 23 is greater than zero. Otherwise enter zero.	2b.	1777
c. Enter the lesser of Line 2a or 2b	2c.	0
d. Total contributions to the State of N.C. and its political subdivisions	2d.	0
e. Amount Deductible	2e.	0

Sch. F Other Information - All Taxpayers Must Complete this Schedule

1. a. State of incorporation	MARYLAND	8. Is this corporation subject to franchise tax but not N.C. income tax because the corporation's income tax activities are protected under P.L. 86-272? (If yes, attach explanation)	N
b. Date incorporated	02 18 02	9. Officers' names and addresses:	
2. Date of N.C. Certificate of Authority		President	STATEMENT 3
3. a. Reg or principal trade or bus. in N.C.	P ' SHIP INT	Vice-President	
b. Reg or principal trade or bus. everywhere	P ' SHIP INT	Secretary	
4. Principal place bus. is directed or managed	ANNAPOLIS	Treasurer	
5. What was the last year the IRS redetermined the corporation's federal taxable income?			
6. a. Were adjustments reported to N.C.?	N		
b. If so, when?			
7. Does this corporation finance or discount its receivables through a related or an affiliated company?	N		

Explanation of Changes for Amended Return:

Sch. L Balance Sheet per Books

Assets	Beginning of Tax Year		End of Tax Year	
	(a)	(b)	(c)	(d)
1. Cash		0		0
2. a. Trade notes and accounts receivable	0		0	
b. Less allowance for bad debts (	0)	0	0)	0
3. Inventories		0		0
4. a. U.S. government obligations		0		0
b. State and other obligations		0		0
5. Tax-exempt securities		0		0
6. Other current assets (Attach end of year sch)		0		0
7. Loans to shareholders		0		0
8. Mortgage and real estate loans		0		0
9. Other investments (Attach end of year sch)		0		0
10. a. Buildings and other depreciable assets	0		0	
b. Less accumulated depreciation (	0)	0	0)	0
11. a. Depletable assets	0		0	
b. Less accumulated depletion (	0)	0	0)	0
12. Land (net of any amortization)		0		0
13. a. Intangible assets (amortizable only)	0		0	
b. Less accumulated amortization (	0)	0	0)	0
14. Other assets (Attach end of year sch.)		0		0
15. Total Assets		0		0
Liabilities and Shareholders' Equity				
16. Accounts payable		0		0
17. Mortgages, notes, and bonds payable in less than 1 year		0		0
18. Other current liabilities (Attach end of year schedule)		0		0
19. Loans from shareholders		0		0
20. Mortgages, notes, and bonds payable in 1 year or more		0		0
21. Other liabilities (Attach end of year schedule)		0		0
22. Capital stock: a. Preferred Stock	0		0	
b. Common Stock	0	0	0	0
23. Additional paid-in capital		0		0
24. Retained earnings - Appropriated (Attach end of year schedule)		0		0
25. Retained earnings - Unappropriated		0		0
26. Adjustments to shareholders' equity (Attach end of year schedule)		0		0
27. Less cost of treasury stock	(	0)	(	0)
28. Total Liabilities and Shareholders' Equity		0		0

Sch. M-1 Reconciliation of Income (Loss) per Books with Income per Return

1. Net income (loss) per books	35585	7. Income recorded on books this year	
2. Federal income tax	0	not included on this return:	
3. Excess of capital losses over capital gains	0	Tax-exempt interest	\$ 0
4. Income subject to tax not recorded on books this year:	0		
5. Expenses recorded on books this year not deducted on this return:		8. Deductions on this return not charged against book income this year:	
a. Depreciation	\$ 0	a. Depreciation	\$ 0
b. Charitable Contributions	\$ 0	b. Charitable Contributions	\$ 0
c. Travel and entertainment	\$ 0		
	0	9. Add Lines 7 and 8	0
6. Add Lines 1 through 5	35585	10. Income	35585

This page must be filed with this form.

Legal Name (First 10 Characters)

LUMINIS HE

Federal Employer ID Number

521169362

Sch. M-2 Retained Earnings Analysis

1. Balance at beginning of year	0	5. Distributions: a. Cash	0
2. Net income (loss) per books	0	b. Stock	0
3. Other increases:		c. Property	0
		6. Other decreases:	0
	0	7. Add Lines 5 and 6	0
4. Add Lines 1, 2, and 3	0	8. Balance at End of Year	0

Sch. N Nonapportionable Income

(A) Nonapportionable Income	(B) Gross Amounts	(C) Related Expenses	(D) Net Amounts	(E) Net Amounts Allocated Directly to N.C.
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
1. Nonapportionable Income			0	
2. Nonapportionable Income Allocated to N.C.				0

Explanation of why income listed is nonapportionable income rather than apportionable income: **THE NON-APPORTIONABLE INCOME IS FROM AN INVESTMENT IN PREMIER PURCHASING PARTNERS, L.P. THE K-1 RECEIVED FROM THE INVESTMENT PROVIDES THE NORTH CAROLINA APPORTIONED INCOME. THE TAXPAYER DOES NOT MATERIALLY PARTICIPATE IN THE DAILY OPERATIONS OF THE PARTNERSHIP.**

Sch. O Computation of Apportionment Factor

Part 1. Domestic and Other Corporations Not Apportioning Franchise or Income Outside N.C. 100.0000%

Part 2. Corporations Apportioning Franchise or Income to N.C. and to Other States

	1. Within North Carolina	2. Total Everywhere
1. Gross Receipts Subject to Apportionment	0	0
2. Gross Rents Subject to Apportionment	0	0
3. Gross Royalties Subject to Apportionment	0	0
4. Dividends Subject to Apportionment	0	0
5. Interest Subject to Apportionment	0	0
6. Other Apportionable Income	0	0
7. Share of Receipts from Noncorporate Entities Subject to Apportionment	0	0
8. Total	0	0
9. N.C. Apportionment Factor		0.0000%

Part 3. Special Apportionment 0.0000%

This page must be filed with this form.

FOOTNOTES

STATEMENT 1

FORM CD-405, PAGE 1, SCHEDULE B, LINE 18

ANNE ARUNDEL MEDICAL CENTER, INC. (AAMC) HAD NET INCOME OF \$28,295 FOR ALL UNRELATED BUSINESS INCOME FOR THE FISCAL YEAR ENDED JUNE 30, 2018. AAMC HAD UNRELATED BUSINESS INCOME FROM A PASSTHROUGH ENTITY IN THE AMOUNT OF \$36,255 THAT HAS BEEN APPORTIONED TO NORTH CAROLINA. AS SUCH, LINE 18 ONLY REFLECTS THE PORTION OF THE TOTAL INCOME APPORTIONED TO NORTH CAROLINA.

NC SCH H	OTHER DEDUCTIONS	STATEMENT 2
DESCRIPTION		AMOUNT
STATE TAX REFUND		926.
TOTAL TO FORM CD-405, PAGE 3, SCHEDULE H, LINE 3G		926.

NC SCH F	OFFICERS' NAMES AND ADDRESSES	STATEMENT 3
PRESIDENT:	VICTORIA BAYLESS 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401	
SECRETARY:	GEORGE K. ANDERSON, M.D. 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401	
TREASURER:	ALAN J. HYATT 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401	

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

2019

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020

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).

Department of the Treasury Internal Revenue Service

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

Part I: Name of organization (LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.), Employer identification number (52-1169362), and other identifying information.

Part II: Book value of all assets at end of year (992,420,560) and Group exemption number.

Part III: Enter the number of the organization's unrelated trades or businesses (2) and describe the first (MANAGEMENT FEES).

Part IV: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? (Yes)

Part V: The books are in care of (KEVIN L. SMITH) and Telephone number ((443) 481-1308)

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales (575,941), Total (575,941), and various other income categories.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include Compensation of officers, directors, and trustees (575,941), Total deductions (575,941), and Unrelated business taxable income (0).

Part III Total Unrelated Business Taxable Income	
32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions) 54,719.
33	Amounts paid for disallowed fringes
34	Charitable contributions (see instructions for limitation rules) 0.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33 54,719.
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35 54,719.
38	Specific deduction (Generally \$1,000, but see line 38 instructions for exceptions) 1,000.
39	Unrelated business taxable income. Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37 53,719.

Part IV Tax Computation	
40	Organizations Taxable as Corporations. Multiply line 39 by 21% (0.21) 11,281.
41	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 39 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)
42	Proxy tax. See instructions
43	Alternative minimum tax (trusts only)
44	Tax on Noncompliant Facility Income. See instructions
45	Total. Add lines 42, 43, and 44 to line 40 or 41, whichever applies 11,281.

Part V Tax and Payments	
46a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 46a
b	Other credits (see instructions) 46b
c	General business credit. Attach Form 3800 46c
d	Credit for prior year minimum tax (attach Form 8801 or 8827) 46d
e	Total credits. Add lines 46a through 46d 46e
47	Subtract line 46e from line 45 47 11,281.
48	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) 48
49	Total tax. Add lines 47 and 48 (see instructions) 49 11,281.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3 50 0.
51a	Payments: A 2018 overpayment credited to 2019 51a
b	2019 estimated tax payments 51b 15,000.
c	Tax deposited with Form 8868 51c 8,000.
d	Foreign organizations: Tax paid or withheld at source (see instructions) 51d
e	Backup withholding (see instructions) 51e
f	Credit for small employer health insurance premiums (attach Form 8941) 51f
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 51g
	<input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total ▶
52	Total payments. Add lines 51a through 51g 52 23,000.
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> 53 94.
54	Tax due. If line 52 is less than the total of lines 49, 50, and 53, enter amount owed 54
55	Overpayment. If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid 55 11,625.
56	Enter the amount of line 55 you want: Credited to 2020 estimated tax 11,625. Refunded 56 0.

Part VI Statements Regarding Certain Activities and Other Information (see instructions)		
57	At any time during the 2019 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 ▶ CAYMAN ISLANDS	Yes No X
58	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.	X
59	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$	

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.

Sign Here Signature of officer _____ Date _____ **CFO** Title _____

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

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	LORI S. BURGHAUSER		05/08/21		P00370694
	Firm's name ▶ SC&H GROUP, INC. 910 RIDGEBROOK ROAD	Firm's EIN ▶ 20-5991824		Phone no. (410) 403-1500	
	Firm's address ▶ SPARKS, MD 21152				

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

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		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes	No	
4a	Additional section 263A costs (attach schedule)	4a							
b	Other costs (attach schedule)	4b							
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)	
(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	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

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)				
(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) 0.	Enter here and on page 1, Part I, line 7, column (B) 0.
Total dividends-received deductions included in column 8			0.	0.

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)					
(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)				
			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).
Totals			0.	0.

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)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
Totals		0.		0.

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)						
(2)						
(3)						
(4)						
	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 25.
Totals	0.	0.				0.

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)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

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)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

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)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 1

CORPORATION'S NAME

IDENTIFYING NO

LUMINIS HEALTH, INC.

52-1622253

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income from an
Unrelated Trade or Business**

ENTITY 2

OMB No. 1545-0047

2019

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020.

▶ 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

Department of the Treasury
Internal Revenue Service

Name of the organization **LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Employer identification number
52-1169362

Unrelated Business Activity Code (see instructions) ▶

Describe the unrelated trade or business ▶ **PARTNERSHIP PASSTHROUGH INCOME**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a 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		
4 a 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 a partnership or an S corporation (attach statement) STATEMENT 2		5 66,220.		66,220.
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (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)		12		
13 Total. Combine lines 3 through 12		13 66,220.		66,220.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (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		
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		10,501.
20 Depreciation (attach Form 4562)	20			
21 Less depreciation claimed on Schedule A and elsewhere on return	21a			
22 Depletion		22		
23 Contributions to deferred compensation plans		23		
24 Employee benefit programs		24		
25 Excess exempt expenses (Schedule I)		25		
26 Excess readership costs (Schedule J)		26		
27 Other deductions (attach schedule) SEE STATEMENT 3		27		1,000.
28 Total deductions. Add lines 14 through 27		28		11,501.
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13		29		54,719.
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		30		0.
31 Unrelated business taxable income. Subtract line 30 from line 29		31		54,719.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

FORM 990-T (M)	INCOME (LOSS) FROM PARTNERSHIPS	STATEMENT 2
----------------	---------------------------------	-------------

DESCRIPTION	NET INCOME OR (LOSS)
PREMIER PURCHASING PARTNERS, LP - ORDINARY BUSINESS INCOME (LOSS)	67,768.
HARVEST MLP INCOME FUND II LLC - ORDINARY BUSINESS INCOME (LOSS)	176.
GREENSPRING GLOBAL PARTNERS VIII-B, L.P. - ORDINARY BUSINESS INCOME (LOSS)	-1,724.
TOTAL INCLUDED ON SCHEDULE M, PART I, LINE 5	66,220.

FORM 990-T (M)	OTHER DEDUCTIONS	STATEMENT 3
----------------	------------------	-------------

DESCRIPTION	AMOUNT
ACCOUNTING FEES	1,000.
TOTAL TO SCHEDULE M, PART II, LINE 27	1,000.

**SCHEDULE O
(Form 1120)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Consent Plan and Apportionment Schedule
for a Controlled Group**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

OMB No. 1545-0123

Name LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Employer identification number 52-1169362
---	---

Part I Apportionment Plan Information

1 Type of controlled group:

- a Parent-subsidiary group
- b Brother-sister group
- c Combined group
- d Life insurance companies only

2 This corporation has been a member of this group:

- a For the entire year.
- b From _____, until _____.

3 This corporation consents and represents to:

- a Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
- b Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending _____, and for all succeeding tax years.
- c Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:

- a Elected by the component members of the group.
- b Required for the component members of the group.

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).

- a No apportionment plan is in effect and none is being adopted.
- b An apportionment plan is already in effect. It was adopted for the tax year ending JUNE 30, 2019, and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.

- a Yes.
 - (i) The statute of limitations for this year will expire on _____.
 - (ii) On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
- b No. The members may not adopt or amend an apportionment plan.

7 If the corporation has a short tax year that does not include December 31, check the box. See instructions.

Part II Apportionment (See instructions)

(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Apportionment		
			(c) Accumulated earnings credit	(d) Penalty for failure to pay estimated tax	(e) Other
1	LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	52-1169362	20-06		
2	PAVILION PARK, INC.	52-1890034	20-06		
3	LUMINIS HEALTH REAL ESTATE HOLDING CO., INC.	52-1622251	20-06		
4	LUMINIS HEALTH CARE SERVICES, INC. INC.	52-1646304	20-06		
5	PHYSICIAN ENTERPRISE, LLC	27-0263214	20-06		
6					
7					
8					
9					
10					
Total					

Schedule O (Form 1120) (Rev. 12-2018)

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ Attach to the corporation's tax return.

FORM 990-T

2019

▶ Go to www.irs.gov/Form2220 for instructions and the latest information.

Name **LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.**

Employer identification number
52-1169362

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38, on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)		1	11,281.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
2c	Credit for federal tax paid on fuels (see instructions)	2c		
2d	Total. Add lines 2a through 2c	2d		
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3		11,281.
4	Enter the tax shown on the corporation's 2018 income tax return. See instructions. Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4		13,460.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5		11,281.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty. See instructions.

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	10/15/19	12/15/19	03/15/20	06/15/20
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% (0.25) of line 5 above in each column	10	2,820.	2,821.	2,820.	2,820.
11 Estimated tax paid or credited for each period. For column (a) only, enter the amount from line 11 on line 15. See instructions	11			12,000.	
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12				3,539.
13 Add lines 11 and 12	13			12,000.	3,539.
14 Add amounts on lines 16 and 17 of the preceding column	14		2,820.	5,641.	
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	0.	0.	6,359.	3,539.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		2,820.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	2,820.	2,821.		
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18			3,539.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 2220 (2019)

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier. (C corporations with tax years ending June 30 and S corporations: Use 3rd month instead of 4th month. Form 990-PF and Form 990-T filers: Use 5th month instead of 4th month.) See instructions	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2019 and before 7/1/2019	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 6\% (0.06)}{365}$...	22 \$	\$	\$	\$
23 Number of days on line 20 after 06/30/2019 and before 10/1/2019	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 5\% (0.05)}{365}$...	24 \$	\$	\$	\$
25 Number of days on line 20 after 9/30/2019 and before 1/1/2020	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 5\% (0.05)}{365}$...	26 \$	\$	\$	\$
27 Number of days on line 20 after 12/31/2019 and before 4/1/2020	27	SEE ATTACHED WORKSHEET		
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 5\% (0.05)}{366}$...	28 \$	\$	\$	\$
29 Number of days on line 20 after 3/31/2020 and before 7/1/2020	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{366}$	30 \$	\$	\$	\$
31 Number of days on line 20 after 6/30/2020 and before 10/1/2020	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{366}$	32 \$	\$	\$	\$
33 Number of days on line 20 after 9/30/2020 and before 1/1/2021	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{366}$	34 \$	\$	\$	\$
35 Number of days on line 20 after 12/31/2020 and before 3/16/2021	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	36 \$	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37 \$	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 34; or the comparable line for other income tax returns	38 \$			94.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Information Return of U.S. Persons With Respect to Certain Foreign Corporations

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JUL 1, 2019**, and ending **JUN 30, 2020**

Attachment
Sequence No. **121**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC. Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 2000 MEDICAL PARKWAY, NO. 606 City or town, state, and ZIP code ANNAPOLIS, MD 21401	A Identifying number 52-1169362 B Category of filer (See instructions. Check applicable box(es)): 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.00 %
Filer's tax year beginning JUL 1, 2019 , and ending JUN 30, 2020	

D Check box if this is a final Form 5471 for the foreign corporation

E Check if any excepted specified foreign financial assets are reported on this form (see instructions)

F Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
LUMINIS HEALTH, INC.	2000 MEDICAL PARKWAY, STE 606 ANNAPOLIS MD 21401	52-1622253	X		

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation COTTAGE INSURANCE COMPANY, LTD P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	b(1) Employer identification number, if any 98-0461499 b(2) Reference ID number (see instructions) c Country under whose laws incorporated CAYMAN ISLANDS			
d Date of incorporation 06/06/05	e Principal place of business CAYMAN ISLANDS	f Principal business activity code number 524150	g Principal business activity SELF INSURANCE	h Functional currency UNITED STATES, DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">(i) Taxable income or (loss)</td> <td style="width:50%;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)		
(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)				
c Name and address of foreign corporation's statutory or resident agent in country of incorporation ARTEX RISK SOLUTIONS (CAYMAN) LTD P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different				

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	120,000	120,000

Schedule B Shareholders of Foreign Corporation

Part I U.S. Shareholders of Foreign Corporation (see instructions)

Table with 5 columns: (a) Name, address, and identifying number of shareholder; (b) Description of each class of stock held by shareholder; (c) Number of shares held at beginning of annual accounting period; (d) Number of shares held at end of annual accounting period; (e) Pro rata share of Subpart F income. Includes entry for LUMINIS HEALTH AAMC with 120,000 shares.

Part II Direct Shareholders of Foreign Corporation (see instructions)

Table with 4 columns: (a) Name, address, and identifying number of shareholder; (b) Description of each class of stock held by shareholder; (c) Number of shares held at beginning of annual accounting period; (d) Number of shares held at end of annual accounting period. Includes entry for LUMINIS HEALTH AAMC with 120,000 shares.

Schedule C Income Statement

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	8,120,509.
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	8,120,509.
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	8,120,509.
	4 Dividends	4	1,037,365.
	5 Interest	5	
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
	7 Net gain or (loss) on sale of capital assets	7	-515,421.
8a Foreign currency transaction gain or loss - unrealized	8a		
	b Foreign currency transaction gain or loss - realized	8b	
9 Other income (attach statement) SEE STATEMENT 4	9	-984,585.	
10 Total income (add lines 3 through 9)	10	7,657,868.	
Deductions	11 Compensation not deducted elsewhere	11	
	12a Rents	12a	
	b Royalties and license fees	12b	
	13 Interest	13	
	14 Depreciation not deducted elsewhere	14	
	15 Depletion	15	
	16 Taxes (exclude income tax expense (benefit))	16	
	17 Other deductions (attach statement - exclude income tax expense (benefit)) SEE STATEMENT 5	17	9,783,110.
18 Total deductions (add lines 11 through 17)	18	9,783,110.	
Net Income	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	-2,125,242.
	20 Unusual or infrequently occurring items	20	
	21a Income tax expense (benefit) - current	21a	
	b Income tax expense (benefit) - deferred	21b	
22 Current year net income or (loss) per books (combine lines 19 through 21b)	22	-2,125,242.	
Other Comprehensive Income	23a Foreign currency translation adjustments	23a	
	b Other	23b	
	c Income tax expense (benefit) related to other comprehensive income	23c	
	24 Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	2,821,624.	3,400,185.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	()	()
3 Derivatives	3		
4 Inventories	4		
5 Other current assets (attach statement)	5	17,379,433.	10,043,050.
6 Loans to shareholders and other related persons	6		
7 Investment in subsidiaries (attach statement)	7		
8 Other investments (attach statement)	8	19,332,285.	25,531,053.
9a Buildings and other depreciable assets	9a		
b Less accumulated depreciation	9b	()	()
10a Depletable assets	10a		
b Less accumulated depletion	10b	()	()
11 Land (net of any amortization)	11		
12 Intangible assets:			
a Goodwill	12a		
b Organization costs	12b		
c Patents, trademarks, and other intangible assets	12c		
d Less accumulated amortization for lines 12a, 12b, and 12c	12d	()	()
13 Other assets (attach statement)	13		
14 Total assets	14	39,533,342.	38,974,288.
Liabilities and Shareholders' Equity			
15 Accounts payable	15	91,152.	56,087.
16 Other current liabilities (attach statement)	16		
17 Derivatives	17		
18 Loans from shareholders and other related persons	18		
19 Other liabilities (attach statement)	19	36,842,635.	32,443,888.
20 Capital stock:			
a Preferred stock	20a		
b Common stock	20b	120,000.	120,000.
21 Paid-in or capital surplus (attach reconciliation)	21	2,463,021.	8,463,021.
22 Retained earnings	22	16,534.	-2,108,708.
23 Less cost of treasury stock	23	()	()
24 Total liabilities and shareholders' equity	24	39,533,342.	38,974,288.

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," see the instructions for required statement.		
2 During the tax year, did the foreign corporation own an interest in any trust?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from their owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branches (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions).		
4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete lines 4b and 4c.		
b Enter the total amount of the base erosion payments		\$ _____
c Enter the total amount of the base erosion tax benefit		\$ _____
5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete line 5b.		
b Enter the total amount of the disallowed deductions (see instructions)		\$ _____

FORM 5471	OTHER INCOME	STATEMENT 4	
DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNREALIZED LOSS			-984,585.
TOTAL TO 5471, SCHEDULE C, LINE 9			-984,585.

FORM 5471	OTHER DEDUCTIONS	STATEMENT 5	
DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNDERWRITING EXPENSES			9,388,009.
ADMINISTRATIVE EXPENSES			395,101.
TOTAL TO 5471, SCHEDULE C, LINE 17			9,783,110.

FORM 5471	OTHER CURRENT ASSETS	STATEMENT 10
DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INTEREST RECEIVABLE	20,021.	22,138.
OUTSTANDING CLAIMS RESERVES RECOVERABLE	17,285,870.	9,884,461.
PREPAID EXPENSES	5,793.	6,878.
ESCROW ACCOUNT	47,390.	129,573.
REINSURANCE RECOVERY RECEIVABLE	20,359.	0.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 5	17,379,433.	10,043,050.

FORM 5471

OTHER INVESTMENTS

STATEMENT 11

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
EQUITY MUTUAL FUNDS	4,789,870.	5,933,362.
FIXED INCOME MUTUAL FUNDS	10,213,526.	14,197,099.
EXCHANGE TRADED FUNDS	4,328,889.	5,400,592.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 8	<u>19,332,285.</u>	<u>25,531,053.</u>

FORM 5471

OTHER LIABILITIES

STATEMENT 12

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
PROVISION FOR ADVERSE CLAIMS DEVELOPMENT	18,339,185.	21,556,480.
PROVISION FOR REPORTED CLAIMS	18,503,450.	10,887,408.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 19	<u>36,842,635.</u>	<u>32,443,888.</u>

FORM 5471

RECONCILIATION OF PAID-IN OR CAPITAL SURPLUS

STATEMENT 13

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
ADDITIONAL PAID-IN CAPITAL	2,463,021.	8,463,021.

Schedule G Other Information (continued)

		Yes	No
6a	Is the filer of this Form 5471 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule M? If "Yes," complete lines 6b, 6c, and 6d.		X
b	Enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with the foreign corporation that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) (see instructions) ▶ \$ _____		
c	Enter the amount of gross income derived from a license of property to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
d	Enter the amount of gross income derived from services provided to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
7	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
8	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X
9	If the answer to question 7 is "Yes," was the foreign corporation a participant in a cost sharing arrangement that was in effect before January 5, 2009?		X
10	If the answer to question 7 is "Yes," did a U.S. taxpayer make any platform contributions as defined under Regulations section 1.482-7(c) to that cost sharing arrangement during the taxable year?		X
11	If the answer to question 10 is "Yes," enter the present value of the platform contributions in U.S. dollars ▶ \$ _____		
12	If the answer to question 10 is "Yes," check the box for the method under Regulations section 1.482-7(g) used to determine the price of the platform contribution transaction(s): <input type="checkbox"/> Comparable uncontrolled transaction method <input type="checkbox"/> Income method <input type="checkbox"/> Acquisition price method <input type="checkbox"/> Market capitalization method <input type="checkbox"/> Residual profit split method <input type="checkbox"/> Unspecified methods		
13	From April 25, 2014, to December 31, 2017, did the foreign corporation purchase stock or securities of a shareholder of the foreign corporation for use in a triangular reorganization (within the meaning of Regulations section 1.358-6(b)(2))?		X
14a	Did the foreign corporation receive any intangible property in a prior year or the current tax year for which the U.S. transferor is required to report a section 367(d) annual income inclusion for the taxable year?		X
	If "Yes," go to line 14b.		
b	Enter the amount of the earnings and profits reduction pursuant to section 367(d)(2)(B) for the taxable year ▶ \$ _____		
15	During the tax year, was the foreign corporation an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9)?		X
	If "Yes," see instructions and attach statement.		
16	During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4?		X
	If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).		
17	During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		X
18	During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		X
19	Did you answer "Yes" to any of the questions in the instructions for line 19? STMT 17	X	
	If "Yes," enter the corresponding code(s) from the instructions and attach statement (see instructions) ▶ _____		
20	Does the foreign corporation have interest expense disallowed under section 163(j) (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		
21	Does the foreign corporation have previously disallowed interest expense under section 163(j) carried forward to the current tax year (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		

FORM 5471

SCHEDULE G LINE 19 STATEMENT

STATEMENT 17

CODE	DESCRIPTION	AMOUNT
DED	DEDUCTIONS TAKEN INTO ACCOUNT	12,370.
EP	EXCESS SUBPART F INCOME OVER EARNINGS AND PROFITS	2,499,394.

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item F on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder ▶	Identifying number ▶	
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)		1a
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)		1b
c Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)		1c
d Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)		1d
e Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)		1e
f Other subpart F income (see instructions)		1f
2 Earnings invested in U.S. property (enter the result from Worksheet B in the instructions)		2
3 Section 245A eligible dividends (see instructions)		3
4 Factoring income		4
See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.		
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))		5
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits		6

	Yes	No
• Was any income of the foreign corporation blocked?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Did any such income become unblocked during the tax year (see section 964(b))?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE E
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Income, War Profits, and Excess Profits Taxes Paid or Accrued

▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instructions)
a Separate Category (Enter code - see instructions.) ▶ PAS b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Taxes for Which a Foreign Tax Credit Is Allowed

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) Foreign Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)	(e) U.S. Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)
1					
2					
3					
4					
5					
6					
7					
	(f) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(g) Tax Paid or Accrued (in local currency in which the tax is payable)	(h) Conversion Rate to U.S. Dollars	(i) In U.S. Dollars (divide column (g) by column (h))	(j) In Functional Currency of Foreign Corporation
1					
2					
3					
4					
5					
6					
7					
8	Total (combine lines 1 through 7 of column (i)). Report amount on Schedule E-1, line 4				▶
9	Total (combine lines 1 through 7 of column (j)). See instructions for Schedule H, line 2g				▶

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes No If "Yes," state date of election ▶

Part III Taxes for Which a Foreign Tax Credit Is Disallowed (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Other	(h) Total
1								
2								
3	In functional currency (combine lines 1 and 2)							▶
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions))							▶

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation

IMPORTANT: Enter amounts in U.S. dollars unless otherwise noted (see instructions).		Taxes related to:			
		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance) (in functional currency)	(d) Hovering Deficit and Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1)				
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for redetermination of prior year U.S. tax liability				
3a	Taxes unsuspending under anti-splitter rules				
b	Taxes suspended under anti-splitter rules				
4	Taxes reported on Schedule E, Part I, line 8, column (i)				
5a	Taxes carried over in nonrecognition transactions				
b	Taxes reclassified as related to hovering deficit after nonrecognition transaction				
6	Other adjustments (attach statement)				
7	Taxes paid or accrued on accumulated E&P (combine lines 1c through 6)				
8	Taxes deemed paid with respect to inclusions under section 951(a)(1) (see instructions)				
9	Taxes deemed paid with respect to inclusions under section 951A (see instructions)				
10	Taxes deemed paid with respect to actual distributions				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P				
12	Other (attach statement)				
13	Taxes related to hovering deficit offset of undistributed post-transaction E&P				
14	Balance at beginning of next year (combine lines 7 through 13)				

(e) Taxes related to previously taxed E&P (see instructions)

	(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)*

(e) Taxes related to previously taxed E&P (see instructions)

	(ix) Earnings Invested Excess Passive Assets (section 959(c)(1)(B))	(x) Section 965(a) Inclusion (section 959(c)(2))	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

**SCHEDULE H
(Form 5471)**

(December 2018)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instr.)
a Separate Category (Enter code-see instructions.) ▶		PAS
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

IMPORTANT: Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account	1	-2,125,242.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
		Net Additions	Net Subtractions
a	Capital gains or losses	2a	984,585.
b	Depreciation and amortization	2b	
c	Depletion	2c	
d	Investment or incentive allowance	2d	
e	Charges to statutory reserves	2e	
f	Inventory adjustments	2f	
g	Income taxes (see Schedule E, Part I, line 9, column (j))	2g	
h	Foreign currency gains or losses	2h	
i	Other (attach statement) SEE STATEMENT 18	2i	7,786,767. 8,120,509.
3	Total net additions	3	8,771,352.
4	Total net subtractions	4	8,120,509.
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	-1,474,399.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c	Combine lines 5a and 5b	5c	-1,474,399.
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))	5d	-1,474,399.
	Enter exchange rate used for line 5d ▶		1.000000

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (12-2018)

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 18

<u>DESCRIPTION</u>	<u>NET ADDITIONS</u>	<u>NET SUBTRACTIONS</u>
RELATED PARTY PREMIUMS	0.	8,120,509.
RELATED PARTY CLAIMS PAID	7,786,767.	0.
TOTAL TO 5471, SCHEDULE H, LINE 2I	<u>7,786,767.</u>	<u>8,120,509.</u>

Foreign Corporation COTTAGE INSURANCE COMPANY, LTD

98-0461499

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5

Identifying number

LUMINIS HEALTH AAMC

52-1169362

Shareholder's income from foreign corporation

Table with 2 columns: Description and Line Number. Rows include Section 964(e)(4) Subpart F dividend income, Section 245A(e)(2) Subpart F income from hybrid dividends, Section 954(c) Subpart F Foreign Personal Holding Company Income, Section 954(d) Subpart F Foreign Base Company Sales Income, Section 954(e) Subpart F Foreign Base Company Services Income, Other Subpart F income, Earnings invested in U.S. property, Section 245A eligible dividends, Factoring income, Dividends received, and Exchange gain or (loss) on a distribution of previously taxed earnings and profits.

**SCHEDULE I-1
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

Information for Global Intangible Low-Taxed Income

▶ **Attach to Form 5471.**

OMB No. 1545-0704

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471
LUMINIS HEALTH ANNE ARUNDEL MEDICAL

Identifying number
52-1169362

Name of foreign corporation
COTTAGE INSURANCE COMPANY, LTD

EIN (if any)
98-0461499

Reference ID number (see instr.)

Separate Category (Enter code - see instructions) ▶ **PAS**

		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income	1 7657868.		
2	Exclusions			
a	Effectively connected income	2a		
b	Subpart F income	2b 7657868.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (total of lines 2a-2e)	3 7657868.		
4	Gross income less total exclusions (line 1 minus line 3)	4 0.		
5	Deductions properly allocable to amount on line 4	5		
6	Tested income (loss) (line 4 minus line 5)	6 0.	1.000000	
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8	1.000000	
9a	Interest expense included on line 5	9a		
b	Qualified interest expense	9b		
c	Tested loss QBAI amount	9c		
d	Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d	1.000000	
10a	Interest income included in line 4	10a		
b	Qualified interest income	10b		
c	Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2019)

**SCHEDULE J
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings & Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471

**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number

52-1169362

Name of foreign corporation

COTTAGE INSURANCE COMPANY, LTD

EIN (if any)

98-0461499

Reference ID number

a Separate Category (Enter code - see instructions.) ▶ **PAS**
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. shareholders' information to complete amount for columns (e)(i), (e)(ii), (e)(iv), and (e)(x) through (e)(xii) (see instructions).

Important: Enter amounts in functional currency.

		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
						(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))
1a	Balance at beginning of year (as reported on prior year Schedule J)	- 938,885.	- 3,087,972.				
b	Beginning balance adjustments (attach statement)						
c	Adjusted beginning balance (combine lines 1a and 1b)	- 938,885.	- 3,087,972.				
2a	Reduction for taxes unsuspending under anti-splitter rules						
b	Disallowed deduction for taxes suspended under anti-splitter rules						
3	Current year E&P (or deficit in E&P)	- 1,474,399.					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a	E&P carried over in nonrecognition transaction						
b	Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6	Other adjustments (attach statement)						
7	Total current and accumulated E&P (combine lines 1c through 6)	- 2,413,284.	- 3,087,972.				
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P						
9	Actual distributions						
10	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12	Other adjustments (attach statement)						
13	Hovering deficit offset of undistributed posttransaction E&P (see instructions)						
14	Balance at beginning of next year (combine lines 7 through 13)	- 2,413,284.	- 3,087,972.				

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)*

	(e) Previously Taxed E&P (see instructions)							(x) Section 965(a) Inclusion (section 959(c)(2))
	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(ix) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	
1a								
b								
c								
2a								
b								
3								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

	(e) Previously Taxed E&P (see instructions)						(f)
	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(xvi))
1a							-4,026,857.
b							
c							-4,026,857.
2a							
b							
3							-1,474,399.
4							
5a							
b							
6							
7							-5,501,256.
8							
9							
10							
11							
12							
13							
14							-5,501,256.

Part II Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))

Important: Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2019)

**SCHEDULE M
(Form 5471)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0123

▶ Attach to Form 5471.

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471
**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number
52-1169362

Name of foreign corporation
COTTAGE INSURANCE COMPANY, LTD

EIN (if any)
98-0461499

Reference ID number

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **UNITED STATES, DOLLAR** **1.000000**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) ...					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received ...					
9 Hybrid dividends received (see instr.) ...					
10 Dividends received (exclude hybrid dividends, deemed distributions under subpart F, and distributions of previously taxed income)					
11 Interest received					
12 Premiums received for insurance or reinsurance	2,443,110.				
13 Add lines 1 through 12	2,443,110.				
14 Purchases of stock in trade (inventory)					
15 Purchases of tangible property other than stock in trade					
16 Purchases of property rights (patents, trademarks, etc.)					
17 Platform contribution transaction payments paid					
18 Cost sharing transaction payments paid					
19 Compensation paid for technical, managerial, engineering, construction, or like services					
20 Commissions paid					
21 Rents, royalties, and license fees paid					
22 Hybrid dividends paid (see instructions)					
23 Dividends paid (exclude hybrid dividends paid)					
24 Interest paid					
25 Premiums paid for insurance or reinsurance					
26 Add lines 14 through 25					
27 Accounts Payable					
28 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
29 Accounts Receivable					
30 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

**SCHEDULE P
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**

▶ **Attach to Form 5471.**

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

OMB No. 1545-0123

Name of U.S. shareholder LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation COTTAGE INSURANCE COMPANY, LTD	EIN (if any) 98-0461499	Reference ID number (see instructions) PAS
a Separate Category (Enter code - see instructions.) ▶		
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Previously Taxed E&P in Functional Currency (see instructions)

	(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a Balance at beginning of year (see instructions)							
b Beginning balance adjustments (attach statement)							
c Adjusted beginning balance (combine lines 1a and 1b)							
2 Reduction for taxes unsuspended under anti-splitter rules							
3 Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4 Previously taxed E&P carried over in nonrecognition transaction							
5 Other adjustments (attach statement)							
6 Total previously taxed E&P (combine lines 1c through 5)							
7 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8 Actual distributions of previously taxed E&P ...							
9 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions) ...							
11 Other adjustments (attach statement) ...							
12 Balance at beginning of next year (combine lines 6 through 11)							

LHA **For Paperwork Reduction Act Notice, see instructions.**

Schedule P (Form 5471) (Rev. 12-2019)

Part I Previously Taxed E&P in Functional Currency (see instructions) <i>(continued)</i>										
	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Part II Previously Taxed E&P in U.S. Dollars

	(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a Balance at beginning of year (see instructions)							
b Beginning balance adjustments (attach statement)							
c Adjusted beginning balance (combine lines 1a and 1b)							
2 Reduction for taxes unsuspended under anti-splitter rules							
3 Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4 Previously taxed E&P carried over in nonrecognition transaction							
5 Other adjustments (attach statement)							
6 Total previously taxed E&P (combine lines 1c through 5)							
7 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8 Actual distributions of previously taxed E&P							
9 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)							
11 Other adjustments (attach statement)							
12 Balance at beginning of next year (combine lines 6 through 11)							

Schedule P (Form 5471) (Rev. 12-2019)

Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Information Return of U.S. Persons With Respect to Certain Foreign Corporations

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JUL 1, 2019**, and ending **JUN 30, 2020**

Attachment
Sequence No. **121**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC. Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 2000 MEDICAL PARKWAY, NO. 606 City or town, state, and ZIP code ANNAPOLIS, MD 21401 Filer's tax year beginning JUL 1, 2019 , and ending JUN 30, 2020	A Identifying number 52-1169362 B Category of filer (See instructions. Check applicable box(es): 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 45.78 % D Check box if this is a final Form 5471 for the foreign corporation <input type="checkbox"/> E Check if any excepted specified foreign financial assets are reported on this form (see instructions) <input type="checkbox"/> F Person(s) on whose behalf this information return is filed:
--	--

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
LUMINIS HEALTH, INC.	2000 MEDICAL PARKWAY, STE 606 ANNAPOLIS MD 21401	52-1622253	X		

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD. 201 WASHINGTON STREET, 29TH FLOOR BOSTON MA 02108				b(1) Employer identification number, if any b(2) Reference ID number (see instructions) EMER2021 c Country under whose laws incorporated CAYMAN ISLANDS	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
10/01/14	CJ	523900	INVESTING	UNITED STATES, DOLLAR	

2 Provide the following information for the foreign corporation's accounting period stated above. a Name, address, and identifying number of branch office or agent (if any) in the United States			b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">(i) Taxable income or (loss)</td> <td style="width:50%;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)		
(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)							
c Name and address of foreign corporation's statutory or resident agent in country of incorporation		d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different ATLANTIC FUND ADMINISTRATION, LLC THREE CANAL PLAZA PORTLAND ME 04101						

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	779,409	258,167

Schedule B Shareholders of Foreign Corporation

Part I U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of Subpart F income (enter as a percentage)
NATIONAL FIRE PROTECTION 1 BATTERYMARCH PARK QUINCY MA 02169	COMMON	133,644	133,644	51.77%
LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401	COMMON	183,990	118,195	45.78%

Part II Direct Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder. Also include country of incorporation or formation, if applicable.	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period
NATIONAL FIRE PROTECTION 1 BATTERYMARCH PARK QUINCY MA 02169	COMMON	133,644	133,644
LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS MD 21401	COMMON	183,990	118,195

Schedule C Income Statement

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	
	4 Dividends	4	1,139,660.
	5 Interest	5	
	6a Gross rents	6a	
	b Gross royalties and license fees	6b	
	7 Net gain or (loss) on sale of capital assets	7	2,861,647.
8a Foreign currency transaction gain or loss - unrealized	8a		-5,441.
	b Foreign currency transaction gain or loss - realized	8b	-69,271.
9 Other income (attach statement) SEE STATEMENT 8	9		-6,981,740.
10 Total income (add lines 3 through 9)	10		-3,055,145.
Deductions	11 Compensation not deducted elsewhere	11	
	12a Rents	12a	
	b Royalties and license fees	12b	
	13 Interest	13	
	14 Depreciation not deducted elsewhere	14	
	15 Depletion	15	
	16 Taxes (exclude income tax expense (benefit))	16	
	17 Other deductions (attach statement - exclude income tax expense (benefit)) SEE STATEMENT 9	17		245,515.
18 Total deductions (add lines 11 through 17)	18		245,515.
Net Income	19 Net income or (loss) before unusual or infrequently occurring items, and income tax expense (benefit) (subtract line 18 from line 10)	19	-3,300,660.
	20 Unusual or infrequently occurring items	20	
	21a Income tax expense (benefit) - current	21a	
	b Income tax expense (benefit) - deferred	21b	
22 Current year net income or (loss) per books (combine lines 19 through 21b)	22		-3,300,660.
Other Comprehensive Income	23a Foreign currency translation adjustments	23a	
	b Other	23b	
	c Income tax expense (benefit) related to other comprehensive income	23c	
	24 Other comprehensive income (loss), net of tax (line 23a plus line 23b less line 23c)	24	

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	1,259,413.	430,494.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	()	()
3 Derivatives	3		
4 Inventories	4		
5 Other current assets (attach statement)	5	615,368.	305,679.
6 Loans to shareholders and other related persons	6		
7 Investment in subsidiaries (attach statement)	7		
8 Other investments (attach statement)	8	79,280,017.	23,656,606.
9a Buildings and other depreciable assets	9a		
b Less accumulated depreciation	9b	()	()
10a Depletable assets	10a		
b Less accumulated depletion	10b	()	()
11 Land (net of any amortization)	11		
12 Intangible assets:			
a Goodwill	12a		
b Organization costs	12b		
c Patents, trademarks, and other intangible assets	12c		
d Less accumulated amortization for lines 12a, 12b, and 12c	12d	()	()
13 Other assets (attach statement)	13		
14 Total assets	14	81,154,798.	24,392,779.
Liabilities and Shareholders' Equity			
15 Accounts payable	15		
16 Other current liabilities (attach statement)	16	293,636.	696.
17 Derivatives	17		
18 Loans from shareholders and other related persons	18		
19 Other liabilities (attach statement)	19		
20 Capital stock:			
a Preferred stock	20a	80,861,162.	24,392,083.
b Common stock	20b		
21 Paid-in or capital surplus (attach reconciliation)	21		
22 Retained earnings	22		
23 Less cost of treasury stock	23	()	()
24 Total liabilities and shareholders' equity	24	81,154,798.	24,392,779.

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," see the instructions for required statement.		
2 During the tax year, did the foreign corporation own an interest in any trust?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as separate from their owner under Regulations sections 301.7701-2 and 301.7701-3 or did the foreign corporation own any foreign branches (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," you are generally required to attach Form 8858 for each entity or branch (see instructions).		
4a During the tax year, did the filer pay or accrue any base erosion payment under section 59A(d) to the foreign corporation or did the filer have a base erosion tax benefit under section 59A(c)(2) with respect to a base erosion payment made or accrued to the foreign corporation (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete lines 4b and 4c.		
b Enter the total amount of the base erosion payments		\$ _____
c Enter the total amount of the base erosion tax benefit		\$ _____
5a During the tax year, did the foreign corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," complete line 5b.		
b Enter the total amount of the disallowed deductions (see instructions)		\$ _____

FORM 5471 AMOUNT AND TYPE OF INDEBTEDNESS OF FOREIGN CORPORATION TO THE RELATED PERSONS DESCRIBED IN REGULATIONS SECTION 1.6046-1(B)(11) STATEMENT 6

AMOUNT	DESCRIPTION
0.	N/A

FORM 5471 NAME, ADDRESS, IDENTIFYING NUMBER AND NUMBER OF SHARES SUBSCRIBED TO BY EACH SUBSCRIBER TO THE STOCK OF THE FOREIGN CORPORATION STATEMENT 7

NAME AND ADDRESS	IDENTIFYING NUMBER	NUMBER OF SHARES
N/A		

FORM 5471 OTHER INCOME STATEMENT 8

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
UNREALIZED LOSS			-6,981,740.
TOTAL TO 5471, SCHEDULE C, LINE 9			-6,981,740.

FORM 5471 OTHER DEDUCTIONS STATEMENT 9

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
OPERATING FEE			245,515.
TOTAL TO 5471, SCHEDULE C, LINE 17			245,515.

FORM 5471

OTHER CURRENT ASSETS

STATEMENT 14

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
FOREIGN CURRENCY	69,970.	16,761.
INVESTMENTS SOLD RECEIVABLE	0.	99,902.
DIVIDENDS RECEIVABLE	503,058.	189,016.
OTHER ASSETS	5,485.	0.
DUE FROM INVESTMENT MANAGER	36,855.	0.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 5	615,368.	305,679.

FORM 5471

OTHER INVESTMENTS

STATEMENT 15

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INVESTMENTS IN SECURITIES	79,280,017.	23,656,606.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 8	79,280,017.	23,656,606.

FORM 5471

OTHER CURRENT LIABILITIES

STATEMENT 16

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
FOREIGN CAPITAL GAINS TAX PAYABLE	195,841.	696.
MANAGEMENT FEES PAYABLE	48,545.	0.
PROFESSIONAL FEES PAYABLE	36,541.	0.
OTHER LIABILITIES	12,709.	0.
TOTAL TO 5471, PAGE 4, SCHEDULE F, LINE 16	293,636.	696.

Schedule G Other Information (continued)

		Yes	No
6a	Is the filer of this Form 5471 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule M? If "Yes," complete lines 6b, 6c, and 6d.		X
b	Enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with the foreign corporation that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) (see instructions) ▶ \$ _____		
c	Enter the amount of gross income derived from a license of property to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
d	Enter the amount of gross income derived from services provided to the foreign corporation that the filer included in its computation of FDDEI (see instructions) ▶ \$ _____		
7	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
8	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X
9	If the answer to question 7 is "Yes," was the foreign corporation a participant in a cost sharing arrangement that was in effect before January 5, 2009?		X
10	If the answer to question 7 is "Yes," did a U.S. taxpayer make any platform contributions as defined under Regulations section 1.482-7(c) to that cost sharing arrangement during the taxable year?		X
11	If the answer to question 10 is "Yes," enter the present value of the platform contributions in U.S. dollars ▶ \$ _____		
12	If the answer to question 10 is "Yes," check the box for the method under Regulations section 1.482-7(g) used to determine the price of the platform contribution transaction(s): <input type="checkbox"/> Comparable uncontrolled transaction method <input type="checkbox"/> Income method <input type="checkbox"/> Acquisition price method <input type="checkbox"/> Market capitalization method <input type="checkbox"/> Residual profit split method <input type="checkbox"/> Unspecified methods		
13	From April 25, 2014, to December 31, 2017, did the foreign corporation purchase stock or securities of a shareholder of the foreign corporation for use in a triangular reorganization (within the meaning of Regulations section 1.358-6(b)(2))?		X
14a	Did the foreign corporation receive any intangible property in a prior year or the current tax year for which the U.S. transferor is required to report a section 367(d) annual income inclusion for the taxable year?		X
	If "Yes," go to line 14b.		
b	Enter the amount of the earnings and profits reduction pursuant to section 367(d)(2)(B) for the taxable year ▶ \$ _____		
15	During the tax year, was the foreign corporation an expatriated foreign subsidiary under Regulations section 1.7874-12(a)(9)?		X
	If "Yes," see instructions and attach statement.		
16	During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4?		X
	If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).		
17	During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		X
18	During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		X
19	Did you answer "Yes" to any of the questions in the instructions for line 19?		X
	If "Yes," enter the corresponding code(s) from the instructions and attach statement (see instructions) ▶ _____		
20	Does the foreign corporation have interest expense disallowed under section 163(j) (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		
21	Does the foreign corporation have previously disallowed interest expense under section 163(j) carried forward to the current tax year (see instructions)?		X
	If "Yes," enter the amount ▶ \$ _____		

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item F on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This Schedule I is being completed for:

Name of U.S. shareholder ▶	Identifying number ▶		
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of a lower-tier foreign corporation (see instructions)		1a	
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporations (see instructions)		1b	
c Section 954(c) Subpart F Foreign Personal Holding Company Income (enter result from Worksheet A)		1c	
d Section 954(d) Subpart F Foreign Base Company Sales Income (enter result from Worksheet A)		1d	
e Section 954(e) Subpart F Foreign Base Company Services Income (enter result from Worksheet A)		1e	
f Other subpart F income (see instructions)		1f	521,736.
2 Earnings invested in U.S. property (enter the result from Worksheet B in the instructions)		2	
3 Section 245A eligible dividends (see instructions)		3	
4 Factoring income		4	
See instructions for reporting amounts on lines 1, 2, and 4 on your income tax return.			
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))		5	
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits		6	

	Yes	No
• Was any income of the foreign corporation blocked?		
• Did any such income become unblocked during the tax year (see section 964(b))?		

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE E
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Income, War Profits, and Excess Profits Taxes Paid or Accrued

▶ **Attach to Form 5471.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD.	EIN (if any)	Reference ID number (see instructions) EMER2021
a Separate Category (Enter code - see instructions.) ▶ GEN b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Taxes for Which a Foreign Tax Credit Is Allowed

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Country or U.S. Possession to Which Tax Is Paid (Enter code-see instructions. Use a separate line for each.)	(d) Foreign Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)	(e) U.S. Tax Year of Foreign Corporation to Which Tax Relates (Year/Month/Day)
1					
2					
3					
4					
5					
6					
7					
	(f) Income Subject to Tax in the Foreign Jurisdiction (see instructions)	(g) Tax Paid or Accrued (in local currency in which the tax is payable)	(h) Conversion Rate to U.S. Dollars	(i) In U.S. Dollars (divide column (g) by column (h))	(j) In Functional Currency of Foreign Corporation
1					
2					
3					
4					
5					
6					
7					
8	Total (combine lines 1 through 7 of column (i)). Report amount on Schedule E-1, line 4 ▶				
9	Total (combine lines 1 through 7 of column (j)). See instructions for Schedule H, line 2g ▶				

Part II Election

For tax years beginning after December 31, 2004, has an election been made under section 986(a)(1)(D) to translate taxes using the exchange rate on the date of payment?

Yes No If "Yes," state date of election ▶

Part III Taxes for Which a Foreign Tax Credit Is Disallowed (Enter in functional currency of foreign corporation.)

	(a) Name of Payor Entity	(b) EIN or Reference ID Number of Payor Entity	(c) Section 901(j)	(d) Section 901(k) and (l)	(e) Section 901(m)	(f) U.S. Taxes	(g) Other	(h) Total
1								
2								
3	In functional currency (combine lines 1 and 2) ▶							
4	In U.S. dollars (translated at the average exchange rate, as defined in section 989(b)(3) and related regulations (see instructions)) ▶							

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation

IMPORTANT: Enter amounts in U.S. dollars unless otherwise noted (see instructions).		Taxes related to:			
		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance) (in functional currency)	(d) Hovering Deficit and Suspended Taxes
1a	Balance at beginning of year (as reported in prior year Schedule E-1)				
b	Beginning balance adjustments (attach statement)				
c	Adjusted beginning balance (combine lines 1a and 1b)				
2	Adjustment for redetermination of prior year U.S. tax liability				
3a	Taxes unsuspending under anti-splitter rules				
b	Taxes suspended under anti-splitter rules				
4	Taxes reported on Schedule E, Part I, line 8, column (i)				
5a	Taxes carried over in nonrecognition transactions				
b	Taxes reclassified as related to hovering deficit after nonrecognition transaction				
6	Other adjustments (attach statement)				
7	Taxes paid or accrued on accumulated E&P (combine lines 1c through 6)				
8	Taxes deemed paid with respect to inclusions under section 951(a)(1) (see instructions)				
9	Taxes deemed paid with respect to inclusions under section 951A (see instructions)				
10	Taxes deemed paid with respect to actual distributions				
11	Taxes on amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P				
12	Other (attach statement)				
13	Taxes related to hovering deficit offset of undistributed post-transaction E&P				
14	Balance at beginning of next year (combine lines 7 through 13)				

(e) Taxes related to previously taxed E&P (see instructions)

	(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

Schedule E-1 Taxes Paid, Accrued, or Deemed Paid on Accumulated Earnings and Profits (E&P) of Foreign Corporation *(continued)*

(e) Taxes related to previously taxed E&P (see instructions)

	(ix) Earnings Invested Excess Passive Assets (section 959(c)(1)(B))	(x) Section 965(a) Inclusion (section 959(c)(2))	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))
1a								
b								
c								
2								
3a								
b								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

**SCHEDULE H
(Form 5471)**

(December 2018)
Department of the Treasury
Internal Revenue Service

Current Earnings and Profits

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND,	EIN (if any)	Reference ID number (see instr.) EMER2021
a Separate Category (Enter code-see instructions.) ▶		GEN
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

IMPORTANT: Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account	1	-3,300,660.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
		Net Additions	Net Subtractions
a	Capital gains or losses	2a	
b	Depreciation and amortization	2b	
c	Depletion	2c	
d	Investment or incentive allowance	2d	
e	Charges to statutory reserves	2e	
f	Inventory adjustments	2f	
g	Income taxes (see Schedule E, Part I, line 9, column (j))	2g	
h	Foreign currency gains or losses	2h	5,441.
i	Other (attach statement) SEE STATEMENT 19	2i	6,981,740.
3	Total net additions	3	6,987,181.
4	Total net subtractions	4	
5a	Current earnings and profits (line 1 plus line 3 minus line 4)	5a	3,686,521.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c	Combine lines 5a and 5b	5c	3,686,521.
d	Current earnings and profits in U.S. dollars (line 5c translated at the average exchange rate, as defined in section 989(b)(3) and the related regulations (see instructions))	5d	3,686,521.
	Enter exchange rate used for line 5d ▶		1.000000

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule H (Form 5471) (12-2018)

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 19

<u>DESCRIPTION</u>	<u>NET ADDITIONS</u>	<u>NET SUBTRACTIONS</u>
UNREALIZED LOSS REVERSAL	6,981,740.	0.
TOTAL TO 5471, SCHEDULE H, LINE 2I	6,981,740.	0.

Foreign Corporation THE EMERGING MARKETS EQUITY FUND, LTD.

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5	Identifying number
Shareholder's income from foreign corporation	
1a Section 964(e)(4) Subpart F dividend income from the sale of stock of lower-tier foreign corporation	1a _____
b Section 245A(e)(2) Subpart F income from hybrid dividends of tiered corporation	1b _____
c Section 954(c) Subpart F Foreign Personal Holding Company Income	1c _____
d Section 954(d) Subpart F Foreign Base Company Sales Income	1d _____
e Section 954(e) Subpart F Foreign Base Company Services Income	1e _____
f Other Subpart F income	1f <u>521,736.</u>
2 Earnings invested in U.S. property	2 _____
3 Section 245A eligible dividends	3 _____
4 Factoring income	4 _____
5 Dividends received (translated at spot rate on payment date under section 989(b)(1))	5 _____
6 Exchange gain or (loss) on a distribution of previously taxed earnings and profits	6 _____

**SCHEDULE I-1
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

Information for Global Intangible Low-Taxed Income

▶ **Attach to Form 5471.**

OMB No. 1545-0704

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

Name of person filing Form 5471
LUMINIS HEALTH ANNE ARUNDEL MEDICAL

Identifying number
52-1169362

Name of foreign corporation
THE EMERGING MARKETS EQUITY FUND, L

EIN (if any)

Reference ID number (see instr.)
EMER2021

Separate Category (Enter code - see instructions) ▶ **GEN**

		Functional Currency	Conversion Rate	U.S. Dollars
1	Gross income	1 4001307.		
2	Exclusions			
a	Effectively connected income	2a		
b	Subpart F income	2b 1139660.		
c	High-tax exception income per section 954(b)(4)	2c		
d	Related party dividends	2d		
e	Foreign oil and gas extraction income	2e		
3	Total exclusions (total of lines 2a-2e)	3 1139660.		
4	Gross income less total exclusions (line 1 minus line 3)	4 2861647.		
5	Deductions properly allocable to amount on line 4	5 314,786.		
6	Tested income (loss) (line 4 minus line 5)	6 2546861.	1.000000	2546861.
7	Tested foreign income taxes	7	1.000000	
8	Qualified business asset investment (QBAI)	8	1.000000	
9a	Interest expense included on line 5	9a		
b	Qualified interest expense	9b		
c	Tested loss QBAI amount	9c		
d	Tested interest expense (line 9a minus the sum of line 9b and line 9c). If zero or less, enter -0-	9d	1.000000	
10a	Interest income included in line 4	10a		
b	Qualified interest income	10b		
c	Tested interest income (line 10a minus line 10b). If zero or less, enter -0-	10c	1.000000	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule I-1 (Form 5471) (Rev. 12-2019)

**SCHEDULE J
(Form 5471)**

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings & Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471

**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number

52-1169362

Name of foreign corporation

THE EMERGING MARKETS EQUITY FUND, LTD.

EIN (if any)

Reference ID number

EMER2021

- a** Separate Category (Enter code - see instructions.) ▶ **GEN**
- b** If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶

Part I Accumulated E&P of Controlled Foreign Corporation

Check the box if person filing return does not have all U.S. shareholders' information to complete amount for columns (e)(i), (e)(ii), (e)(iv), and (e)(x) through (e)(xii) (see instructions).

Important: Enter amounts in functional currency.		(a) Post-2017 E&P Not Previously Taxed (post-2017 section 959(c)(3) balance)	(b) Post-1986 Undistributed Earnings (post-1986 and pre-2018 section 959(c)(3) balance)	(c) Pre-1987 E&P Not Previously Taxed (pre-1987 section 959(c)(3) balance)	(d) Hovering Deficit and Deduction for Suspended Taxes	(e) Previously Taxed E&P (see instructions)	
						(i) Section 965(a) Inclusion (section 959(c)(1)(A))	(ii) Section 965(b)(4)(A) (section 959(c)(1)(A))
1a	Balance at beginning of year (as reported on prior year Schedule J)						
b	Beginning balance adjustments (attach statement)						
c	Adjusted beginning balance (combine lines 1a and 1b)						
2a	Reduction for taxes unsuspended under anti-splitter rules						
b	Disallowed deduction for taxes suspended under anti-splitter rules						
3	Current year E&P (or deficit in E&P)	3,686,521.					
4	E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation						
5a	E&P carried over in nonrecognition transaction						
b	Reclassify deficit in E&P as hovering deficit after nonrecognition transaction						
6	Other adjustments (attach statement)						
7	Total current and accumulated E&P (combine lines 1c through 6)	3,686,521.					
8	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P	-3,686,521.					
9	Actual distributions						
10	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P						
11	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)						
12	Other adjustments (attach statement)						
13	Hovering deficit offset of undistributed posttransaction E&P (see instructions)						
14	Balance at beginning of next year (combine lines 7 through 13)	0.					

Part I Accumulated E&P of Controlled Foreign Corporation *(continued)*

	(e) Previously Taxed E&P (see instructions)							(x) Section 965(a) Inclusion (section 959(c)(2))
	(iii) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(iv) Section 951A Inclusion (section 959(c)(1)(A))	(v) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(vi) Section 959(e) (section 959(c)(1)(A))	(vii) Section 964(e)(4) Inclusion (section 959(c)(1)(A))	(viii) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(ix) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	
1a								
b								
c								
2a								
b								
3								
4								
5a								
b								
6								
7								
8								
9								
10								
11								
12								
13								
14								

	(e) Previously Taxed E&P (see instructions)						(f) Total Section 964(a) E&P (combine columns (a), (b), (c), and (e)(i) through (e)(xvi))
	(xi) Section 965(b)(4)(A) (section 959(c)(2))	(xii) Section 951A Inclusion (section 959(c)(2))	(xiii) Section 245A(e)(2) Inclusion (section 959(c)(2))	(xiv) Section 959(e) (section 959(c)(2))	(xv) Section 964(e)(4) Inclusion (section 959(c)(2))	(xvi) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	
1a							
b							
c							
2a							
b							
3							3,686,521.
4							
5a							
b							
6							
7							3,686,521.
8		2,546,861.				1,139,660.	0.
9							
10							
11							
12							
13							
14		2,546,861.				1,139,660.	3,686,521.

Part II Nonpreviously Taxed E&P Subject to Recapture as Subpart F Income (section 952(c)(2))

Important: Enter amounts in functional currency.

1	Balance at beginning of year	▶	1	
2	Additions (amounts subject to future recapture)	▶	2	
3	Subtractions (amounts recaptured in current year)	▶	3	
4	Balance at end of year (combine lines 1 through 3)	▶	4	

Schedule J (Form 5471) (Rev. 12-2019)

**SCHEDULE M
(Form 5471)**

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0123

▶ Attach to Form 5471.

▶ Go to www.irs.gov/Form5471 for instructions and the latest information.

Name of person filing Form 5471
**LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.**

Identifying number
52-1169362

Name of foreign corporation
THE EMERGING MARKETS EQUITY FUND,

EIN (if any)

Reference ID number
EMER2021

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **UNITED STATES, DOLLAR** **1.000000**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) ...					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Hybrid dividends received (see instr.)					
10 Dividends received (exclude hybrid dividends, deemed distributions under subpart F, and distributions of previously taxed income)					
11 Interest received					
12 Premiums received for insurance or reinsurance					
13 Add lines 1 through 12					
14 Purchases of stock in trade (inventory)					
15 Purchases of tangible property other than stock in trade					
16 Purchases of property rights (patents, trademarks, etc.)					
17 Platform contribution transaction payments paid					
18 Cost sharing transaction payments paid					
19 Compensation paid for technical, managerial, engineering, construction, or like services					
20 Commissions paid					
21 Rents, royalties, and license fees paid					
22 Hybrid dividends paid (see instructions)					
23 Dividends paid (exclude hybrid dividends paid)					
24 Interest paid					
25 Premiums paid for insurance or reinsurance					
26 Add lines 14 through 25					
27 Accounts Payable					
28 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
29 Accounts Receivable					
30 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

**SCHEDULE O
(Form 5471)**

(Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Organization or Reorganization of Foreign Corporation, and Acquisitions and Dispositions of its Stock

Information about Schedule O (Form 5471) and its instructions is at www.irs.gov/form5471

▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471 LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND,	EIN (if any)	Reference ID number EMER2021

Important: Complete a separate Schedule O for each foreign corporation for which information must be reported.

Part I To Be Completed by U.S. Officers and Directors

(a) Name of shareholder for whom acquisition information is reported	(b) Address of shareholder	(c) Identifying number of shareholder	(d) Date of original 10% acquisition	(e) Date of additional 10% acquisition

Part II To Be Completed by U.S. Shareholders

Note: If this return is required because one or more shareholders became U.S. persons, attach a list showing the names of such persons and the date each became a U.S. person.

Section A - General Shareholder Information

(a) Name, address, and identifying number of shareholder(s) filing this schedule	(b) For shareholder's latest U.S. income tax return filed, indicate:			(c) Date (if any) shareholder last filed information return under section 6046 for the foreign corporation
	(1) Type of return (enter form number)	(2) Date return filed	(3) Internal Revenue Service Center where filed	
STMT 20 LUMINIS HEALTH AAMC 2001 MEDICAL PARKWAY ANNAPOLIS				
NATIONAL FIRE PROTECTION 1 BATTERYMARCH PARK QUINCY, MA				

Section B - U.S. Persons Who Are Officers or Directors of the Foreign Corporation

(a) Name of U.S. officer or director	(b) Address	(c) Social security number	(d) Check appropriate box(es)	
			Officer	Director

Section C - Acquisition of Stock

(a) Name of shareholder(s) filing this schedule	(b) Class of stock acquired	(c) Date of acquisition	(d) Method of acquisition	(e) Number of shares acquired		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount paid or value given	(g) Name and address of person from whom shares were acquired

Section D - Disposition of Stock

(a) Name of shareholder disposing of stock	(b) Class of stock	(c) Date of disposition	(d) Method of disposition	(e) Number of shares disposed of		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount received	(g) Name and address of person to whom disposition of stock was made

Section E - Organization or Reorganization of Foreign Corporation

(a) Name and address of transferor	(b) Identifying number (if any)	(c) Date of transfer

(d) Assets transferred to foreign corporation			(e) Description of assets transferred by, or notes or securities issued by, foreign corporation
(1) Description of assets	(2) Fair market value	(3) Adjusted basis (if transferor was U.S. person)	

Section F - Additional Information

(a) If the foreign corporation or a predecessor U.S. corporation filed (or joined with a consolidated group in filing) a U.S. income tax return for any of the last 3 years, attach a statement indicating the year for which a return was filed (and, if applicable, the name of the corporation filing the consolidated return), the taxable income or loss, and the U.S. income tax paid (after all credits).

(b) List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock ►

(c) If the foreign corporation is a member of a group constituting a chain of ownership, attach a chart, for each unit of which a shareholder owns 10% or more in value or voting power of the outstanding stock. The chart must indicate the corporation's position in the chain of ownership and the percentages of stock ownership (see instructions for an example).

5471 SCHEDULE O

GENERAL SHAREHOLDER INFORMATION

STATEMENT 20

(A) NAME, ADDRESS, AND IDENTIFYING NUMBER OF SHAREHOLDER(S) FILING THIS SCHEDULE	(B) FOR SHAREHOLDER'S LATEST U.S. INCOME TAX RETURN FILED INDICATE:			(C) DATE SHAREHOLD -ER LAST FILED IN- FORMATION RTN UNDER SEC. 6046
	(1) TYPE OF RETURN (ENTER FORM NUMBER)	(2) DATE RETURN FILED	(3) INTERNAL REVENUE SERVICE CENTER WHERE FILED	

LUMINIS HEALTH AAMC
2001 MEDICAL PARKWAY ANNAPOLIS

NATIONAL FIRE PROTECTION
1 BATTERYMARCH PARK QUINCY, MA

**SCHEDULE P
(Form 5471)**

(Rev. December 2019)

Department of the Treasury
Internal Revenue Service

**Previously Taxed Earnings and Profits of U.S. Shareholder
of Certain Foreign Corporations**

▶ **Attach to Form 5471.**

▶ **Go to www.irs.gov/Form5471 for instructions and the latest information.**

OMB No. 1545-0123

Name of U.S. shareholder LUMINIS HEALTH ANNE ARUNDEL MEDICAL		Identifying number 52-1169362
Name of foreign corporation THE EMERGING MARKETS EQUITY FUND, LTD.	EIN (if any)	Reference ID number (see instructions) EMER2021
a Separate Category (Enter code - see instructions.) ▶		GEN
b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶		

Part I Previously Taxed E&P in Functional Currency (see instructions)

		(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a	Balance at beginning of year (see instructions)							
b	Beginning balance adjustments (attach statement)							
c	Adjusted beginning balance (combine lines 1a and 1b)							
2	Reduction for taxes unsuspended under anti-splitter rules							
3	Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4	Previously taxed E&P carried over in nonrecognition transaction							
5	Other adjustments (attach statement)							
6	Total previously taxed E&P (combine lines 1c through 5)							
7	Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8	Actual distributions of previously taxed E&P ...							
9	Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10	Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions) ...							
11	Other adjustments (attach statement) ...							
12	Balance at beginning of next year (combine lines 6 through 11)							

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule P (Form 5471) (Rev. 12-2019)

Part I Previously Taxed E&P in Functional Currency (see instructions) *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7					1165953.				521,736.	1687689.
8										
9										
10										
11										
12					1165953.				521,736.	1687689.

Part II Previously Taxed E&P in U.S. Dollars

	(a) Section 965(a) Inclusion (section 959(c)(1)(A))	(b) Section 965(b)(4)(A) (section 959(c)(1)(A))	(c) Earnings Invested in U.S. Property (section 959(c)(1)(A))	(d) Section 951A Inclusion (section 959(c)(1)(A))	(e) Section 245A(e)(2) Inclusion (section 959(c)(1)(A))	(f) Section 959(e) (section 959(c)(1)(A))	(g) Section 964(e)(4) Inclusion (section 959(c)(1)(A))
1a Balance at beginning of year (see instructions)							
b Beginning balance adjustments (attach statement)							
c Adjusted beginning balance (combine lines 1a and 1b)							
2 Reduction for taxes unsuspended under anti-splitter rules							
3 Previously taxed E&P attributable to distributions of previously taxed E&P from lower-tier foreign corporation							
4 Previously taxed E&P carried over in nonrecognition transaction							
5 Other adjustments (attach statement)							
6 Total previously taxed E&P (combine lines 1c through 5)							
7 Amounts reclassified to section 959(c)(2) E&P from section 959(c)(3) E&P							
8 Actual distributions of previously taxed E&P							
9 Amounts reclassified to section 959(c)(1) E&P from section 959(c)(2) E&P							
10 Amounts included as earnings invested in U.S. property and reclassified to section 959(c)(1) E&P (see instructions)							
11 Other adjustments (attach statement)							
12 Balance at beginning of next year (combine lines 6 through 11)							

Schedule P (Form 5471) (Rev. 12-2019)

Part II Previously Taxed E&P in U.S. Dollars *(continued)*

	(h) Section 951(a)(1)(A) Inclusion (section 959(c)(1)(A))	(i) Earnings Invested in Excess Passive Assets (section 959(c)(1)(B))	(j) Section 965(a) Inclusion (section 959(c)(2))	(k) Section 965(b)(4)(A) (section 959(c)(2))	(l) Section 951A Inclusion (section 959(c)(2))	(m) Section 245A(e)(2) Inclusion (section 959(c)(2))	(n) Section 959(e) (section 959(c)(2))	(o) Section 964(e)(4) Inclusion (section 959(c)(2))	(p) Section 951(a)(1)(A) Inclusion (section 959(c)(2))	(q) Total
1a										
b										
c										
2										
3										
4										
5										
6										
7					1165953.			521,736.	1687689.	
8										
9										
10										
11										
12					1165953.			521,736.	1687689.	

Return of U.S. Persons With Respect to Certain Foreign Partnerships

▶ **Go to www.irs.gov/Form8865 for instructions and the latest information.**

2019

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign partnership's tax year

beginning **JAN 1**, 2019, and ending **DEC 31**, 2019

Attachment Sequence No. **118**

Name of person filing this return LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Filer's identification number 52-1169362
--	--

Filer's address (if you aren't filing this form with your tax return)	A Category of filer (see Categories of Filers in the instructions and check applicable box(es)): 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/>
	B Filer's tax year beginning JUL 1 , 2019, and ending JUN 30 , 2020

C Filer's share of liabilities: Nonrecourse \$ **187**. Qualified nonrecourse financing \$ **0**. Other \$ **0**.

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent:

Name LUMINIS HEALTH, INC.	EIN 52-1622253
Address 2000 MEDICAL PARKWAY, SUITE 606 ANNAPOLIS, MD 21401	

E Check if any excepted specified foreign financial assets are reported on this form. See instructions

F Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identification number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner

G1 Name and address of foreign partnership
GREENSPRING GLOBAL PARTNERS VIII-B, LP

100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117

2(a) EIN (if any) 98-1335583
2(b) Reference ID number
3 Country under whose laws organized CAYMAN ISLANDS

4 Date of organization 11/04/2016	5 Principal place of business OTHER COUNTRY	6 Principal business activity code number 523900	7 Principal business activity INVESTMENT	8a Functional currency US DOLLAR	8b Exchange rate (see instructions)
--	--	---	---	---	--

H Provide the following information for the foreign partnership's tax year:

1 Name, address, and identification number of agent (if any) in the United States GREENSPRING ASSOCIATES, INC. 100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117	2 Check if the foreign partnership must file: <input type="checkbox"/> Form 1042 <input type="checkbox"/> Form 8804 <input checked="" type="checkbox"/> Form 1065 Service Center where Form 1065 is filed: E-FILE
--	--

3 Name and address of foreign partnership's agent in country of organization, if any MAPLES CORPORATE SERVICES LIMITED P.O. BOX 309, UGLAND HOUSE , GRAND CAYMAN CAYMAN ISLANDS KY1-110	4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different GREENSPRING ASSOCIATES, INC. 100 PAINTERS MILL ROAD, SUITE 700 OWINGS MILLS, MD 21117
--	---

5 During the tax year, did the foreign partnership pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions Yes No
If "Yes," enter the total amount of the disallowed deductions \$

6 Is the partnership a section 721(c) partnership, as defined in Temporary Regulations section 1.721(c)-1T(b)(14)? Yes No

7 Were any special allocations made by the foreign partnership? Yes No

8 Enter the number of Forms 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), attached to this return. See instructions **0**

9 How is this partnership classified under the law of the country in which it's organized? ▶ **PARTNERSHIP**

10 a Does the filer have an interest in the foreign partnership, or an interest indirectly through the foreign partnership, that's a separate unit under Reg. 1.1503(d)-1(b)(4) or part of a combined separate unit under Reg. 1.1503(d)-1(b)(4)(ii)? If "No," skip question 10b Yes No

b If "Yes," does the separate unit or combined separate unit have a dual consolidated loss, as defined in Reg. 1.1503(d)-1(b)(5)(ii)? Yes No

11 Does this partnership meet **both** of the following requirements?
 1. The partnership's total receipts for the tax year were less than \$250,000.
 2. The value of the partnership's total assets at the end of the tax year was less than \$1 million.
 If "Yes," don't complete Schedules L, M-1, and M-2. Yes No

- 12 a** Is the filer of this Form 8865 claiming a foreign-derived intangible income deduction (under section 250) with respect to any amounts listed on Schedule N? Yes No
- b** If "Yes," enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) from transactions with or by the foreign partnership that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) ▶ _____
- c** If "Yes," enter the amount of gross income derived from a license of property to or by the foreign partnership that the filer included in its computation of FDDEI ▶ _____
- d** If "Yes," enter the amount of gross income derived from services provided to or by the foreign partnership that the filer included in its computation of FDDEI ▶ _____
- 13** Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership ▶ _____
- 14** At any time during the tax year were any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? Yes No
- 15 a** Were there any transfers of property or money within a 2-year period between the partnership and any of its partners that would require disclosure under Regs. 1.703-3 or 1.707-6? If "Yes," attach a statement identifying the transfers, the amount or value of each transfer, and an explanation of the tax treatment. See instructions for exceptions Yes No
- b** Did the partnership assume a liability or receive property subject to a liability where such liability was incurred by a partner within a 2-year period of transferring the property to the partnership? If "Yes," attach a statement identifying the property transferred, the amount or value of each transfer, the debt assumed or taken by the partnership, and an explanation of the tax treatment Yes No

Sign Here Only if You're Filing This Form Separately and Not With Your Tax Return. 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 general partner or limited liability company member) is based on all information of which preparer has any knowledge.

▶ _____ Signature of general partner or limited liability company member ▶ _____ Date

Paid Preparer Use Only	Print/Type preparer's name LORI S. BURGHAUSER	Preparer's signature <i>Lori Burghauser</i>	Date 05/08/21	Check <input type="checkbox"/> if self-employed	PTIN P00370694
	Firm's name ▶ SC&H GROUP, INC.			Firm's EIN ▶ 20-5991824	
	Firm's address ▶ 910 RIDGEBROOK ROAD			Phone no. (410) 403-1500	
	SPARKS, MD 21152				

Schedule A Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box **b**, enter the name, address, and U.S. taxpayer identification number (if any) of the person(s) whose interest you constructively own. See instructions.

a Owns a direct interest b Owns a constructive interest

Name	Address	Identification number (if any)	Check if foreign person	Check if direct partner

Schedule A-1 Certain Partners of Foreign Partnership (see instructions)

Name	Address	Identification number (if any)	Check if foreign person

Schedule A-2 Foreign Partners of Section 721(c) Partnership (see instructions)

Name of foreign partner	Address	Country of organization (if any)	U.S. taxpayer identification number (if any)	Check if related to U.S. transferor	Percentage interest	
					Capital	Profits
				<input type="checkbox"/>	%	%
				<input type="checkbox"/>	%	%

Does the partnership have any other foreign person as a direct partner? Yes No

Schedule A-3 Affiliation Schedule. List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership
GREENSPRING GLOBAL PARTNER	100 PAINTERS MILL ROAD	81-4458274		
	OWINGS MILLS, MD 21117			

**SCHEDULE O
(Form 8865)**

**Transfer of Property to a Foreign Partnership
(Under Section 6038B)**

OMB No. 1545-1668

(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 8865. See the Instructions for Form 8865.**
▶ **Go to www.irs.gov/Form8865 for instructions and the latest information.**

Name of transferor **LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.** Filer's identifying number **52-1169362**

Name of foreign partnership **GREENSPRING GLOBAL PARTNERS VIII-** EIN (if any) **98-1335583** Reference ID number (see instr)

- 1 a** Is the partnership a section 721(c) partnership (as defined in Temporary Regulations section 1.721(c)-1T(b)(14))? See instructions Yes No
b If "Yes," was the gain deferral method applied to avoid the recognition of gain upon the contribution of property? Yes No
2 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Part I Transfers Reportable Under Section 6038B

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Recovery period	(f) Section 704(c) allocation method	(g) Gain recognized on transfer
Cash	01/01/20		1,000,000.				
Stock, notes receivable and payable, and other securities							
Inventory							
Tangible property used in trade or business							
Intangible property described in section 197(f)(9)							
Intangible property, other than intangible property described in section 197(f)(9)							
Other property							
Totals			1,000,000.				

3 Enter the transferor's percentage interest in the partnership: (a) Before the transfer **.9860** % (b) After the transfer **.9720** %

Supplemental Information Required To Be Reported (see instructions):

Part II Dispositions Reportable Under Section 6038B

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

Part III Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)? Yes No

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

Schedule O (Form 8865) 12-2018

**Return by a U.S. Transferor of Property
 to a Foreign Corporation**

▶ Go to www.irs.gov/Form926 for instructions and the latest information.
 ▶ Attach to your income tax return for the year of the transfer or distribution.

Part I U.S. Transferor Information (see instructions)

Name of transferor LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Identifying number (see instructions) 52-1169362
---	--

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation? Yes No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation LUMINIS HEALTH, INC.	EIN of parent corporation 52-1622253
---	--

- d** Have basis adjustments under section 367(a)(4) been made? Yes No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership N/A	EIN of partnership
-----------------------------------	--------------------

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

4 Name of transferee (foreign corporation) ABERDEEN U.S. PRIVATE EQUITY VII (OFFSHORE), LP	5a Identifying number, if any 98-1334150
---	---

6 Address (including country) 94 SOLARIS AVENUE, PO BOX 1348 CAMANA BAY KY1-1108 CAYMAN ISLANDS	5b Reference ID number
--	-------------------------------

7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

- 9** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	10/16/2019		850,000.		

10 Was cash the only property transferred? **Yes** **No**
 If "Yes," skip the remainder of Part III and go to Part IV.

Section B - Other Property (other than intangible property subject to section 367(d))

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

- 11** Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed? **Yes** **No**
- 12 a** Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation? **Yes** **No**
 If "Yes," go to line 12b.
- b** Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation? **Yes** **No**
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.
- c** Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation? **Yes** **No**
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.
- d** Enter the transferred loss amount included in gross income as required under section 91 ► \$ _____
- 13** Did the transferor transfer property described in section 367(d)(4)? **Yes** **No**
 If "No," skip Section C and questions 14a through 15.

Section C - Intangible Property Subject to Section 367(d)

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years? Yes No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life? Yes No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property? Yes No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ _____
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Supplemental Part III Information Required To Be Reported (see instructions)

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., ON VARIOUS DATES THROUGHOUT THE YEAR, TRANSFERRED CASH WITH AN AGGREGATE FAIR MARKET VALUE AND A BASIS OF \$1,000,000 TO ABERDEEN U.S. PRIVATE EQUITY VII (OFFSHORE), LP. NO PRIVATE LETTER RULINGS WERE ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE.

Part IV Additional Information Regarding Transfer of Property (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.
(a) Before 4.227 % (b) After 4.227 %
- 17 Type of nonrecognition transaction (see instructions) ▶ IRC SECTION 351
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
 - a Gain recognition under section 904(f)(3) Yes No
 - b Gain recognition under section 904(f)(5)(F) Yes No
 - c Recapture under section 1503(d) Yes No
 - d Exchange gain under section 987 Yes No
- 19 Did this transfer result from a change in entity classification? Yes No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions) Yes No
If "Yes," complete lines 20b and 20c.
- b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ _____
- c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)? Yes No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions Yes No

**Return by a U.S. Transferor of Property
 to a Foreign Corporation**

OMB No. 1545-0026

▶ Go to www.irs.gov/Form926 for instructions and the latest information.
 ▶ Attach to your income tax return for the year of the transfer or distribution.

Attachment
 Sequence No. **128**

Part I U.S. Transferor Information (see instructions)

Name of transferor LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Identifying number (see instructions) 52-1169362
---	--

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation? Yes No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation LUMINIS HEALTH, INC.	EIN of parent corporation 52-1622253
---	--

- d** Have basis adjustments under section 367(a)(4) been made? Yes No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
N/A	

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

Name of transferee (foreign corporation) COTTAGE INSURANCE COMPANY, LTD.	5a Identifying number, if any 98-0461499
--	--

Address (including country) P.O. BOX 10233 GRAND CAYMAN KY1-1002 CAYMAN ISLANDS	5b Reference ID number
---	------------------------

7 Country code of country of incorporation or organization
CJ

8 Foreign law characterization (see instructions)
CORPORATION

- 9** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Section A - Cash

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	07/01/2019		8,120,509.		

10 Was cash the only property transferred? **Yes** **No**
 If "Yes," skip the remainder of Part III and go to Part IV.

Section B - Other Property (other than intangible property subject to section 367(d))

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

11 Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed? **Yes** **No**

12 a Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation? **Yes** **No**
 If "Yes," go to line 12b.

b Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation? **Yes** **No**
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.

c Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation? **Yes** **No**
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.

d Enter the transferred loss amount included in gross income as required under section 91 ► \$ _____

13 Did the transferor transfer property described in section 367(d)(4)? **Yes** **No**
 If "No," skip Section C and questions 14a through 15.

Section C - Intangible Property Subject to Section 367(d)

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years? Yes No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life? Yes No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property? Yes No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ► \$ _____
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? Yes No

Supplemental Part III Information Required To Be Reported (see instructions)
SEE STATEMENT 21

Part IV Additional Information Regarding Transfer of Property (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.
 (a) Before 100.000 % (b) After 100.000 %
- 17 Type of nonrecognition transaction (see instructions) ► IRC SECTION 351
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
 - a Gain recognition under section 904(f)(3) Yes No
 - b Gain recognition under section 904(f)(5)(F) Yes No
 - c Recapture under section 1503(d) Yes No
 - d Exchange gain under section 987 Yes No
- 19 Did this transfer result from a change in entity classification? Yes No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions) Yes No
 If "Yes," complete lines 20b and 20c.
 b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ► \$ _____
 c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)? Yes No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions Yes No

FORM 926

STATEMENT 21

STATEMENT PURSUANT TO SECTION 1.351-3(A) BY LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., 52-1169362, A SIGNIFICANT TRANSFEROR:

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC., ON VARIOUS DATES THROUGHOUT THE YEAR, TRANSFERRED CASH WITH AN AGGREGATE FAIR MARKET VALUE AND A BASIS OF \$8,120,509 TO COTTAGE INSURANCE COMPANY, LTD. NO PRIVATE LETTER RULINGS WERE ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KEVIN L. SMITH

- The books are in the care of ▶ **2000 MEDICAL PARKWAY, SUITE 606 - ANNAPOLIS, MD 21401**
Telephone No. ▶ **(443) 481-1308** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

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Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 7

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KEVIN L. SMITH

- The books are in the care of ▶ **2000 MEDICAL PARKWAY, SUITE 606 - ANNAPOLIS, MD 21401**
Telephone No. ▶ **(443) 481-1308** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 23,000.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 15,000.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 8,000.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Taxpayer identification number (TIN) 52-1169362
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2000 MEDICAL PARKWAY, NO. 606	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANNAPOLIS, MD 21401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 9

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KEVIN L. SMITH

- The books are in the care of ▶ **2000 MEDICAL PARKWAY, SUITE 606 - ANNAPOLIS, MD 21401**
Telephone No. ▶ **(443) 481-1308** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year _____ or
▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 210,000.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 210,000.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Luminis Health, Inc. and Subsidiaries
Years Ended June 30, 2020 and 2019
With Report of Independent Auditors

Ernst & Young LLP



Luminis Health, Inc. and Subsidiaries
Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2020 and 2019

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Ernst & Young LLP
Suite 310
1201 Wills Street
Baltimore, MD 21231

Tel: +1 410 539 7940
Fax: +1 410 783 3832
ey.com

Report of Independent Auditors

The Board of Trustees
Luminis Health, Inc.

We have audited the accompanying consolidated financial statements of Luminis Health, Inc. (a Maryland not-for-profit corporation) and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Doctors Community Medical Center and subsidiaries, a wholly owned subsidiary, which statements reflect total assets of \$320,453,000 as of June 30, 2020, and revenues and gains in excess of expenses of \$4,460,000, for the year then ended or the financial statements of Cottage Insurance Company, Ltd., a wholly owned subsidiary, which statements reflect total assets of \$38,974,000 and \$39,535,000 as of June 30, 2020 and 2019, respectively, and net loss after elimination of intercompany revenues of \$10,246,000 and \$10,149,000, respectively, for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Doctors Community Medical Center and subsidiaries and Cottage Insurance Company, Ltd., are based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Luminis Health, Inc. and subsidiaries at June 30, 2020 and 2019, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Adoption of New Accounting Pronouncements

As discussed in Note 2 to the consolidated financial statements, Luminis Health, Inc. and subsidiaries changed its method of accounting for leases as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, effective July 1, 2019. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

October 23, 2020

Luminis Health, Inc. and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 178,795,000	\$ 15,100,000
Short-term investments	1,365,000	15,261,000
Current portion of assets whose use is limited	15,912,000	15,190,000
Patient receivables, net	118,882,000	80,307,000
Current portion of pledges receivable, net	945,000	494,000
Inventories	21,789,000	8,650,000
Prepaid expenses and other current assets	19,857,000	14,125,000
Total current assets	<u>357,545,000</u>	<u>149,127,000</u>
Property and equipment	1,096,845,000	918,666,000
Less accumulated depreciation and amortization	<u>(538,353,000)</u>	<u>(493,004,000)</u>
Net property and equipment	<u>558,492,000</u>	<u>425,662,000</u>
Other assets:		
Investments	338,985,000	386,056,000
Investments in joint ventures	14,024,000	8,886,000
Pledges receivable, net	3,192,000	2,802,000
Assets whose use is limited	41,020,000	35,973,000
Restricted collateral for interest rate swap contract	110,002,000	67,404,000
Right of use asset	44,995,000	—
Other assets	53,613,000	34,374,000
Total assets	<u>\$ 1,521,868,000</u>	<u>\$ 1,110,284,000</u>

Luminis Health, Inc. and Subsidiaries
Consolidated Balance Sheets (continued)

	June 30	
	2020	2019
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 40,441,000	\$ 30,458,000
Accrued salaries, wages, and benefits	53,438,000	37,814,000
Other accrued expenses	32,413,000	18,389,000
Current portion of long-term debt	16,440,000	11,029,000
Advances from third-party payors	182,697,000	23,903,000
Current portion of lease liability	8,753,000	—
Total current liabilities	334,182,000	121,593,000
Long-term debt, less current portion and unamortized original issue premium	470,308,000	359,735,000
Interest rate swap contracts	117,037,000	78,479,000
Accrued pension liability	29,276,000	6,076,000
Lease liability, less current portion	37,429,000	—
Other long-term liabilities	47,032,000	37,010,000
Total liabilities	1,035,264,000	602,893,000
Net assets:		
Without donor restrictions	460,552,000	482,661,000
With donor restrictions	23,861,000	24,730,000
Non-controlling interest	2,191,000	—
Total net assets	486,604,000	507,391,000
Total liabilities and net assets	\$ 1,521,868,000	\$ 1,110,284,000

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2020	2019
Operating revenue:		
Net patient service revenue	\$ 969,105,000	\$ 742,876,000
Other operating revenue	78,393,000	33,180,000
Total operating revenue	<u>1,047,498,000</u>	<u>776,056,000</u>
Operating expenses:		
Salaries and wages	479,880,000	349,660,000
Employee benefits	75,930,000	56,356,000
Supplies	197,487,000	159,489,000
Purchased services	226,375,000	137,557,000
Depreciation and amortization	45,994,000	36,833,000
Interest	16,151,000	13,118,000
Transaction costs	—	3,279,000
Total operating expenses	<u>1,041,817,000</u>	<u>756,292,000</u>
Operating income	<u>5,681,000</u>	<u>19,764,000</u>
Other (loss) income:		
Investment (loss) income, net	(9,700,000)	13,873,000
Loss from joint ventures and other, net	(673,000)	(545,000)
Inherent contribution	61,715,000	—
Pension credit (expense), net	1,116,000	(4,777,000)
Unrealized (losses) gains on trading securities, net	(15,151,000)	10,034,000
Realized and unrealized losses on interest rate swap contracts, net	<u>(43,149,000)</u>	<u>(23,361,000)</u>
Total other loss, net	<u>(5,842,000)</u>	<u>(4,776,000)</u>
(Deficit) excess of revenue over expenses	<u>\$ (161,000)</u>	<u>\$ 14,988,000</u>

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, June 30, 2018	\$ 469,018,000	\$ 26,304,000	\$ 495,322,000
Excess of revenues over expenses	14,988,000	–	14,988,000
Pension liability adjustment	(2,784,000)	–	(2,784,000)
Released from restrictions used for			
purchase of property and equipment	163,000	–	163,000
Transfers and other, net	1,276,000	–	1,276,000
Restricted gifts, bequests, and contributions	–	5,451,000	5,451,000
Unrealized losses on investments	–	(18,000)	(18,000)
Restricted investment income	–	60,000	60,000
Net assets released from restrictions	–	(7,964,000)	(7,964,000)
Other	–	897,000	897,000
Changes in net assets	<u>13,643,000</u>	<u>(1,574,000)</u>	<u>12,069,000</u>
Net assets, June 30, 2019	482,661,000	24,730,000	507,391,000
Net assets acquired	2,265,000	487,000	2,752,000
Deficit of revenues over expenses	(161,000)	–	(161,000)
Pension liability adjustment	(24,810,000)	–	(24,810,000)
Released from restrictions used for			
purchase of property and equipment	1,837,000	–	1,837,000
Transfers and other, net	951,000	(598,000)	353,000
Restricted gifts, bequests, and contributions	–	9,518,000	9,518,000
Unrealized losses on investments	–	(3,394,000)	(3,394,000)
Restricted investment income	–	693,000	693,000
Net assets released from restrictions	–	(7,575,000)	(7,575,000)
Changes in net assets	<u>(19,918,000)</u>	<u>(869,000)</u>	<u>(20,787,000)</u>
Net assets, June 30, 2020	<u>\$ 462,743,000</u>	<u>\$ 23,861,000</u>	<u>\$ 486,604,000</u>

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2020	2019
Operating activities		
(Decrease) increase in net assets	\$ (20,787,000)	\$ 12,069,000
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Change in net unrealized losses (gains) on investments	18,545,000	(10,016,000)
Realized and unrealized losses on interest rate swap contracts, net	43,149,000	23,361,000
Pension liability adjustment	24,810,000	2,784,000
Equity in earnings of joint ventures and other	804,000	854,000
Restricted contributions and pledges, net	(9,518,000)	(5,374,000)
Depreciation and amortization	45,994,000	36,833,000
Restricted investment income	(693,000)	(60,000)
Decrease (increase) in investments – trading	60,680,000	(86,894,000)
(Increase) decrease in assets whose use is limited, net – trading	(5,164,000)	625,000
Inherent contribution and net assets acquired	(64,467,000)	–
Net change in operating assets and liabilities	154,413,000	6,846,000
Net cash provided by (used in) operating activities	247,766,000	(18,972,000)
Investing activities		
Purchases of property and equipment	(62,284,000)	(34,686,000)
Payments on interest rate swaps	(4,591,000)	(4,185,000)
Cash acquired	34,168,000	–
Net cash used in investing activities	(32,707,000)	(38,871,000)
Financing and fundraising activities		
Payoff amount for 2008 Term and Construction Loans	–	(61,920,000)
Proceeds received from real estate loan	–	61,920,000
Repayments of long-term debt	(17,530,000)	(11,310,000)
Restricted contributions received and other	8,676,000	6,193,000
Restricted income received	693,000	60,000
Net cash used in financing and fundraising activities	(8,161,000)	(5,057,000)
Net increase (decrease) in cash, cash equivalents, and restricted cash	206,898,000	(62,900,000)
Cash, cash equivalents, and restricted cash at beginning of year	98,930,000	161,830,000
Cash, cash equivalents, and restricted cash at end of year	\$ 305,828,000	\$ 98,930,000
Cash and cash equivalents	\$ 178,795,000	\$ 15,100,000
Restricted cash, included in restricted collateral and assets whose use is limited	127,033,000	83,830,000
Cash, cash equivalents, and restricted cash at end of year	\$ 305,828,000	\$ 98,930,000

Luminis Health, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30	
	2020	2020
Changes in operating assets and liabilities		
(Decrease) increase in operating assets:		
Patient receivables, net	\$ 265,000	\$ (1,418,000)
Inventories	(8,896,000)	(674,000)
Prepaid expenses and other	3,869,000	(2,734,000)
Other assets	11,797,000	10,425,000
	<u>7,035,000</u>	<u>5,599,000</u>
Increase in operating liabilities:		
Accounts payable	(5,845,000)	8,543,000
Accrued salaries, wages, and benefits	(422,000)	1,714,000
Other accrued expenses	14,024,000	(3,089,000)
Advances from third-party payors	151,029,000	2,898,000
Other long-term liabilities	(11,408,000)	(8,819,000)
	<u>147,378,000</u>	<u>1,247,000</u>
Net change in operating assets and liabilities	<u>\$ 154,413,000</u>	<u>\$ 6,846,000</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	<u>\$ 15,541,000</u>	<u>\$ 13,118,000</u>

See accompanying notes.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2020

1. Organization and Basis of Presentation

Luminis Health, Inc. (Luminis or the System), formerly known as Anne Arundel Health System, Inc. (AAHS), is a Maryland not-for-profit corporation. Luminis has the following wholly owned subsidiaries: Anne Arundel Medical Center, Inc. (the Hospital or AAMC) and its subsidiaries, Anne Arundel General Treatment Services, Inc. (GTS), Anne Arundel Mental Health Hospital, Inc., and Cottage Insurance Company, Ltd. (Cottage); Anne Arundel Medical Center Foundation, Inc. (the Foundation); Anne Arundel Health Care Services, Inc. (HCS); Anne Arundel Health Care Enterprises, Inc. (HCE); Physician Enterprise, LLC (PE) and its subsidiaries, Anne Arundel Physician Group, LLC, Orthopedic Physicians of Annapolis, Anne Arundel Medical Group Physical Therapy, LLC, and Community Clinics; Anne Arundel Real Estate Holding Company, Inc. (the Real Estate Company) and its subsidiaries, Pavilion Park, Inc. (PPI), Annapolis Exchange, LLC, and Blue Building, LLC; Anne Arundel Health System Research Institute, Inc. (RI); and Anne Arundel Medical Center Collaborative Care Network, LLC. AAMC is a private, not-for-profit corporation that operates a 349-licensed bed acute care hospital. AAMC, the Real Estate Company, and PPI own an interest in Kent Island Medical Arts, LLC (KIMA), a limited liability company that owns and operates a medical office building. PPI is the managing member of KIMA and has substantive participation rights in KIMA. The financial statements of KIMA are consolidated in the accompanying consolidated financial statements. The non-controlling interest in KIMA was 50% as of June 30, 2020 and 2019. The interest was \$929,000 and \$884,000 at June 30, 2020 and 2019, respectively, and is included within net assets without donor restriction on the accompanying consolidated balance sheets.

On July 1, 2019, Anne Arundel Health System, Inc. and Doctors Community Hospital and subsidiaries executed an affiliation agreement (the Agreement) providing for an affiliation between AAHS and Doctors Community Hospital and subsidiaries. In September 2019, Doctors Community Hospital and subsidiaries changed its name to Doctors Community Medical Center and subsidiaries (DCMC). This affiliation agreement resulted in DCMC becoming a wholly owned subsidiary of AAHS. DCMC is a Maryland health system that includes an acute care hospital and a network of other health care providers serving residents of Prince Georges County region near Lanham, Maryland, east of Washington, DC. On the date of the affiliation, the articles of incorporation and bylaws of DCMC were amended such that AAHS became the sole corporate member of the Doctors Community Medical Center and its subsidiaries. As part of the Agreement, AAHS committed approximately \$138,000,000 over a five-year period in strategic investments to DCMC to expand health care services.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

DCMC includes the following: Doctors Community Hospital, Inc. and its subsidiaries Doctors Community Medical Group, LLC; Doctors Community Healthcare Programs, LLC; Doctors Community Hospital Clinic, LLC; Doctors Community Health Ventures, Inc.; Doctors Regional Cancer Center LLC; Southern Maryland Integrated Care LLC; and Doctors Community Hospital Foundation, Inc. Doctors Community Hospital, Inc. is a nonprofit corporation that operates an acute care general hospital facility licensed for 190 beds. The accompanying consolidated financial statements include non-controlling interest held by third parties in less than wholly owned subsidiaries. The interest at DCMC was \$2,191,000 at June 30, 2020, and is included within net assets without donor restriction on the accompanying consolidated balance sheets.

In September 2019, Anne Arundel Health System, Inc. changed its name to Luminis Health, Inc.

Global Pandemic

In response to the ongoing COVID-19 pandemic, the Governor of the state of Maryland proclaimed a state of emergency and catastrophic health emergency within the state of Maryland on March 5, 2020, and renewed on March 17, 2020, April 10, 2020, and May 6, 2020. Effective March 16, 2020, all Maryland hospitals were ordered by the Maryland Department of Health to cease all elective and non-urgent medical procedures for the duration of the catastrophic health emergency. The Governor issued a state-wide stay-at-home order effective March 30, 2020.

Effective May 7, 2020, the Maryland Department of Health allowed resumption of elective and non-urgent medical procedures, and effective May 15, 2020, major provisions of the Governor's stay-at-home order were rescinded.

In response to the global pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law on March 27, 2020. The CARES Act authorized funding to hospitals and other health care providers to be distributed through the Public Health and Social Services Emergency Fund (Relief Fund). Payments from the Relief Fund are to be used to prevent, prepare for, and respond to coronavirus, and shall reimburse the recipient for health care related expenses or lost revenues/margins attributable to coronavirus and are not required to be repaid, provided the recipients attest to and comply with the terms and conditions.

The HSCRC has publicly announced its intention to support Maryland hospitals during the state of emergency and catastrophic health emergency within the state of Maryland and its collaboration with other Maryland regulatory agencies to remove licensure, regulatory, and other barriers to

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Basis of Presentation (continued)

hospitals in the provision of emergency health care services. Recognizing that hospitals will experience volume decline due to self-quarantining and canceled elective surgeries, the HSCRC has stated that Maryland hospitals will be permitted to increase rate corridors up to the 10% threshold or by an additional 5% from their current charging position, whichever is greater. This action is intended to allow hospitals that are undercharged under their Global Budget Revenue due to volume losses to increase their charges in order to make up for lost revenue and prepare for the eventual increase in COVID-19-related patient volume. The HSCRC has stated that this rate corridor increase will be a temporary, onetime adjustment to ensure financial viability of Maryland hospitals as they prepare for increased volume in COVID-19 patients. The HSCRC has also stated that it will consider additional corridor relief beyond this new policy on a case-by-case basis.

To further accommodate any Global Budget Revenue that Maryland hospitals may be unable to bill in fiscal year 2020 due to fluctuating volumes resulting from the COVID-19 pandemic, the HSCRC has stated that it will suspend undercharge penalties and allow Maryland hospitals to recoup those undercharges over the 12 months of fiscal year 2021 as a onetime adjustment net of the application of CARES Act relief funding. The HSCRC is proposing to reduce the System's undercharge by an amount derived from the CARES Act funding. Maryland hospitals will be allowed to bill any net undercharge in the next fiscal year, thus allowing them to recoup a portion of lost revenue associated with the catastrophic health emergency period. Further action by the HSCRC is expected in order to aid Maryland hospitals with regard to the increased expenses resulting from the COVID-19 pandemic.

The COVID-19 pandemic has severely impacted global financial markets and travel and commerce generally. As a result of the COVID-19 pandemic, many businesses and retail establishments in the United States, including Maryland, have closed or reduced business activity. Many potential patients are now unemployed, have been furloughed or their work hours have been reduced, which results in reduced wages and potential loss of health care insurance. The System cannot determine at this time the long-term impact of the COVID-19 pandemic on the System's ability to conduct its operations and the costs of its operations, its financial condition, or the returns and value of its investments and any effect on its pension funding and contribution obligations. In addition, while the suspension with respect to elective and non-urgent medical procedures was lifted, to date the volume of elective and non-urgent medical procedures, and the revenues resulting from such procedures, have not returned to pre-suspension levels and the amount of time needed to establish the volume of such procedures to pre-suspension levels cannot be determined.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Luminis and its wholly owned subsidiaries. The financial results of Doctors Community Medical Center and subsidiaries are only included from the date of acquisition, which was July 1, 2019. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Acquisition of Doctors' Hospital, Inc.

On July 1, 2019, AAHS completed a transaction that resulted in Doctors Community Hospital and subsidiaries becoming a wholly owned subsidiary of AAHS. This transaction was accounted for as an acquisition under Accounting Standards Codification (ASC) 958-805, *Not-for-Profit Mergers and Acquisitions*, during the year ended June 30, 2020.

The System elected to apply pushdown accounting whereby individual assets and liabilities were adjusted to the new basis of accounting as of the acquisition date.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The following information summarizes the recorded fair values of the assets acquired and liabilities assumed as of the date of the acquisition:

Cash and cash equivalents	\$ 34,168,000
Patient accounts receivable, net	38,840,000
Other receivables	5,620,000
Inventories	4,243,000
Prepaid expenses	3,981,000
Marketable securities	18,258,000
Joint ventures and equity investments	5,942,000
Property and equipment	116,540,000
Other noncurrent assets	30,093,000
Total assets acquired	<u>257,685,000</u>
Accounts payable and accrued expenses	31,875,000
Advances from third-party payors	7,765,000
Current portion of long-term debt	4,448,000
Long-term debt	128,123,000
Net pension liability	5,001,000
Deferred compensation and claims incurred but not reported	16,006,000
Total liabilities assumed	<u>193,218,000</u>
Non-controlling interest	<u>2,265,000</u>
Net assets acquired, net of non-controlling interest	<u>\$ 62,202,000</u>

An inherent contribution of \$61,715,000 was recorded by Luminis on its consolidated statements of operations and changes in net assets resulting from the difference between the net assets acquired, net of non-controlling interest and net assets with donor restrictions at Doctors Community Hospital and subsidiaries as of the acquisition date. Net assets with donor restrictions of \$487,000 was recorded within changes in net assets with donor restrictions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking and savings accounts, money market accounts, and short-term certificates of deposit with original maturities of 90 days or less, excluding those held in short-term investments and those classified as long-term investments. Cash balances and collateral held by a counterparty are principally uninsured and are subject to normal credit risks. At June 30, 2020 and 2019, and at various times during the year, the System maintained cash-in-bank balances in excess of the \$250,000 federally insured limits.

Derivative Instruments

On May 10, 2006, the Hospital entered into a forward variable-to-fixed interest rate swap agreement with an effective date of November 1, 2008. This contract was entered into in an effort to reduce the risk of variable interest rate debt and has a term through July 1, 2048. Under ASC 815, *Derivatives and Hedging*, the Hospital has recognized its derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value. As these derivative instruments are not designated as hedges, the unrealized gain or loss on these contracts has been recognized on the accompanying consolidated statements of operations and changes in net assets as realized and unrealized gains (losses) on interest rate swap contracts, net. The fair market values of the derivative instruments include a credit valuation adjustment (CVA) as required by ASC 820, *Fair Value Measurement*. When applying the CVA, the valuation of the variable-to-fixed interest rate swap contract was decreased by \$375,000 and \$361,000 as of June 30, 2020 and 2019, respectively.

On March 23, 2016, in an effort to reduce the amount of restricted cash pledged as collateral with the original counterparty, the Hospital entered into a novation agreement with a second counterparty. Immediately prior to the novation agreement, the System modified the existing swap to bifurcate the existing swap into a five-year swap with the remainder into a 2021 through 2048 swap. The terms of the bifurcated swap remain identical to the original swap. The novation agreement resulted in the return of \$29,164,000 as of June 30, 2016.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

A summary of the Hospital's derivative instruments and related activity at June 30 and for the years then ended, is as follows:

<u>Description of Derivative Instrument</u>	<u>Fair Value Liability</u>	
	<u>2020</u>	<u>2019</u>
Variable-to-fixed interest rate swap contract (maturity date March 2021)	\$ (4,442,000)	\$ (8,126,000)
Variable-to-fixed interest rate swap contract (maturity date July 2048)	<u>(112,595,000)</u>	<u>(70,353,000)</u>
	<u>\$(117,037,000)</u>	<u>\$ (78,479,000)</u>

The change in unrealized losses recognized in (deficit) excess of revenues over expenses for the years ended June 30, 2020 and 2019, were \$38,558,000 and \$19,176,000, respectively.

At June 30, 2020 and 2019, the net termination value (i.e., mark-to-market value) of the derivative instruments totaled \$119,671,000 and \$78,840,000, respectively. The Hospital may be exposed to credit loss in the event of nonperformance by the other party to the interest rate swap agreements, the risk of which is reflected in the fair value of the instruments under ASC 820. However, the Hospital does not anticipate nonperformance by the counterparty.

During fiscal year 2020 and 2019, the Hospital paid net payments under its interest rate swap program of \$4,591,000 and \$4,185,000, respectively. These amounts are included within realized and unrealized gains (losses) on interest rate swap contracts, net on the accompanying consolidated statements of operations and changes in net assets and within investing activities on the accompanying consolidated statements of cash flows.

Under the derivative contract for the 2021 through 2048 swap, the Hospital must transfer collateral for the benefit of the counterparty, to the extent that the termination values exceed certain limits. The Hospital's collateral requirement for the benefit of the counterparty was approximately \$110,002,000 and \$67,404,000 at June 30, 2020 and 2019, respectively. The ongoing mark-to-market values and resulting collateral requirements of the Hospital's interest rate swap contract are subject to variability based on market factors (primarily changes in interest rates). Collateral requirements under this interest rate swap contract are excluded from unrestricted cash and investments for purposes of determining the System's compliance with its liquidity covenants

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

under its Maryland Health and Higher Educational Facilities Authority (MHHEFA or the Authority) revenue bond agreements and its derivative agreements. Collateral amounts are included in noncurrent assets on the accompanying consolidated balance sheets. Approximately \$575,000 and \$2,795,000 of collateral was due to the financial institution as of June 30, 2020 and 2019.

The amount due to the financial institution is included in other accrued expenses on the accompanying consolidated balance sheet as of June 30, 2020 and 2019, and is reflected within investing activities on the accompanying consolidated statement of cash flows.

Assets Whose Use is Limited and Investments

Assets whose use is limited are principally composed of certain funds established to be held and invested by a trustee. These funds are related to the issuance of the Hospital's revenue bonds, investments held at Cottage, and certain permanently restricted endowment assets.

	June 30	
	2020	2019
Current:		
Principal, interest and other – bonds	\$ 12,382,000	\$ 12,258,000
Investments held at trustee	3,530,000	2,932,000
	\$ 15,912,000	\$ 15,190,000
Noncurrent:		
Endowment assets	\$ 15,482,000	\$ 16,641,000
Investments held at trustee	25,538,000	19,332,000
	\$ 41,020,000	\$ 35,973,000

The fair values of publicly traded securities and mutual funds are based on quoted market prices of individual securities or investments or estimated amounts using quoted market prices of similar investments. Alternative investments, some of which are structured so that the System holds limited partnership interests, are stated at fair value as estimated in an unquoted market. Valuations of these investments, and therefore the System's holdings, may be determined by the investment manager or general partner and for fund-of-funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

other estimates that require varying degrees of judgment. Investment income or loss from all unrestricted investments is included on the accompanying consolidated statements of operations and changes in net assets as part of other income (loss).

Investment income or loss on investments of assets with donor restrictions is added to or deducted from the restricted fund balance if the income is restricted. The cost of securities sold is based on the specific-identification method.

All investment balances are principally uninsured and subject to normal credit risk. Investments are classified as either current or noncurrent based on the maturity dates and the availability for current operations. Investments included in noncurrent assets consist of board-designated investment funds of \$338,985,000 and \$386,056,000 as of June 30, 2020 and 2019, respectively. Based on the System's investment policy, such amounts could be liquidated, at the discretion of the board, to satisfy short-term requirements.

Substantially all investments, other than borrowed funds required to be expended for capital projects, are classified as trading securities, with unrealized gains and losses included in (deficit) excess of revenues over expenses.

Borrowed funds required to be expended for capital projects are classified as other-than-trading and are included in assets whose use is limited.

Patient Receivables

Patient receivable include charges for amounts due from all patients less price concessions relating to allowances for the excess of established charges over the payments to be received on behalf of patients covered by Medicare, Medicaid, and other insurers. The provision for price concessions is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the price concessions based upon historical experience of self-pay accounts receivable, including those balances after insurance payments and not covered by insurance.

Insurance coverage and credit information are obtained from patients, when available. No collateral is obtained for accounts receivable.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Inventories

Inventories, which primarily consist of medical supplies and drugs, are carried at the lower of cost or market. Cost is determined using the first-in, first-out method (FIFO) or a similar method that approximates FIFO.

Property and Equipment

Property and equipment are stated at cost or fair value as of the acquisition date for DCMC property and equipment. Included in computers and software are capitalized labor costs of \$14,344,000 and \$11,594,000 as of June 30, 2020 and 2019, respectively. Depreciation and amortization, including amortization of assets recorded under capital leases, are recorded on the straight-line method over the estimated useful lives of the assets.

The following is a summary of property and equipment:

	Estimated Useful Lives	June 30 2020	2019
Land		\$ 22,823,000	\$ 14,901,000
Land improvements	20 years	23,480,000	22,413,000
Buildings and improvements	20–40 years	592,593,000	491,022,000
Fixed equipment	5–20 years	55,510,000	10,824,000
Leasehold improvements	5–10 years	62,389,000	55,651,000
Movable equipment	7–10 years	221,851,000	203,404,000
Computers and software	3–5 years	96,079,000	88,528,000
Construction-in-progress	–	22,120,000	31,923,000
		\$ 1,096,845,000	\$ 918,666,000

Construction-in-progress consists of direct costs associated with hospital department renovations, certain leasehold improvements, and smaller capital projects. As these projects are completed, the related assets are transferred out of construction-in-progress and into the appropriate asset category and are depreciated over the applicable useful lives.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments in Joint Ventures

Luminis accounts for its investments in joint ventures using the equity method of accounting. During 2011, the Real Estate Company and another party formed West County, LLC, a joint venture that owns and operates a medical office building that opened in December 2012. The Real Estate Company has a 50% interest in this joint venture, with each owner's investment being \$7,575,000 and \$7,242,000 as of June 30, 2020 and 2019, respectively.

Doctors Community Health Ventures, Inc. (Health Ventures) has a \$5,388,000 joint venture investment in Magnolia Gardens LLC. This investment is consistent with the mission and strategic plan of Doctors Community Medical Center. The investment in Magnolia Gardens LLC represents a 51% interest and is not consolidated with the financial statements of Luminis because Health Ventures does not control the investee.

Deferred Debt Issuance Costs

Administrative, legal, financing, underwriting discount, and other miscellaneous expenses that were incurred in connection with debt financings were deferred and are being amortized over the lives of the bond issues using the straight-line method, which approximates the effective-interest method in all material respects. The amortization expense of the deferred debt issue costs was \$479,000 and \$297,000 for the years ended June 30, 2020 and 2019, respectively.

Net Assets

Net resources that are not restricted by donors are included in net assets without donor restrictions. Gifts of long-lived operating assets, such as property, plant, or equipment, are reported as net assets without donor restrictions and excluded from income. Resources restricted by donors for a specified time or purpose are reported as net assets with donor restrictions.

When the specific purposes are met, either through passage of a stipulated time period or when the purpose for restriction is accomplished, they are released to other operating revenues on the statement of operations and changes in net assets. Resources restricted by donors for additions to property, plant, and equipment are initially reported as net assets with donor restrictions and are transferred to net assets without donor restrictions when expended. Donor-imposed restrictions, which stipulate that the resources be maintained permanently, are reported as net assets with donor restrictions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment income related to net assets with donor restrictions is classified as net assets without donor restrictions based on the intent of the donor.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. This includes regulatory discounts allowed to Blue Cross, Medicare, Medicaid, and other third-party payors and charity care.

During 2020 and 2019, approximately 39% and 35%, respectively, of net patient service revenue was received under the Medicare program, 25% and 28% from Blue Cross, 26% and 30% from contracts with other third parties, and 10% and 7% from other sources.

The following table sets forth the detail of net patient service revenue:

	Year Ended June 30	
	2020	2019
Gross patient service revenue	\$ 1,262,664,000	\$ 955,469,000
Revenue deductions:		
Charity care	15,409,000	5,326,000
Contractual and other allowances	278,148,000	207,267,000
Net patient service revenue	\$ 969,105,000	\$ 742,876,000

In May 2014, the Financial Accounting Standards Board (FASB) issued a new standard related to revenue recognition. The System adopted the new standard effective July 1, 2018, using the modified retrospective method of transition. The most significant change from the adoption of the new standard relates to the System's estimation for the allowance for doubtful accounts. Under the previous standards, the System's estimate for amounts not expected to be collected based upon historical experience, were reflected as provision for bad debts and deducted from net patient service revenue to arrive at net patient service revenue less provision for bad debts. Under the new standard, those amounts will continue to be recognized as a reduction to net patient service revenue, however, not reflected separately as provision for bad debts, and accordingly the caption net patient service revenue less provision for bad debts will no longer be presented on the consolidated statements of operations and changes in net assets. Subsequent changes in the

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

estimate of collectibility due to a change in the financial status of a payor, for example a bankruptcy, will be recognized as bad debt expense in operating expenses. This adoption of the new standard did not have a material impact on the accompanying consolidated financial statements.

Additionally, the System's revenues may be subject to adjustment as a result of examination by government agencies or contractors and as a result of differing interpretation of government regulations, medical diagnosis, charge coding, medical necessity, or other contract terms. Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor and the System's historical settlement activity, including an assessment to ensure it is probable a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews and investigations.

The System has elected the practical expedient allowed under FASB ASC 606-10-32-18, *Revenue from Contracts with Customers*, and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System's expectation that the period between the time the service is provided to a patient and the time that the patient or third-party payor pays for that service will be one year or less.

The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections; business and economic conditions; trends in federal, state, and private employer health care coverage; and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities that represent a majority of the System's revenues and patient receivable as a primary source of information in estimating the collectibility of patient receivable.

Luminis employs physicians in several hospital-based specialties (including, but not limited to, obstetrics, intensive care, and hospitalists). Net physician revenue is recognized when the services are provided and recorded at the estimated net realizable amount based on the contractual arrangements with third-party payors and the expected payments from the third-party payors and

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

the patients. The difference between the billed charges and the estimated net realizable amounts are recorded as a reduction in physician revenue when the services are provided. The System recognized net physician revenue of \$149,933,000 and \$141,202,000 for the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, \$15,097,000 and \$10,764,000, respectively, of net physician accounts receivable are included in patient receivables on the accompanying consolidated balance sheets.

Charity Care

AAMC provides charity care to patients who meet certain criteria established under its charity care guidelines. Because members of AAMC do not pursue the collection of amounts determined to qualify as charity care, they are not reported as revenue on the accompanying consolidated statements of operations and changes in net assets. The direct and indirect costs associated with providing this care are \$4,531,000 and \$4,493,000 for the years ended June 30, 2020 and 2019, respectively. These costs are calculated by applying a ratio of operating expenses over gross patient charges to the charity care provided at established rates. The state of Maryland's rate system includes components within the rates to partially compensate hospitals for uncompensated care.

The cost of charity care provided by DCMC totaled \$9,528,010 for the year ended June 30, 2020. Rates charged by DCMC for regulated services are determined based on assessment of direct and indirect cost calculated pursuant to the methodology established by the Commission, and therefore the cost of charity services noted above for DCMC are equivalent to its established rates for those services. For any charity services rendered by subsidiaries other than from the DCMC, the cost of charity care is calculated by applying the estimated total cost-to-charge ratio for the non-Hospital services to the total amount of charges for services provided to patients benefitting from the charity care policies of the DCMC's non-Hospital affiliates. These charges are excluded from consolidated net patient service revenue.

Other Operating Revenue

Other operating revenue is composed of grant revenue, cafeteria revenue, net assets released from restrictions for operating purposes, and other miscellaneous items.

On April 2, 2020, the System received \$45,472,000 in provider relief funds authorized in the CARES Act from the U.S. Department of Health and Human Services (HHS). The System expects that these relief funds will be forgivable, but uncertainty exists as to the final outcome of the terms

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

and conditions associated with the relief funds. Management will continue to monitor compliance with the terms and conditions of the Relief Fund and the impact of the pandemic on the System's revenues and expenses. If unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted. Furthermore, the HSCRC is proposing to reduce the System's ability to recoup undercharges from its GBR reimbursement program in future years by an amount derived from these provider relief funds. The final outcome of the HSCRC's decisions on treatment of the undercharge resulting from the Global Budget Reimbursement Revenue program and application of CARES Act funding to GBR limits is still being evaluated. Luminis recognized these funds in other operating revenue during the period as the conditions for use were deemed to have been met.

Advances From Third-Party Payors

On April 10, 2020, the System received \$151,767,000 from the Centers for Medicare and Medicaid Services (CMS) Accelerated and Advance Payment Program. This program provides hospitals with working capital advances that begin to become payable 120 days from the date of receipt of the funds and must be fully repaid within one year through an automatic reduction of claims receipts from CMS. As of June 30, 2020, none of these funds have been used. These funds, which represent contract liabilities as defined in ASC 606, have been recorded within advances from third-party payors on the accompanying consolidated balance sheet at June 30, 2020.

Transaction Costs

During fiscal year 2019, the System incurred \$3,279,000 for administrative and marketing costs that resulted from the transaction for Doctors Community Medical Center and subsidiaries becoming a wholly owned subsidiary of Luminis Health, Inc.

Donations and Bequests

Unconditional promises to give cash and other assets are reported at fair value on the date the promise is received. Conditional promises to give, and indications of intentions to give, are reported at fair value on the date the gift is received. The gifts are reported as donor-restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, the asset is reclassified to without donor restrictions on the accompanying consolidated statements of operations and changes in net assets. Donor-restricted contributions

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements. Contributions that are unrestricted are reflected as other operating revenue on the accompanying consolidated statements of operations and changes in net assets.

Scheduled payments for pledges receivable for the years ending June 30 are as follows:

2021	\$ 2,599,000
2022–2024	658,000
2025 and thereafter	1,605,000
Less:	
Impact of discounting pledges receivable to net present value	352,000
Allowance for uncollectible pledges	373,000
Net pledges receivable	<u>\$ 4,137,000</u>

Pledges receivable are discounted using rates between 1.2% and 2.5%.

(Deficit) Excess of Revenues Over Expenses

The accompanying consolidated statements of operations and changes in net assets include (deficit) excess of revenues over expenses. Changes in net assets without donor restrictions that are excluded from (deficit) excess of revenues over expenses, consistent with industry practice, include contributions received and used for additions of long-lived assets and certain changes in pension liabilities.

Group Purchasing Organization Initial Public Offering

The Hospital has participated and owned equity in the Premier Limited Partnership (Premier), which has served as a group purchasing organization for many years. This participation provides purchasing contract rates and rebates the System would not be able to obtain on its own. The Hospital accounts for its investment in Premier using the equity method of accounting.

During the year ended June 30, 2014, Premier restructured from a privately held company to a public company in an initial public offering (IPO) and several financial transactions have occurred with those holding equity in Premier before the IPO, including the System. As a result, the System

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

received a cash payment of approximately \$1,500,000 in exchange for 16% of its previous ownership in Premier. In addition, in exchange for the extension of the group purchasing contract, the System received partial ownership of the new public company (the Class B units).

The System received 309,580 Class B units that are earned in seven separate tranches over an 85-month period ending October 31, 2020. At June 30, 2020 and 2019, this investment was \$10,388,000 and \$13,094,000, respectively, and is reflected in other assets on the consolidated balance sheets. The opportunity will exist in the future for these Class B units to be converted to the Premier public company stock. Prior to vesting, the Class B units may be transferred or sold with the approval of Premier. During the years ended June 30, 2020 and 2019, the System recognized approximately \$1,216,000 and \$1,988,000, respectively, of income related to tranches 6 and 7 of the Class B units, which is included as a reduction of supplies expense on the consolidated statement of operations and changes in net assets. The value of the Class B units is tied to the group purchasing contract and is considered a vendor incentive.

Income Tax Status

Luminis, the Hospital, the Foundation, HCS, GTS, PE, and RI have received determination letters from the Internal Revenue Service (IRS) stating that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). The Real Estate Company has received a determination letter from the IRS stating that it is exempt from federal income taxes under Section 501(c)(2) of the Internal Revenue Code. Doctors Community Hospital and the Doctors Community Hospital Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as public charities. Both entities are entitled to rely on this determination as long as there are no substantial changes in their character, purposes, or methods of operation. Management has concluded that there have been no such changes, and therefore the status of the various entities as public charities exempt from federal income taxation remain in effect.

Anne Arundel Mental Health Hospital is organized and operated as a tax-exempt organization, and has applied for IRS recognition of exemption from federal income tax under Section 501(c)(3) of the Code, but has not yet received IRS recognition of exemption.

The state in which the various entities operate also provides a general exemption from state income taxation for organizations that are exempt from federal income taxation. However, both entities are subject to federal and state income taxation at corporate tax rates on unrelated business income.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Exemption from other state and local taxes, such as real and personal property taxes is separately determined. The various entities had no unrecognized tax benefits or such amounts were immaterial during the periods presented. For tax periods with respect to which unrelated business income was recognized, a tax return was filed in order to report any unrelated business income as well as any taxes due.

HCE and PPI are subject to federal and state income taxes. These income taxes are immaterial to the accompanying consolidated financial statements.

Certain limited liability companies within the consolidated group are not subject to income taxes. Taxable income or loss is passed through to and reportable by the members individually.

Under the Cayman Islands Tax Concessions Law (Revised), the Governor-in-Cabinet issued an undertaking regarding Cottage on November 29, 2005, exempting it from all local income, profit, or capital gains taxes. The undertaking has been issued for a period of 20 years and, at the present time, no such taxes are levied in the Cayman Islands. Accordingly, no provision for taxes is made in these consolidated financial statements.

Doctors Regional Cancer Center, LLC (DRCC) and Southern Maryland Integrated Healthcare, LLC (ACO) are Maryland limited liability companies that have not elected to be taxed as corporations under current Treasury regulations. Both are owned by more than one member. DRCC and ACO are subject to the partnership tax rules under Subchapter K of the Internal Revenue Code of 1986 (IRC), as amended. Under these rules neither is subject to federal or state income tax, but must file annual information returns indicating their gross and taxable income to determine the tax results to their members.

The Doctors Community Sleep Center, LLC (Sleep Center) and Doctors Community Healthcare Programs (CHP) are Maryland limited liability companies that have not elected to be taxed as corporations under current treasury regulations. Sleep Center and CHP are wholly owned by the Hospital. As such, the Sleep Center and CHP are considered “disregarded entities” under current IRC regulations.

Under the requirements of ASC 740, *Income Taxes*, tax-exempt organizations could be required to record an obligation as the result of a tax position they have historically taken on various tax exposure items. Luminis has determined that it does not have any uncertain tax positions through June 30, 2020.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Recent Accounting Pronouncements

Effective July 1, 2018, the System adopted FASB Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method of transition. This ASU converged and replaced existing revenue recognition guidance, including industry-specific guidance and requires revenue to be recognized in an amount that reflects the consideration the entity expects to be entitled in an exchange of goods or services. The adoption of this ASU did not materially impact the consolidated financial statements.

Effective June 30, 2019, the System adopted FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. This ASU changed certain financial statement requirements for not-for-profit entities in an effort to make the information more meaningful to users and reduce reporting complexity. The System adopted the ASU in the prior year and adjusted the presentation in these consolidated financial statements accordingly. The ASU was applied retrospectively to all periods presented.

Effective July 1, 2019, the System adopted the FASB ASU 2016-02, *Leases (Topic 842)*, using the modified retrospective transition approach as of the period of adoption, or fiscal year 2020. The FASB issued ASU 2016-02 in order to increase transparency and comparability by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. The System's financial statements for periods prior to July 1, 2019, were not modified for the application of the new lease accounting standard. The main difference between the guidance in ASU 2016-02 and previous U.S. GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating under previous U.S. GAAP.

Upon the adoption of ASU 2016-02, the System recorded the following balances on the consolidated balance sheet: \$54,977,000 in right-of-use asset long term; \$10,056,000 of current liabilities in lease liability short term; and \$44,976,000 of long-term liabilities in lease liability

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

long term. The standard did not materially impact the System's accompanying consolidated statement of operations and changes in net assets or consolidated statement of cash flows for the year ended June 30, 2020.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Luminis has adopted ASU 2016-18 using a retrospective transition method, and as such, certain reclassifications were made to 2019 amounts previously reported on the consolidated statement of cash flows.

New Accounting Standards Not Yet Adopted

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The amendments help entities evaluate the accounting for implementation costs paid by a customer in a cloud computing arrangement by providing guidance for determining when the service contract includes a software license. The System is evaluating the impact of this guidance, which will be effective in 2021.

3. Regulatory Environment

Medicare and Medicaid

The Medicare and Medicaid reimbursement programs represent a substantial portion of Luminis' revenues. Luminis' operations are subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Over the past several years, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Regulatory Environment (continued)

programs, together with the imposition of fines and penalties, as well as repayments for patient services previously billed. Compliance with fraud and abuse standards and other government regulations can be subject to future government review and interpretation. Also, future changes in federal and state reimbursement funding mechanisms and related government budgeting constraints could have an adverse effect on Luminis.

In 1983, Congress approved a Medicare prospective payment plan for most inpatient services as part of the Social Security Amendment Act of 1983. Hospitals in Maryland were granted a waiver from the Medicare prospective payment system under Section 1814(b) of the Social Security Act. The waiver would remain in effect as long as the Maryland rate of increase in payments per admission remained below the national average rate of increase.

In January 2014, the Centers for Medicare and Medicaid Services approved a modernized waiver that includes both inpatient and outpatient revenue. The new waiver will be in place as long as Maryland hospitals achieve significant quality improvements and limit the per capita growth for all payors for Maryland residents.

Maryland Health Services Cost Review Commission

AAMC and Doctors Community Hospital's rate structure for all hospital-based services is subject to review and approval by the Maryland Health Services Cost Review Commission (HSCRC or the Commission). Under the HSCRC rate-setting system, the Hospital's inpatient and outpatient charges are the same for all patients, regardless of payor, including Medicare and Medicaid.

Beginning in fiscal year 2014, AAMC and Doctors Community Hospital entered into an agreement with the HSCRC to participate in the Global Budget Revenue (GBR) program. The GBR model is a revenue constraint and quality improvement system to provide hospitals with strong financial incentives to manage their resources efficiently and effectively in order to slow the rate of increase in health care costs and improve health care delivery processes and outcomes. Under the GBR, total revenue is capped at a predetermined fixed amount. The annual approved revenue is calculated using a permanent base revenue with positive or negative adjustments for inflation, assessments, performance in quality-based programs, infrastructure requirements, and population. Revenue may also be adjusted annually for market share levels and shifts of regulated services to unregulated settings.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Regulatory Environment (continued)

Starting in January 2019, Maryland's hospitals began operating under a new ten-year contract with the federal government entitled Maryland Performance Adjustment (MPA). The MPA is designed to test whether the improvements hospitals have made under the previous modernized waiver can be expanded to all health care providers. The GBR methodology will remain in place for hospital rate setting under the MPA. In addition, programs aimed to measure and reduce total health care spending for attributed Medicare patients, including pre- and post-acute care by all providers, are being introduced during this contract period.

The Commission's rate-setting methodology compares the approved rate with the actual average rate charged. Overcharges and undercharges due to either patient volume or price variances, adjusted for penalties where applicable, are applied to decrease (in the case of overcharges) or increase (in the case of undercharges) future approved rates on an annual basis. The System was undercharged by \$54,399,000 and overcharged by \$260,000 for the years ended June 30, 2020 and 2019, respectively. The undercharge of \$54,399,000 for the year ended June 30, 2020 did not include amounts recognized in CARES Act funding discussed in the other operating revenue section in Note 2.

While the System is expecting the HSCRC to allow for recovery in future periods of the undercharge experienced during the year, mainly due to lower volume as the result of the COVID-19 pandemic, uncertainty exists as to the final outcome of HSCRC rate-setting decision making.

The timing of HSCRC's rate adjustments for the System could result in an increase or reduction in rates due to the variances and penalties described above in a year subsequent to the year in which such items occur, and there is at least a possibility that the amounts may be material.

The AAMC and DCMC's policy is to recognize revenue based on actual charges for services to patients in the year in which the services are performed. The Hospital's revenues may be subject to adjustment as a result of examination by government agencies or contractors, and as a result of differing interpretation of government regulations, medical diagnoses, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until a subsequent period than which the services were rendered.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Investments

Investments, including assets whose use is limited, are stated at fair value. Borrowed funds that are required to be expended on specified capital projects under MHHEFA revenue bond agreements are classified as available for sale. All other investments and assets whose use is limited are classified as trading securities.

	June 30	
	2020	2019
Assets whose use is limited:		
Endowment assets:		
Cash and cash equivalents	\$ 1,145,000	\$ 1,237,000
Equity mutual funds	9,279,000	9,661,000
Fixed income mutual funds	5,058,000	5,737,000
	15,482,000	16,635,000
Amounts held by trustee:		
Cash and cash equivalents	12,382,000	12,320,000
U.S. Government obligations	7,000	7,000
	12,389,000	12,327,000
Amounts held by Cottage:		
Cash and cash equivalents	3,504,000	2,869,000
Equity mutual funds	11,334,000	6,581,000
Fixed income mutual funds	14,223,000	12,751,000
	29,061,000	22,201,000
Total assets whose use is limited	56,932,000	51,163,000
Less current portion	15,912,000	15,190,000
	\$ 41,020,000	\$ 35,973,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Investments (continued)

Amounts held by the trustee are broken down as follows:

	June 30	
	2020	2019
Bond indenture	\$ 12,389,000	\$ 12,270,000
Other investments:		
	June 30	
	2020	2019
Cash and cash equivalents	\$ 14,388,000	\$ 15,368,000
Equity mutual funds	173,069,000	178,576,000
Fixed income mutual funds	100,475,000	133,747,000
Alternative investments	52,418,000	73,626,000
	340,350,000	401,317,000
Less short-term investments	1,365,000	15,261,000
Investments	\$ 338,985,000	\$ 386,056,000

The components of investment (loss) income, net are as follows:

	June 30	
	2020	2019
Interest and dividend income, net	\$ 132,000	\$ 10,257,000
Realized (losses) gains, net	(9,832,000)	3,616,000
	\$ (9,700,000)	\$ 13,873,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements

ASC 820 defines fair value and establishes a framework for measuring fair value in accordance with U.S. GAAP. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1 – Defined as observable inputs, such as quoted prices in active markets
- Level 2 – Defined as inputs other than quoted prices in active markets that are either directly or indirectly observable
- Level 3 – Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

ASC 820 requires that the fair value of derivative contracts include adjustments related to the credit risks of both parties associated with the derivative transactions. The fair value of Luminis' derivative contracts reflected in the accompanying consolidated financial statements includes adjustments related to the credit risks of the parties to the transactions.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

The following tables present the fair value hierarchy for Luminis' financial assets and liabilities measured at fair value on a recurring basis.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 178,795,000	\$ 178,126,000	\$ 669,000	\$ —
Trading securities and assets whose use is limited:				
Cash and cash equivalents	31,296,000	18,257,000	13,039,000	—
Equity securities	194,977,000	194,977,000	—	—
Fixed income securities	122,785,000	119,753,000	3,032,000	—
U.S. Government obligation securities	6,000	6,000	—	—
Alternative investments	52,418,000	22,663,000	—	29,755,000
Total	<u>401,482,000</u>	<u>355,656,000</u>	<u>16,071,000</u>	<u>29,755,000</u>
Collateral for interest rate swap:				
Cash and cash equivalents	110,002,000	110,002,000	—	—
Less investments included in other assets	4,200,000	4,200,000	—	—
Total assets	<u>\$ 686,079,000</u>	<u>\$ 639,584,000</u>	<u>\$ 16,740,000</u>	<u>\$ 29,755,000</u>
Liabilities				
Derivative instruments	<u>\$ (117,037,000)</u>	<u>\$ —</u>	<u>\$ (117,037,000)</u>	<u>\$ —</u>
Total liabilities	<u>\$ (117,037,000)</u>	<u>\$ —</u>	<u>\$ (117,037,000)</u>	<u>\$ —</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

	June 30, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 15,100,000	\$ 15,100,000	\$ —	\$ —
Trading securities and assets whose use is limited:				
Cash and cash equivalents	31,794,000	31,794,000	—	—
Equity securities	194,818,000	194,818,000	—	—
Fixed income securities	152,235,000	152,235,000	—	—
U.S. Government obligation securities	6,000	6,000	—	—
Alternative investments	73,627,000	37,997,000	—	35,630,000
Total	452,480,000	416,850,000	—	35,630,000
Collateral for interest rate swap:				
Cash and cash equivalents	67,404,000	67,404,000	—	—
Total assets	\$ 534,984,000	\$ 499,354,000	\$ —	\$ 35,630,000
Liabilities				
Derivative instruments	\$ (78,479,000)	\$ —	\$ (78,479,000)	\$ —
Total liabilities	\$ (78,479,000)	\$ —	\$ (78,479,000)	\$ —

Luminis' Level 1 securities primarily consist of U.S. Treasury securities, exchange-traded mutual funds, and cash. Luminis determines the estimated fair value for its Level 1 securities using quoted (unadjusted) prices for identical assets or liabilities in active markets.

Luminis' Level 2 securities primarily consist of cash and cash equivalents. Luminis determines the estimated fair value for these Level 2 securities using the following methods: quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets in non-active markets (few transactions, limited information, noncurrent prices, high variability over time), inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curve volatilities, default rates), and inputs that are derived principally from or corroborated by other observable market data. Part of AAMC's alternative investments, approximately \$22,663,000 and \$35,800,000 at June 30, 2020 and 2019, respectively, are invested in international

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Fair Value Measurements (continued)

equity funds and are considered Level 1 investments due to quoted price being readily available. The majority of the remaining alternative investments \$24,489,000 and \$29,653,000 at June 30, 2020 and 2019, respectively are invested in a fund focused on energy infrastructure and are considered Level 3 investments due to quoted price not being readily available. The underlying assets of the fund are publicly traded energy-related master limited partnerships and equity securities. Certain alternative investments require written notification over a certain period prior to redemption.

Luminis' Level 2 securities also consist of derivative instruments, which are reported using valuation models commonly used for derivatives. Valuation models require a variety of inputs, including contractual terms, market-fixed prices, inputs from forward price yield curves, notional quantities, measures of volatility, and correlations of such inputs.

The following table sets forth a summary of changes in the fair value of the Level 3 assets:

Balance at June 30, 2019	\$ 35,630,000
Realized and unrealized gains and losses	<u>(5,875,000)</u>
Balance at June 30, 2020	<u><u>\$ 29,755,000</u></u>

Luminis also has pledges receivable, which are measured at fair value on a nonrecurring basis and are discounted to the net present value upon receipt using an appropriate risk-free discount rate based on the term of the receivable. Since these inputs are not observable, pledges receivable would be considered Level 3 fair value measurements upon their initial recording. Pledges receivable are recorded net of an allowance for uncollectible pledges. The following table provides a reconciliation of the beginning and ending balances of pledges receivable that used significant unobservable inputs.

	Year Ended June 30	
	2020	2019
Pledges receivable:		
Balance at July 1	\$ 3,296,000	\$ 4,115,000
New pledges	2,967,000	2,542,000
Collections of pledges	(2,028,000)	(3,146,000)
Write-off of pledges	(160,000)	(168,000)
Change in reserves	62,000	(47,000)
Balance at June 30	<u><u>\$ 4,137,000</u></u>	<u><u>\$ 3,296,000</u></u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit

For AAMC and affiliates, long-term debt consists of the following:

	Interest Rate	Maturity Dates	June 30	
			2020	2019
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2017	2.0%–5.0%	2018–2043	\$ 56,905,000	\$ 58,935,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2014	2.0%–5.0%	2015–2040	113,817,000	116,200,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2012	2.0%–5.0%	2013–2035	56,991,000	59,735,000
Maryland Health and Higher Educational Facilities Authority Revenue Bonds – Series 2009B	Variable	2041–2044	60,000,000	60,000,000
Kent Island term loan from a bank	Variable	2021	5,617,000	5,908,000
Real Estate Loan	Variable	2028	55,850,000	59,492,000
			349,180,000	360,270,000
Less current portion of long-term debt			11,461,000	11,029,000
Less deferred debt issue costs			3,531,000	3,803,000
Unamortized original issue premium, net			13,354,000	14,297,000
Long-term debt			\$ 347,542,000	\$ 359,735,000

These debt instruments are secured by the receipts of the AAMC obligated group and substantially all of the property and equipment of the consolidated Group.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

For AAMC and affiliates, principal payments due under all debt instruments as of June 30, 2020, are as follows:

2021	\$ 11,461,000
2022	16,589,000
2023	11,667,000
2024	11,987,000
2025	12,332,000
Thereafter	<u>285,144,000</u>
	<u>\$ 349,180,000</u>

Series 2017 Revenue Bonds

In November 2017, AAMC entered into a loan agreement with the MHHEFA for the issuance of Series 2017 Revenue Bonds (referred to as the 2017 Bonds). The proceeds of the 2017 Bonds were used to advance refund the Series 2010 Bonds previously provided by MHHEFA. The bonds being refunded were originally obtained to finance the expansion of the parking garage for AAMC's acute care pavilion, and costs related to the issuance. The 2017 Bonds provide for annual principal payments each July 1 from 2018 through 2043. Interest is payable annually each July 1 starting in July 2018. The 2017 Bonds bear stated interest rates between 2.00% and 5.00% and were issued at a premium of \$4,590,000, which is amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The effective annual interest rate for the 2017 Bonds for the year ended June 30, 2020 and June 30, 2019, was 3.64% and 1.93%, respectively.

Series 2014 Revenue Bonds

In November 2014, AAMC entered into a loan agreement with the MHHEFA for the issuance of Series 2014 Revenue Bonds (referred to as the 2014 Bonds). The proceeds of the 2014 Bonds were used to advance refund the Series 2009A Bonds previously provided by MHHEFA. The bonds being refunded were originally obtained to finance a portion of the costs of construction for an eight-story patient care building, two parking garages, and costs related to the issuance. The 2014 Bonds provide for annual principal payments each July 1 from 2015 through 2040. Interest is payable semiannually each July 1 and January 1, beginning in January 2015. The 2014 Bonds bear stated interest rates between 2.00% to 5.00% and were issued at a premium of \$7,520,000, which

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

is amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The effective annual interest rate for the 2014 Bonds for the years ended June 30, 2020 and 2019, was 4.49% and 2.24%, respectively.

Series 2012 Revenue Bonds

In October 2012, AAMC entered into a loan agreement with MHHEFA for the issuance of \$73,625,000 of Series 2012 Revenue Bonds (referred to as the 2012 Bonds). The proceeds of the 2012 Bonds were used to repay the Series 2004A Bonds and the Series 1998 Bonds previously provided by the Authority. The bonds being refinanced were originally obtained to finance a new replacement hospital (Series 1998 Bonds) and to finance major renovations to AAMC's Cancer Center and land acquisition (Series 2004A Bonds). The 2012 Bonds provide for annual principal payments each July 1 from 2013 through 2035. Interest is payable semiannually on each July 1 and January 1, beginning July 1, 2013. The 2012 Bonds bear stated interest at rates of 2.00% to 5.00% and were issued at a premium of \$6,746,000. The effective annual interest rates for the 2012 Bonds for the years ended June 30, 2020 and 2019, were 4.34% and 2.16%, respectively.

The provisions of the 2017, 2014, and 2012 Bonds, together with the Series 2009 Bonds, require Luminis and certain subsidiaries to comply with certain covenants on an annual basis, including a debt service coverage requirement, a debt-to-capitalization requirement, and a liquidity requirement. Luminis, AAMC, and HCS are members of the AAMC obligated group for all of the above stated revenue bonds issued by MHHEFA.

Series 2009 Revenue Bonds

In January 2009, AAMC entered into a loan agreement with the MHHEFA for the issuance of \$120,000,000 of Series 2009A Revenue Bonds (the 2009A Bonds) and in February 2009, \$60,000,000 of Series 2009B Revenue Bonds (the 2009B Bonds) (collectively referred to as the 2009 Bonds). The proceeds of the 2014 Bonds were used to advance refund the Series 2009A Bonds previously provided by the MHHEFA. The proceeds of the 2009 Bonds were used to finance a portion of the costs of construction of an eight-story patient care building, two new parking garages, and certain costs relating to the issuance. The 2009B Bonds provide for annual principal payments each July 1, from 2041 through 2044. Interest is payable semiannually on each July 1 and January 1, beginning July 1, 2009. The 2009B Bonds bear interest at variable rates, as set forth in the loan agreement. The maximum interest rate is 12% for the 2009B Bonds. The effective annual interest rates for the 2009B Bonds for the years ended June 30, 2020 and 2019,

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

were 1.18% and 1.65%, respectively. The principal and interest payments on the Series 2009B Bonds are secured by a letter of credit equal to the original principal of the bonds plus an amount equal to 40 days' interest thereon, calculated at the maximum rate. The current letter of credit, which was extended on May 1, 2019, expires on July 1, 2024. Under certain circumstances, AAMC would need to fully redeem the 2009B Bonds upon expiration of the letter of credit, unless a conforming replacement letter of credit was secured prior to such expiration.

The related balances are included in assets whose use is limited and consist of the following:

	June 30	
	2020	2019
Debt service funds	\$ 12,382,000	\$ 12,263,000
Construction fund and capitalized interest fund	7,000	7,000
	<u>\$ 12,389,000</u>	<u>\$ 12,270,000</u>

Bank Line of Credit and Real Estate Loan

AAMC maintains two lines of credit with a bank providing available credit of \$90,000,000. An agreement for \$50,000,000 with the bank is reviewed for renewal on February 28 of each year. Interest on any borrowings accrues at the one-month London Interbank Offered Rate (LIBOR) plus 0.75%. A second agreement for \$40,000,000 was completed on April 24, 2020, and is reviewed for renewal each year. Interest on any borrowing accrues at the one-month LIBOR plus 1.5%. At June 30, 2020 and 2019, AAMC had no balance on the lines of credit.

On October 23, 2008, the Real Estate Company secured a term loan in the amount of \$55,000,000 with a bank. The proceeds from the term loan were used to refinance line of credit proceeds and fund certain construction costs related to a medical office building. The loan bore interest at a variable rate, based on the LIBOR market index rate plus 1.25%. The term loan required monthly payments of \$235,000 with all remaining amounts due upon final maturity on November 5, 2018. The effective annual interest rate for the year ending June 30, 2019, was 2.25%. This loan was subsequently refinanced on October 17, 2018.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

On October 23, 2008, the Real Estate Company entered into a construction loan in the amount of \$30,000,000 with a bank to fund the construction of a medical office building. The loan was issued under the same loan agreement as the term loan discussed in the preceding paragraph. The debt is secured by the medical office building. Interest only was due during the construction period at a rate equal to the LIBOR market index rate plus 1.25%. The loan converted to a term loan after the completion of the construction in July 2009. The term loan provided for monthly principal and interest payments and has a final maturity of November 5, 2018. The effective annual interest rate for the year ended June 30, 2019, was 4.65%. This loan was subsequently refinanced on October 17, 2018.

On October 17, 2018, the Real Estate Company secured a real estate loan from the bank through a wholly owned subsidiary and the proceeds were used to pay off the 2008 Term Loan and 2008 Construction Loan previously provided by the bank. The loans being refinanced were originally obtained to finance certain medical office buildings owned by the Real Estate Company. The new loan requires flat monthly principal payments (amortized over 17 years) plus interest at one month Libor + 1.10% from 2018 through 2028 with a balloon payment due October 5, 2028, of \$25,800,000. The effective interest rates for the years ended June 30, 2020 and 2019, were 2.65% and 4.65%.

Kent Island Term Loan

In August 2007, KIMA entered into a construction loan agreement with a bank in the amount of \$9,000,000 that would convert to a term loan after the completion of the construction. The proceeds were used to construct a medical office building. The debt was secured by the medical office building. Interest only was due during the construction period at a rate of the 30-day LIBOR plus 1.0%. The construction was completed in June 2008.

On May 9, 2017, KIMA refinanced the term loan with a \$6,567,000 promissory note. The promissory note provides for monthly principal and interest payments and has a final maturity of December 2021. The promissory note bears interest at a variable rate, based on the 30-day LIBOR plus 1.2%. The effective annual interest rates for the years ended June 30, 2020 and 2019, were 2.88% and 3.58%, respectively.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

For DCMC, long-term debt consists of the following:

	Interest Rate	Maturity Dates	June 30, 2020
Maryland Health and Higher Education Facilities			
Authority Revenue Bonds, Series 2017B Bond	2.18%	2024	\$ 24,165,000
Authority Revenue Bonds, Series 2016 Bond:			
Series 2016A – Tax-Exempt Private Placement 2007 Refunding	2.57%	2030	16,795,000
Series 2016A – Tax-Exempt Private Placement 2010 Partial Refunding	2.57%	2030	15,150,000
Authority Revenue Bonds, Series 2017A:			
Term bond	5.00%	2031	6,720,000
Term bond	5.00%	2032	7,055,000
Term bond	5.00%	2033	7,410,000
Term bond	5.00%	2034	7,780,000
Term bond	5.00%	2038	35,234,000
			<u>120,309,000</u>
Less current portion of long-term debt			4,979,000
Less deferred debt issue costs			1,340,000
Premium, net of accumulated amortization			8,776,000
Long-term debt			<u><u>\$ 122,766,000</u></u>

For DCMC, principal payments due under all debt instruments as of June 30, 2020, are as follows:

2021	\$ 4,979,000
2022	5,070,000
2023	5,195,000
2024	5,265,000
2025	5,965,000
Thereafter	93,835,000
	<u><u>\$ 120,309,000</u></u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Long-Term Debt and Line of Credit (continued)

On June 28, 2016, MHHEFA issued \$73,445,000 principal amount of Revenue Bonds, Series 2016A (\$31,945,000), and Series 2016B (\$41,500,000). The proceeds of this issue were used to retire the Series 2007A Bonds and Series 2010 Bonds (partial) previously provided by the Authority. In 2017, the Series 2016B taxable note was converted as planned to Series 2017B. On March 23, 2017, the Series 2016 were converted to Series 2017B bonds as planned when the 2016B bonds were issued in June 2016.

On February 8, 2017, MHHEFA issued \$64,165,000 principal amount of Revenue Bonds, Series 2017A. The proceeds of this issue were used to retire the remainder of the Series 2010 Bonds previously provided by the Authority.

The obligated group for MHHEFA bond issuances issued to Doctors Community Medical Center includes Doctors Community Hospital, CHP, Foundation, Sleep Center, Doctors Community Medical Group and Doctors Integrated Healthcare Network and Health Ventures excluding the MAUI, Magnolia Gardens, DI LLC, ACO, and STM. The Series 2017A, Series 2017B, and Series 2016 Bonds are secured by the revenue and accounts receivable of the obligated group, and certain other property secured by a deed of trust. The obligated group is required to maintain certain compliance ratios and covenants as defined under the bond documents.

7. Retirement Plans

Anne Arundel Medical Center Plan

AAMC has a qualified noncontributory, defined benefit pension plan (the Plan) that covers substantially all employees. AAMC's policy is to fund pension costs as determined by its actuary. Adopted by the Board of Trustees on June 11, 2009, and effective September 1, 2009, AAMC amended the Plan to freeze future benefit accruals, and participants have not earned any additional benefits under the Plan since that date. However, subsequent to September 1, 2009, participants have continued to vest in benefits they have earned through September 1, 2009. The frozen benefit balance for the participants will only accrue interest credits until the participants' benefit commencement dates. FASB ASC 715, *Compensation – Retirement Benefits*, requires AAMC to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plan on its consolidated balance sheet, with a corresponding adjustment to unrestricted net assets. The pension liability adjustment to net assets without donor restrictions represents the change in net unrecognized actuarial losses that have not

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

yet been recognized as part of (deficit) excess of revenues over expenses. These amounts are subsequently recognized as a net periodic benefit cost pursuant to AAMC's historical accounting policy for amortizing such amounts.

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended June 30 and the accumulated benefit obligation for the AAMC is as follows:

	June 30	
	2020	2019
Accumulated benefit obligation	\$ 138,148,000	\$ 124,331,000
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 124,331,000	\$ 124,571,000
Service cost	—	—
Interest cost	4,047,000	4,758,000
Actuarial loss	16,039,000	8,705,000
Benefits paid	(2,446,000)	(2,332,000)
Settlements paid	(3,823,000)	(11,371,000)
Projected benefit obligation at end of year	138,148,000	124,331,000
Change in plan assets:		
Fair value of plan assets at beginning of year	118,255,000	121,257,000
Actual return on plan assets	(1,421,000)	5,901,000
Employer contribution	4,832,000	4,800,000
Benefits paid	(2,446,000)	(2,332,000)
Settlements paid	(3,823,000)	(11,371,000)
Fair value of plan assets at end of year	115,397,000	118,255,000
Net liability recognized	\$ (22,751,000)	\$ (6,076,000)

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

	June 30	
	2020	2019
Net amounts recognized on the consolidated balance sheets consist of:		
Accrued pension costs	<u>\$ (22,751,000)</u>	<u>\$ (6,076,000)</u>
Amounts recognized in unrestricted net assets that have not been recognized in net periodic benefit costs consist of:		
Net actuarial loss	<u>\$ 95,271,000</u>	<u>\$ 71,988,000</u>

The following table sets forth the weighted average assumptions used to determine the benefit obligations of AAMC:

	June 30	
	2020	2019
Discount rate	2.45%	3.35%
Rate of compensation increase	N/A	N/A

The following table sets forth the weighted average assumptions used to determine the net periodic benefit cost of AAMC:

	Year Ended June 30	
	2020	2019
Discount rate	3.35%	4.13%
Expected return on plan assets	6.25%	7.00%
Rate of compensation increase	N/A	N/A

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

AAMC's net periodic pension benefit cost included the following components:

	June 30	
	2020	2019
Service cost	\$ —	\$ —
Interest cost	4,047,000	4,758,000
Expected return on plan assets	(7,533,000)	(8,403,000)
Amortization of prior service cost	—	—
Recognized net actuarial loss	1,709,000	1,484,000
Loss recognized from partial settlement of projected benefit obligation	—	6,938,000
Net periodic cost (credit)	\$ (1,777,000)	\$ 4,777,000

The estimated net loss of the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year for AAMC is \$1,777,000.

AAMC's defined benefit plan invests in a diversified mix of traditional asset classes. Investments in certain types of U.S. equity securities and fixed-income securities are made to maximize long-term results while recognizing the need for adequate liquidity to meet ongoing benefit and administrative obligations. Risk tolerance of unexpected investment and actuarial outcomes is continually evaluated by understanding the pension plan's liability characteristics. Equity investments are used primarily to increase the overall plan returns. Debt securities provide diversification benefits and liability hedging attributes that are desirable, especially in falling interest rate environments.

AAMC's target asset allocation percentages as of June 30, 2020, were as follows: 60% investment grade bonds, 16% international equity, 13% large cap domestic stocks, 4% small cap domestic stocks, and 7% alternative investments and exchange-traded notes.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following tables present the fair value hierarchy of assets of the defined benefit pension plan of AAMC.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 669,000	\$ —	\$ 669,000	\$ —
Mutual funds:				
Equity	20,127,000	20,127,000	—	—
Corporate bonds	57,830,000	57,830,000	—	—
International equity	12,520,000	12,520,000	—	—
International bonds	8,715,000	8,715,000	—	—
Closed-end funds ETF	5,512,000	5,512,000	—	—
Alternative investments:				
Common/collective trust	2,398,000	2,398,000	—	—
Partnership	2,395,000	2,395,000	—	—
Other	5,231,000	—	—	5,231,000
	\$ 115,397,000	\$ 109,497,000	\$ 669,000	\$ 5,231,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

	June 30, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 4,025,000	\$ —	\$ 4,025,000	\$ —
Mutual funds:				
Equity	20,237,000	20,237,000	—	—
Corporate bonds	57,573,000	57,573,000	—	—
International equity	11,922,000	11,922,000	—	—
International bonds	9,382,000	9,382,000	—	—
Alternative investments:				
Common/collective trust	3,813,000	—	3,813,000	—
Partnership	3,248,000	—	3,248,000	—
Other	8,055,000	—	8,055,000	—
	<u>\$ 118,255,000</u>	<u>\$ 99,114,000</u>	<u>\$ 19,141,000</u>	<u>\$ —</u>

Level 1 securities primarily consist of exchange-traded mutual funds. Level 2 securities primarily consist of money market funds. Methods consistent with those discussed in Note 5 are used to estimate the fair values of these securities. Level 3 securities consist of a fund focused on energy infrastructure and are considered Level 3 investments due to quoted price not being readily available. The underlying assets of the fund are publicly traded energy-related master limited partnerships and equity securities.

The overall expected rate of return on assets assumptions was based on historical returns, with adjustments made to reflect expectations of future returns. The extent to which the future expectations were recognized considered the target rates of returns for the future, which have historically not changed.

AAMC currently intends to make voluntary contributions to the defined benefit pension plan of \$4,800,000 in fiscal year 2021.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following benefit payments for AAMC are expected to be paid:

2021	\$ 7,855,000
2022	7,470,000
2023	7,391,000
2024	7,071,000
2025	7,586,000
2026–2030	38,880,000

In addition to the noncontributory defined benefit pension plan, AAMC also offers an employee defined contribution plan. Participation in the plan is voluntary. Substantially all full-time employees of AAMC are eligible to participate. Employees may elect to contribute a minimum of 1% of compensation, and a maximum amount as determined by Sections 403(b) and 415 of the Internal Revenue Code. Any employee making contributions to the plan is entitled to a AAMC contribution that will match the employee contribution at the rate of 50% to 75%, depending on the number of years of service, up to a maximum of 5% of qualified compensation. Matching contributions under this defined contribution plan were \$8,830,000 and \$8,000,000 in fiscal years 2020 and 2019, respectively.

Doctors Community Hospital Plan

DCMC froze the defined benefit pension plan that it sponsors (the Plan) in 2011, which covered substantially all employees. The decision to terminate the Plan has not been made by the board of directors. The benefits are based on years of service and employee compensation during years of employment. DCMC's funding policy is to make sufficient contributions to the Plan to comply with the minimum funding provisions of the Employee Retirement Income Security Act of 1974 (ERISA). DCMC expects to contribute \$1,232,000 to the Plan during 2020 to keep the funding levels at the ERISA requirements. The measurement date of the Plan is June 30.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended June 30 and the accumulated benefit obligation at June 30, 2020 for DCMC is as follows:

Accumulated benefit obligation	<u>\$ 23,049,000</u>
Change in projected benefit obligation:	
Projected benefit obligation at beginning of year	\$ 21,661,000
Service cost	
Interest cost	636,000
Actuarial loss	1,883,000
Benefits paid	(112,000)
Settlements paid	<u>(1,019,000)</u>
Projected benefit obligation at end of year	<u>23,049,000</u>
Change in plan assets:	
Fair value of plan assets at beginning of year	16,660,000
Actual return on plan assets	294,000
Employer contribution	664,000
Benefits paid	(112,000)
Settlements paid	<u>(982,000)</u>
Fair value of plan assets at end of year	<u>16,524,000</u>
Net liability recognized	<u>\$ (6,525,000)</u>
Net amounts recognized on the consolidated balance sheets consist of:	
Accrued pension costs	<u>\$ (6,525,000)</u>
Amounts recognized in unrestricted net assets that have not been recognized in net periodic benefit costs consist of:	
Net actuarial loss	<u>\$ 9,634,000</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following table sets forth the weighted average assumptions used to determine the benefit obligations of DCMC as of June 30, 2020:

Discount rate	2.05%
Rate of compensation increase	N/A

The following table sets forth the weighted average assumptions used to determine the net periodic benefit cost for the year ended June 30, 2020:

Discount rate	2.05%
Expected return on plan assets	6.00%
Rate of compensation increase	N/A

DCMC's net periodic pension benefit cost included the following components as of June 30, 2020:

Interest cost	\$ 636,000
Expected return on plan assets	(956,000)
Recognized net actuarial loss	570,000
Effect of settlement	<u>411,000</u>
Net periodic cost	<u>\$ 661,000</u>

The estimated net loss of the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year for DCMC is \$1,499,000.

DCMC's target asset allocation percentages as of June 30, 2020, were as follows: 62% investment grade bonds, 3% international equity, 16% large cap domestic stocks, and 19% small cap domestic stocks.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

The following table presents the fair value hierarchy of assets of the defined benefit pension plan of DCMC.

	June 30, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Mutual funds:				
Equity	\$ 15,571,000	\$ 15,571,000	\$ —	\$ —
Alternative investments:				
Common/collective trust	953,000	—	953,000	—
	\$ 16,524,000	\$ 15,571,000	\$ 953,000	\$ —

DCMC currently intends to make voluntary contributions to the defined benefit pension plan of \$1,232,000 in fiscal year 2021.

The following benefit payments for DCMC are expected to be paid:

2021	\$ 2,428,000
2022	1,292,000
2023	1,235,000
2024	1,257,000
2025	1,581,000
2026–2030	6,330,000

The combined pension liability of both entities is as follows:

AAMC	\$ 22,751,000
DCMC	6,525,000
Total	\$ 29,276,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Retirement Plans (continued)

DCMC has a 403b defined contribution plan (the contribution plan) covering substantially all its employees. The contribution plan is employee and employer contributory. DCMC contributed a match of \$0.50 for every \$1.00 of elective deferrals for a plan year for eligible employees up to 4% of base compensation. Defined contribution plan expense amounted to \$1,266,000 for 2020.

DCMC has a deferred compensation plan that permits certain executives to defer receiving a portion of their compensation. The deferred amounts are included in other assets in the accompanying consolidated balance sheets. The associated liability of an equal amount is included in other liabilities in the accompanying consolidated balance sheets. The liability recorded regarding the deferred compensation was \$3,832,000 as of June 30, 2020.

DCMC is the beneficiary of split dollar life insurance policies in place for certain executives. The amounts that could be realized by DCMC under the insurance contracts are approximately \$9,000,000 as of June 30, 2020, are included in other assets on the consolidated balance sheets.

8. Concentrations of Credit Risk

Certain members of Luminis grant credit without collateral to their 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 for AAMC:

	June 30	
	2020	2019
Medicare	25%	26%
Medicaid	4	5
Blue Cross	19	18
Commercial, HMO, PPO, and other	43	32
Patients	9	19
	100%	100%

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Concentrations of Credit Risk (continued)

The mix of receivables from patients and third-party payors was as follows for the DCMC as of June 30, 2020:

Medicare	28%
Medicaid	21
Blue Cross	10
Commercial, HMO, PPO, and other	29
Patients	12
	<hr/>
	100%
	<hr/> <hr/>

9. Malpractice Insurance Costs and Self-Insured Professional Liability

Until August 1, 1998, AAMC and certain subsidiaries maintained insurance coverage for general and professional liability claims on a claims-made basis. The professional liability coverage included a per-case deductible of \$250,000, up to a maximum out-of-pocket amount of \$750,000 annually. Effective August 1, 1998, the Group changed its professional liability coverage to a full coverage claims-made policy with no annual deductibles. This policy included tail coverage for claims incurred prior to August 1, 1998, but reported subsequently. Effective August 1, 2002, AAMC changed its professional liability coverage back to a claims-made policy with a per-case deductible of \$250,000, up to a maximum out-of-pocket amount of \$750,000 annually. Also, AAMC did not purchase tail coverage for claims incurred prior to August 1, 2002, which were not yet reported.

Effective March 1, 2004, AAMC changed its professional liability coverage to a self-insurance trust with annual exposure limits of \$2,000,000 per claim and \$11,000,000 in the aggregate. AAMC carried an excess liability insurance policy for claims above these limits.

Effective July 1, 2005, Cottage was formed as a captive insurer to provide professional liability insurance for AAMC. Cottage is a wholly owned subsidiary of AAMC, which was formed in the Cayman Islands. The primary layer of professional and general liability insurance coverage is self-insured through Cottage and the secondary layer is fully reinsured through several highly rated commercial carriers.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Malpractice Insurance Costs and Self-Insured Professional Liability (continued)

For the period from July 1, 2005 to June 30, 2009, Cottage issued claims-made policies covering AAMC professional liability (including employed physicians) and on an occurrence basis, comprehensive general liability risks of AAMC and certain affiliates. Policy limits were \$2,000,000 per claim with a \$9,000,000 policy aggregate. Effective July 1, 2005, Cottage assumed existing liabilities from AAMC's self-insured trust discussed above on a claims-made basis. Effective July 1, 2009, Cottage issued a claims-made policy providing \$2,000,000 per claim for AAMC professional liability coverage and \$1,000,000 per claim for comprehensive general liability coverage, subject to a consolidated annual aggregate limit of \$10,000,000. Effective July 1, 2018, policy limits were increased to \$5,000,000 per claim with a \$25,000,000 policy aggregate.

For the period from July 1, 2005 to June 30, 2008, Cottage also issued an excess umbrella coverage policy (covering AAMC professional liability) with limits of \$20,000,000 per claim with a policy aggregate. For claims reported on and subsequent to July 1, 2008, the coverage limit provided is \$30,000,000 per claim with a policy aggregate. These excess limits are in excess of the primary policy, and the umbrella policies are 100% reinsured with highly rated third-party commercial reinsurers.

The provision for estimated professional liability claims, general liability claims, and workers' compensation claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. As of June 30, 2020, and 2019, the balance for outstanding claims reserves recorded at Cottage is \$32,444,000 and \$36,843,000 and reinsurance receivable is \$9,884,000 and \$17,286,000, respectively. The remaining tail liability for claims incurred but not reported is \$11,667,000 and \$10,607,000 as of June 30, 2020 and 2019, respectively, with \$10,163,000 of the 2020 liability and \$9,226,000 of the 2019 liability recorded at the AAMC. The remainder of the liability is recorded at PE. The Group has employed an independent actuary to estimate the ultimate settlement of such claims. In management's opinion, the amounts recorded provide an adequate reserve for loss contingencies. However, changes in circumstances affecting professional liability claims could cause these estimates to change by material amounts in the short term.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Malpractice Insurance Costs and Self-Insured Professional Liability (continued)

DCMC has coverage for professional and general liabilities on a claims-made basis from Freestate Healthcare Insurance Company, Ltd. (Freestate), a group captive formed by several Maryland hospitals. DCMC owns 20% interest in the captive and accounts for it using the cost method. The cost of \$15,000 is recorded in other noncurrent assets on the accompanying consolidated balance sheets as of June 30, 2020. Premiums are expensed as incurred and are established based on the DCMC historical experience supplemented as necessary with industry experience. The total premium is allocated to each of the shareholders based on their experience. Retrospective premium assessments and credits are calculated based on the aggregate experience of all named insureds under the policy. Each named insured's assessment of credit is based on the percentage of their actual exposure to the actual exposure of all named insureds. In management's opinion, the assets of Freestate are sufficient to meet its obligations as of June 30, 2020. If the financial condition of Freestate were to materially deteriorate in the future, and Freestate was unable to pay its claim obligations, the responsibility to pay those claims would return to the member hospitals. The captive is responsible for claims up to \$1,000,000 for each and every loss event. Additional coverage has been purchased by the captive for all claims in excess of \$1,000,000 to a limit of \$6,000,000 effective March 1, 2006, \$10,000,000 effective March 1, 2012, and \$15,000,000 effective March 1, 2019. The estimated unpaid loss liability reserved by the captive for DCMC was \$9,466,000 at June 30, 2020. These amounts are included in long-term liabilities and the related anticipated insurance recoveries were reported in noncurrent assets on the accompanying consolidated balance sheets. The liability for all claims incurred but not reported for DCMC was \$1,106,000 at June 30, 2020. The discount rate for unpaid losses is 3.5% for the year ended June 30, 2020. DCMC engages a consulting actuary to assist in the determination of all professional liability claims incurred but not reported.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies

Leases

The following table presents the components of the Luminis' right-of-use assets and liabilities related to ASC 842 leases and their classification in Luminis' consolidated balance sheets as of June 30, 2020:

Component of Lease Balances	Classification in Consolidated Balance Sheet	June 30, 2020
Assets		
Operating lease assets	Right of use asset long term	\$ 44,995,000
Total leased assets		<u>\$ 44,995,000</u>
Liabilities		
Operating lease liabilities:		
Current	Lease liability short term	\$ 8,753,000
Long term	Lease liability long term	<u>37,429,000</u>
Total operating lease liabilities		<u>\$ 46,182,000</u>

Luminis determines if an arrangement is a lease at inception of the contract. The right-of-use assets represent Luminis' right to use the underlying assets for the lease term and the lease liabilities represent Luminis' obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Luminis uses a risk-free discount rate that is determined using Treasury securities of a comparable term to that of its leases when acting as a lessee.

Luminis' operating leases are primarily for real estate and equipment. Real estate leases include leases of medical facilities and office spaces. Equipment leases mainly include lease of copiers and medical equipment. Luminis' real estate lease agreements typically have initial terms of 3 to 20 years, and equipment lease agreements typically have initial terms of 3 to 5 years.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

Real estate leases may include one or more options to renew that can extend the lease term from five to ten years. The exercise of lease renewal options is at Luminis' sole discretion. In general, Luminis does not consider renewal options to be reasonably likely to be exercised; therefore, renewal options are generally not recognized as part of Luminis' right-of-use assets and lease liabilities. Certain equipment leases also include options to purchase the leased equipment. The useful life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Luminis currently does not have any leases whereby there is a transfer of title or a purchase option that is reasonably certain to be exercised; hence, all of Luminis' leases are depreciated over the lease term.

Certain of the Luminis' lease agreements for real estate include payments based on actual common area maintenance expenses and other operating expenses. These variable lease payments are recognized in purchased services but are not included in the right of-use asset or liability balances. Luminis' lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

Luminis elected the accounting policy practical expedients by class of underlying asset to: (i) exclude recording leases with an initial term of 12 months or less (short-term leases) as right-of-use assets and liabilities on the consolidated balance sheets; and (ii) combine associated lease and non-lease components into a single lease component. Non-lease components, which are not significant overall, are combined with lease components. Luminis' has elected these practical expedients for real estate, equipment, and all other asset classes when acting as a lessee.

Luminis' also elected the practical expedient package not to reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial indirect costs for existing leases.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

The following table presents the components of the Luminis' lease expense for the year ended June 30, 2020:

Operating lease expense	\$ 11,826,000
Finance lease expense:	
Amortization of leased assets	27,000
Interest on lease liabilities	2,000
Total finance lease expense	11,855,000
Variable lease expense	60,000
Short-term lease expense	5,000
Total lease expense	\$ 11,920,000

Total rent expense under operating leases was \$9,875,000 for the year ended June 30, 2019, and is included in purchased services on the accompanying consolidated statement of operations and changes in net assets.

The weighted average lease terms and discount rates for operating and finance leases are as follows as of June 30, 2020:

Weighted average remaining lease term (years):	
Operating leases	8.1
Finance leases	2.2
Weighted average discount rate:	
Operating leases	3.2%
Finance leases	1.8%

Cash flow and other information related to leases are included in the following table for the year ended June 30, 2020:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash outflows from operating leases	\$ 21,756,000
Operating cash outflows from finance leases	1,000
Financing cash outflows from finance leases	26,000
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	8,507,000
Finance leases	27,000

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

The following table summarizes the maturity lease obligations as of June 30, 2020:

	Operating Leases	Finance Leases	Total
2021	\$ 8,922,000	\$ 63,000	\$ 8,985,000
2022	7,706,000	28,000	7,734,000
2023	5,817,000	5,000	5,822,000
2024	4,544,000	–	4,544,000
2025	2,830,000	–	2,830,000
Thereafter	16,999,000	–	16,999,000
Total lease payments	46,818,000	96,000	46,914,000
Less: Imputed interest	729,000	3,000	732,000
Total lease liabilities	<u>\$ 46,089,000</u>	<u>\$ 93,000</u>	<u>\$ 46,182,000</u>

Contingencies

Members of Luminis have been named as defendants in various legal proceedings arising from the performance of their normal activities. In the opinion of management, after consultation with legal counsel and after consideration of applicable insurance, the amount of the Luminis' ultimate liability under all current legal proceedings will not have a material adverse effect on its consolidated financial position or results of operations.

Luminis' revenues may be subject to adjustment as a result of examination by government agencies or contractors, based upon differing interpretations of government regulations, medical diagnoses, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until subsequent to the period during which the services were rendered. Section 302 of the Tax Relief and Health Care Act of 2006 authorized a permanent program involving the use of third-party recovery audit contractors (RACs) to identify Medicare overpayments and underpayments made to providers. Management has established protocols to respond to RAC requests and payment denials. Payment recoveries resulting from RAC reviews are appealable through administrative and judicial processes, and management intends to pursue the reversal of adverse determinations where appropriate. In addition to overpayments that are not reversed on appeal, management will incur additional costs to respond to requests for records and pursue the reversal of payment denials. As of June 30, 2020 and 2019, Luminis has recorded an

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Commitments and Contingencies (continued)

estimated reserve regarding the Medicare overpayments. In the opinion of the Luminis' management, the ultimate settlement of this matter will not have a material adverse effect on the consolidated financial position of Luminis.

During the year ended June 30, 2018, the System recorded a \$3,500,000 accrual related to an inquiry by the Department of Justice regarding a potential billing discrepancy. A final settlement was signed in June 2019 and the payment amount approximated the amount accrued at June 30, 2018. A corporate integrity agreement (CIA) was also signed in June 2019 with the Office of Inspector General of the Department of Health and Human Services. The CIA will be in place for five years and will require periodic reporting of various matters by an independent review organization and the System.

During the year ended June 30, 2020, DCMC recorded an accrual related to a billing error that it intends to self-report to the Department of Health and Human Services. DCMC expects to work with the Federal Government to come to a resolution on this matter. It is possible that other regulatory conditions may be part of the final resolution. Based on consultation with legal counsel, management believes the final resolution will not have a material adverse effect on the June 30, 2020 financial statements.

11. Functional Expenses

Members of Luminis provide general health care services to residents within their service area. Expenses related to providing these services are as follows:

	Health Care Services	General and Administrative	Total
Year ended June 30, 2020			
Salaries and wages	\$ 401,827,000	\$ 78,053,000	\$ 479,880,000
Employee benefits	63,580,000	12,350,000	75,930,000
Supplies	189,335,000	8,152,000	197,487,000
Purchases services	113,213,000	113,162,000	226,375,000
Depreciation and amortization	22,742,000	23,252,000	45,994,000
Interest	16,151,000	—	16,151,000
Total operating expenses	<u>\$ 806,848,000</u>	<u>\$ 234,969,000</u>	<u>\$ 1,041,817,000</u>

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Functional Expenses (continued)

	Health Care Services	General and Administrative	Total
Year ended June 30, 2019			
Salaries and wages	\$ 293,400,000	\$ 56,260,000	\$ 349,660,000
Employee benefits	45,157,000	11,199,000	56,356,000
Supplies	158,348,000	1,141,000	159,489,000
Purchases services	70,001,000	67,556,000	137,557,000
Depreciation and amortization	26,647,000	10,186,000	36,833,000
Interest	13,118,000	–	13,118,000
Transaction costs	–	3,279,000	3,279,000
Total operating expenses	<u>\$ 606,671,000</u>	<u>\$ 149,621,000</u>	<u>\$ 756,292,000</u>

12. Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, patient receivables, prepaid expenses and other current assets, accounts payable, accrued salaries, wages and benefits, other accrued expenses, and advances from third-party payors approximate fair value, given the short-term nature of these financial instruments or their methods of valuation. The following methods and assumptions were used by Luminis in estimating the fair value of other financial instruments.

Investments and Assets Whose Use is Limited

Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Pledges Receivable

Luminis estimates that the carrying value of pledges receivable approximates fair value, given the discount rates applied.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Net Assets

Net assets with donor restrictions are restricted for use, as follows:

	June 30	
	2020	2019
Hospital capital additions	\$ 7,248,000	\$ 6,382,000
Hospital operating programs	16,613,000	16,207,000
	\$ 23,861,000	\$ 22,589,000

14. Liquidity and Availability

Financial assets available for general expenditure within one year of the balance sheet date comprise the following as of June 30, 2020:

Assets

Current assets:

Cash and cash equivalent	\$ 178,795,000
Short-term investments	1,365,000
Current portion of assets whose use is limited	15,912,000
Patient receivables, net	118,882,000
Current portion of pledges receivable, net	945,000
Prepaid expenses and other current assets	19,857,000
Investments*	338,985,000
Total financial assets	\$ 674,741,000

*While these investments are long-term in nature, they are available for general expenditures within one year of the balance sheet date if necessary.

AAMC's bond covenant requires AAMC to maintain unrestricted cash and marketable securities on hand to meet 90 days of normal operating expenses. The AAMC obligated group was compliant with all financial covenants as of June 30, 2020 and 2019.

DCMC's bond covenant requires DCMC to maintain unrestricted cash and marketable securities on hand to meet 60 days of normal operating expenses. The DCMC obligated group was compliant with all financial covenants as of June 30, 2020.

Luminis Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. Subsequent Events

Luminis has evaluated the impact of subsequent events through October 23, 2020, representing the date at which the accompanying consolidated financial statements were issued.

On July 20, 2020, Luminis received \$20,019,000 in provider relief funds authorized in the CARES Act from HHS. Luminis expects that these relief funds will be forgivable, but uncertainty exists as to the final outcome of the terms and conditions associated with the relief funds. Management will continue to monitor compliance with the terms and conditions of the Relief Fund and the impact of the pandemic on the System's revenues and expenses. If unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted. Furthermore, the HSCRC is proposing to reduce Luminis' ability to recoup undercharges from its GBR reimbursement program in future years by an amount derived from these provider relief funds. The final outcome of the HSCRC's decisions on treatment of the undercharge resulting from the Global Budget Reimbursement Revenue program and application of CARES Act funding to GBR limits is still being evaluated.

On October 22, 2020, HHS released additional reporting requirements for health care entities that received distributions from the Provider Relief Fund. The Post-Payment Notice of Reporting Requirements (the Notice) supplements the previous notice issued on July 20, 2020, and amended on August 14, 2020 and September 19, 2020. The System considered the effects of the changes included in the Notice and concluded these changes represent non-recognized (i.e., Type II) subsequent events in accordance with ASC 855, *Subsequent Events*, since the reporting requirements included in the Notice provide evidence about conditions that did not exist at the balance sheet date, but instead are conditions that arose after that date but before financial statements were issued. Based on the expectations of the revenue to be recognized through December 31, 2020, the Company does not believe the new guidance will result in a material change to amounts recorded in the June 30, 2020, financial statements related to the Provider Relief Funds. The System will continue to monitor changes in reporting guidance or additional clarifications that may be issued by HHS, which would affect the accounting for distributions from the Provider Relief Fund. In addition, the System will continue to monitor guidance from the HSCRC related to how the HSCRC will interpret the new HHS guidance.

On October 1, 2020, a new law was signed that included modifications to the CMS Accelerated and Advance Payment Program. These modifications included an extension to the previous terms discussed within Note 2. The changes in payments terms are considered a non-recognized subsequent event in accordance with ASC 855.

Except for those events mentioned above, no events have occurred that require disclosure in or adjustments to the accompanying consolidated financial statements.

Supplementary Information

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet

June 30, 2020

	Luminis Health, Inc.	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Services, Inc.	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Center Collaborative Care Network LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
Assets												
Current assets:												
Cash and cash equivalents	\$ (7,700,000)	\$ 80,540,000	\$ 423,000	\$ (19,000)	\$ 1,191,000	\$ 7,000	\$ 716,000	\$ 2,000	\$ 4,414,000	\$ 99,221,000	\$ —	\$ 178,795,000
Short-term investments	—	912,000	—	—	—	—	—	—	453,000	—	—	1,365,000
Current portion of assets whose use is limited	—	15,912,000	—	—	—	—	—	—	—	—	—	15,912,000
Patient receivables, net	—	69,769,000	2,448,000	—	—	677,000	10,519,000	—	—	35,469,000	—	118,882,000
Current portion of pledges receivable, net	—	—	—	—	—	—	—	—	945,000	—	—	945,000
Inventories	—	15,677,000	—	—	—	—	525,000	—	—	5,587,000	—	21,789,000
Prepaid expenses and other current assets	11,000	8,033,000	93,022,000	4,900,000	23,468,000	775,000	2,104,000	5,030,000	33,678,000	5,380,000	(156,544,000)	19,857,000
Total current assets	(7,689,000)	190,843,000	95,893,000	4,881,000	24,659,000	1,459,000	13,864,000	5,032,000	39,490,000	145,657,000	(156,544,000)	357,545,000
Property and equipment	123,000	772,018,000	28,349,000	3,732,000	138,279,000	77,000	27,376,000	—	2,013,000	124,878,000	—	1,096,845,000
Less accumulated depreciation and amortization	—	(418,394,000)	(26,372,000)	(1,905,000)	(66,552,000)	(77,000)	(14,741,000)	—	(146,000)	(10,166,000)	—	(538,353,000)
Net property and equipment	123,000	353,624,000	1,977,000	1,827,000	71,727,000	—	12,635,000	—	1,867,000	114,712,000	—	558,492,000
Other assets:												
Investments	—	317,410,000	—	—	—	—	—	—	1,552,000	20,023,000	—	338,985,000
Investments in joint ventures	—	—	—	254,000	7,575,000	—	—	—	—	6,195,000	—	14,024,000
Pledges receivable, net	—	—	—	—	—	—	—	—	3,192,000	—	—	3,192,000
Assets whose use is limited	—	25,538,000	—	—	—	—	—	—	15,482,000	—	—	41,020,000
Beneficial interest in net assets of AAMC Foundation, Inc.	—	23,450,000	—	—	—	—	—	—	—	—	(23,450,000)	—
Restricted collateral for interest rate swap contract	—	110,002,000	—	—	—	—	18,597,000	—	—	4,544,000	—	110,002,000
Right of use asset	—	8,539,000	882,000	785,000	11,648,000	—	1,392,000	—	387,000	29,322,000	—	44,995,000
Other assets	576,829,000	22,581,000	—	—	1,338,000	—	1,392,000	—	—	—	(578,236,000)	55,613,000
Total assets	\$ 569,263,000	\$ 1,051,987,000	\$ 98,752,000	\$ 7,747,000	\$ 116,947,000	\$ 1,459,000	\$ 46,488,000	\$ 5,032,000	\$ 61,970,000	\$ 320,453,000	\$ (758,230,000)	\$ 1,521,868,000

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet (continued)

June 30, 2020

	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Center Collaborative Care Network LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
\$	69,678,000	899,000	316,000	1,224,000	8,283,000	214,000	6,659,000	10,274,000	\$(121,961,000)	\$ 40,441,000
	12,901,000	312,000	—	149,000	5,177,000	—	77,000	14,654,000	—	53,438,000
	1,369,000	—	3,599,000	—	1,740,000	—	31,784,000	13,953,000	(35,970,000)	32,413,000
	—	—	4,033,000	—	—	—	—	4,979,000	—	16,440,000
	—	—	661,000	—	7,977,000	—	—	51,905,000	—	182,697,000
	—	124,000	1,283,000	—	2,850,000	—	—	1,184,000	—	8,753,000
	83,948,000	1,335,000	9,892,000	1,373,000	26,027,000	1,889,000	38,520,000	96,949,000	(157,931,000)	334,182,000
	—	—	57,288,000	—	—	—	—	122,766,000	—	470,308,000
	—	—	—	—	—	—	—	—	—	117,037,000
	—	—	—	—	—	—	—	6,525,000	—	29,276,000
	—	767,000	10,511,000	—	15,982,000	—	—	4,075,000	—	37,429,000
	—	—	—	—	167,000	—	—	14,421,000	—	47,032,000
	83,948,000	2,102,000	77,691,000	1,373,000	42,176,000	1,889,000	38,520,000	244,736,000	(157,931,000)	1,035,264,000
	462,606,000	96,650,000	39,256,000	86,000	4,312,000	3,143,000	(608,000)	73,058,000	(553,987,000)	460,552,000
	22,709,000	—	—	—	—	—	24,058,000	468,000	(46,312,000)	23,861,000
	—	—	—	—	—	—	—	2,191,000	—	2,191,000
	485,315,000	96,650,000	39,256,000	86,000	4,312,000	3,143,000	23,450,000	75,717,000	(600,299,000)	486,604,000
	\$ 569,263,000	\$ 98,752,000	\$ 116,947,000	\$ 1,459,000	\$ 46,488,000	\$ 5,032,000	\$ 61,970,000	\$ 320,453,000	\$ (758,230,000)	\$ 1,521,868,000

Liabilities and net assets

Current liabilities:

Accounts payable	
Accrued salaries, wages, and benefits	
Other accrued expenses	
Current portion of long-term debt	
Advances from third-party payors	
Current portion of lease liability	
Total current liabilities	

Long-term debt, less current portion and unamortized

original issue premium	
Interest rate swap contract	
Accrued pension liability	
Lease liability, less current portion	
Other long-term liabilities	
Total liabilities	

Net assets:

Without donor restrictions	
With donor restrictions	
Non-controlling interest	
Total net assets	
Total liabilities and net assets	

Luminis Health, Inc. and Subsidiaries

Supplementary Consolidating Statement of Operations

Year Ended June 30, 2020

	Anne Arundel Medical Center, Inc. and Subsidiaries	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Health Care Services, Inc.	Anne Arundel Health Care Enterprises, Inc.	Anne Arundel Real Estate Holding Company, Inc. and Subsidiaries	AAHS Research Institute, Inc.	Physician Enterprise, LLC	Anne Arundel Medical Collaborative Care Network LLC	Anne Arundel Medical Center Foundation, Inc.	Doctors Community Medical Center and Subsidiaries	Eliminating Entries	Consolidated
Operating revenue:												
Net patient service revenue	\$ 564,209,000	\$ 28,206,000	\$ 20,323,000	\$ 22,447,000	\$ 1,893,000	\$ 137,567,000	\$ 1,483,000	\$ 4,993,000	\$ 239,123,000	\$ (71,597,000)	\$ 969,105,000	
Other operating revenue	33,627,000	630,000	20,323,000	22,447,000	1,893,000	41,378,000	1,483,000	4,993,000	21,884,000	261,007,000	78,393,000	
Total operating revenue	1,332,000	597,836,000	28,836,000	20,323,000	22,447,000	178,945,000	1,483,000	4,993,000	261,007,000	(71,597,000)	1,047,498,000	
Operating expenses:												
Salaries and wages	231,182,000	6,146,000	11,897,000	11,897,000	—	1,701,000	118,815,000	1,402,000	1,402,000	108,829,000	—	479,880,000
Employee benefits	42,106,000	1,120,000	2,087,000	2,087,000	—	349,000	12,993,000	232,000	232,000	17,006,000	—	75,930,000
Supplies	140,029,000	1,102,000	92,000	153,000	153,000	7,000	20,977,000	36,000	36,000	35,088,000	—	197,487,000
Purchased services	136,454,000	13,508,000	7,448,000	9,768,000	9,768,000	932,000	44,846,000	892,000	892,000	80,684,000	(71,295,000)	226,375,000
Foundation transfer to AAMC and subsidiaries	(3,515,000)	—	—	—	—	—	—	3,749,000	3,749,000	—	(234,000)	—
Depreciation and amortization	28,919,000	852,000	20,000	3,751,000	3,751,000	2,000	2,009,000	28,000	28,000	10,413,000	(68,000)	45,994,000
Interest	10,136,000	—	—	1,763,000	1,763,000	—	2,000	—	—	4,318,000	—	16,151,000
Total operating expenses	585,311,000	22,728,000	21,544,000	15,435,000	15,435,000	2,991,000	199,642,000	6,339,000	6,339,000	256,338,000	(71,597,000)	1,041,817,000
Operating income (loss)	203,000	6,108,000	(1,221,000)	7,012,000	7,012,000	(1,098,000)	(20,697,000)	(474,000)	(1,346,000)	4,669,000	—	5,681,000
Other (loss) income:												
Investment (loss) income, net	(12,993,000)	—	—	5,000	5,000	—	—	—	2,827,000	461,000	—	(9,700,000)
Loss from joint ventures and other, net	(74,000)	—	(1,166,000)	314,000	314,000	—	—	—	—	253,000	61,175,000	(673,000)
Inherent contribution	—	—	—	—	—	—	—	—	—	—	—	61,715,000
Pension credit (expense), net	1,777,000	—	—	—	—	—	—	—	—	(661,000)	—	1,116,000
Change in unrealized (losses) gains on trading securities, net	(11,597,000)	—	—	185,000	185,000	—	—	(3,477,000)	(3,477,000)	(262,000)	—	(15,151,000)
Realized and unrealized losses on interest rate swap contracts, net	(43,149,000)	—	—	—	—	—	—	—	—	—	—	(43,149,000)
Total other income (loss), net	(66,036,000)	—	(1,166,000)	504,000	504,000	—	—	(650,000)	(650,000)	(209,000)	61,175,000	(5,842,000)
(Deficit) excess of revenue over expenses	\$ 743,000	\$ (66,036,000)	\$ (2,387,000)	\$ 7,516,000	\$ 7,516,000	\$ (1,098,000)	\$ (20,697,000)	\$ (474,000)	\$ (1,996,000)	\$ 4,460,000	\$ 61,175,000	\$ (161,000)

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet

June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	\$ 80,459,000	\$ 19,000	\$ 62,000	\$ -	\$ -	\$ 80,540,000
Short-term investments	912,000	-	-	-	-	912,000
Current portion of assets whose use is limited	12,382,000	-	-	3,530,000	-	15,912,000
Patient receivables, net	68,164,000	210,000	1,395,000	-	-	69,769,000
Inventories	15,677,000	-	-	-	-	15,677,000
Due from affiliates, net	500,000	1,363,000	-	-	(1,514,000)	349,000
Prepaid expenses and other current assets	7,653,000	2,000	-	29,000	-	7,684,000
Total current assets	185,747,000	1,594,000	1,457,000	3,559,000	(1,514,000)	190,843,000
Property and equipment	735,814,000	9,057,000	27,147,000	-	-	772,018,000
Less accumulated depreciation and amortization	(413,435,000)	(4,744,000)	(215,000)	-	-	(418,394,000)
Net property and equipment	322,379,000	4,313,000	26,932,000	-	-	353,624,000
Other assets:						
Investments	317,410,000	-	-	-	-	317,410,000
Investments in joint ventures	-	-	-	-	-	-
Assets whose use is limited	7,000	-	-	25,531,000	-	25,538,000
Beneficial interest in net assets of Anne Arundel Medical Center Foundation, Inc.	23,450,000	-	-	-	-	23,450,000
Notes receivable from affiliate	1,559,000	-	-	-	-	1,559,000
Restricted collateral for interest rate swap contract	110,002,000	-	-	-	-	110,002,000
Right of use asset	8,539,000	-	-	-	-	8,539,000
Other assets	23,327,000	-	-	9,884,000	(12,189,000)	21,022,000
Total assets	\$ 992,420,000	\$ 5,907,000	\$ 28,389,000	\$ 38,974,000	\$ (13,703,000)	\$ 1,051,987,000

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Balance Sheet (continued)

June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Liabilities and net assets						
Current liabilities:						
Accounts payable	\$ 24,219,000	\$ 24,000	\$ 50,000	\$ 56,000	\$ -	\$ 24,349,000
Accrued salaries, wages, and benefits	18,831,000	167,000	114,000	-	-	19,112,000
Other accrued expenses	15,933,000	1,000	-	-	-	15,934,000
Current portion of long-term debt	7,428,000	-	-	-	-	7,428,000
Intercompany payables	12,280,000	-	28,225,000	-	(1,535,000)	38,970,000
Advances from third-party payors	120,479,000	-	-	-	-	120,479,000
Current portion of lease liability	2,862,000	-	-	-	-	2,862,000
Total current liabilities	202,032,000	192,000	28,389,000	56,000	(1,535,000)	229,134,000
Long-term debt, less current portion and unamortized original issue premium	290,254,000	-	-	-	-	290,254,000
Interest rate swap contract	117,037,000	-	-	-	-	117,037,000
Accrued pension liability	22,751,000	-	-	-	-	22,751,000
Lease liability, less current portion	5,759,000	-	-	-	-	5,759,000
Other long-term liabilities	-	-	-	32,444,000	-	32,444,000
Total liabilities	637,833,000	192,000	28,389,000	32,500,000	(1,535,000)	697,379,000
Net assets:						
Without donor restrictions	331,649,000	5,715,000	-	6,474,000	(12,168,000)	331,670,000
With donor restrictions	22,938,000	-	-	-	-	22,938,000
Total net assets	354,587,000	5,715,000	-	6,474,000	(12,168,000)	354,608,000
Total liabilities and net assets	\$ 992,420,000	\$ 5,907,000	\$ 28,389,000	\$ 38,974,000	\$ (13,703,000)	\$ 1,051,987,000

Anne Arundel Medical Center, Inc. and Subsidiaries

Supplementary Consolidating Statement of Operations

Year Ended June 30, 2020

	Anne Arundel Medical Center, Inc.	Anne Arundel General Treatment Services, Inc.	Anne Arundel Mental Health Hospital, Inc.	Cottage Insurance Company Ltd.	Consolidating and Eliminating Entries	Consolidated
Operating revenue:						
Net patient service revenue	\$ 557,943,000	\$ 4,810,000	\$ 1,456,000	\$ -	\$ -	\$ 564,209,000
Other operating revenue	36,221,000	489,000	839,000	8,121,000	(12,043,000)	33,627,000
Total operating revenue	594,164,000	5,299,000	2,295,000	8,121,000	(12,043,000)	597,836,000
Operating expenses:						
Salaries and wages	225,875,000	4,054,000	1,253,000	-	-	231,182,000
Employee benefits	41,222,000	583,000	301,000	-	-	42,106,000
Supplies	139,555,000	616,000	92,000	-	(234,000)	140,029,000
Purchased services	133,365,000	921,000	693,000	9,771,000	(8,296,000)	136,454,000
Foundation transfer to Anne Arundel Medical Center Foundation, Inc. and subsidiaries	-	-	-	-	(3,515,000)	(3,515,000)
Depreciation and amortization	28,378,000	329,000	212,000	-	-	28,919,000
Interest	10,136,000	-	-	-	-	10,136,000
Total operating expenses	578,531,000	6,503,000	2,551,000	9,771,000	(12,045,000)	585,311,000
Operating income (loss)	15,633,000	(1,204,000)	(256,000)	(1,650,000)	2,000	12,525,000
Other (loss) income:						
Investment loss, net	(12,645,000)	-	-	(348,000)	-	(12,993,000)
(Loss) income from joint venture and other, net	(3,657,000)	-	-	-	3,583,000	(74,000)
Pension credit	1,777,000	-	-	-	-	1,777,000
Change in unrealized losses on trading securities, net	(11,470,000)	-	-	(127,000)	-	(11,597,000)
Realized and unrealized losses on interest rate swap contracts, net	(43,149,000)	-	-	-	-	(43,149,000)
Total other (loss) income, net	(69,144,000)	-	-	(475,000)	3,583,000	(66,036,000)
(Deficit) excess of revenue over expenses	\$ (53,511,000)	\$ (1,204,000)	\$ (256,000)	\$ (2,125,000)	\$ 3,585,000	\$ (53,511,000)

Luminis Health, Inc. and Subsidiaries

Supplementary Description of Consolidating and Eliminating Entries

June 30, 2020

1. To eliminate intercompany payables and receivables
2. To eliminate investments in subsidiaries and related net asset accounts
3. To eliminate intercompany income and expense generated from management fees, staffing contracts, captive insurance premiums, and operating leases
4. To eliminate intercompany notes
5. To eliminate income of wholly owned subsidiaries
6. To eliminate intercompany revenue and expense for interest and other miscellaneous transactions
7. To eliminate the AAMC's beneficial interest in the Foundation

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Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code

(Sections 170(f)(10), 664(c)(2), 4911, 4912, 4941, 4942, 4943, 4944, 4945, 4955, 4958, 4959, 4960, 4965, 4966, 4967, and 4968)

2019

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form4720 for instructions and the latest information.

For calendar year 2019 or other tax year beginning **JUL 1**, 2019, and ending **JUN 30**, 2020

Name of organization or entity LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.	Employer identification number 52-1169362
Number, street, and room or suite no. (or P.O. box if mail is not delivered to street address) 2000 MEDICAL PARKWAY, NO. 606	Check box for type of annual return: <input checked="" type="checkbox"/> Form 990 <input type="checkbox"/> Form 990-EZ <input type="checkbox"/> Form 990-PF <input type="checkbox"/> Other <input type="checkbox"/> Form 5227
City or town, state or province, country, and ZIP or foreign postal code ANNAPOLIS, MD 21401	

		Yes	No
A Is the organization a foreign private foundation within the meaning of section 4948(b)?			X
B Has corrective action been taken on any taxable event that resulted in Ch. 42 taxes being reported on this form? (Enter "N/A" if not applicable)			N/A

If "Yes," attach a detailed description and documentation of the corrective action taken and, if applicable, enter the fair market value of any property recovered as a result of the correction ▶ \$ If "No," (that is, any uncorrected acts or transactions), attach an explanation (see instructions).

Part I Taxes on Organization (Sections 170(f)(10), 664(c)(2), 4911(a), 4912(a), 4942(a), 4943(a), 4944(a)(1), 4945(a)(1), 4955(a)(1), 4959, 4960(a), 4965(a)(1), 4966(a)(1), and 4968(a))

1 Tax on undistributed income - Schedule B, line 4	1		
2 Tax on excess business holdings - Schedule C, line 7	2		
3 Tax on investments that jeopardize charitable purpose - Schedule D, Part I, column (e)	3		
4 Tax on taxable expenditures - Schedule E, Part I, column (g)	4		
5 Tax on political expenditures - Schedule F, Part I, column (e)	5		
6 Tax on excess lobbying expenditures - Schedule G, line 4	6		
7 Tax on disqualifying lobbying expenditures - Schedule H, Part I, column (e)	7		
8 Tax on premiums paid on personal benefit contracts	8		
9 Tax on being a party to prohibited tax shelter transactions - Schedule J, Part I, column (h)	9		
10 Tax on taxable distributions - Schedule K, Part I, column (f)	10		
11 Tax on a charitable remainder trust's unrelated business taxable income. Attach statement	11		
12 Tax on failure to meet the requirements of section 501(r)(3) - Schedule M, Part II, line 2	12		
13 Tax on excess executive compensation - Schedule N	13	224,062.	
14 Tax on net investment income of private colleges and universities - Schedule O	14		
15 Total (add lines 1 - 14)	15	224,062.	

Part II-A Taxes on Managers, Self-Dealers, Disqualified Persons, Donors, Donor Advisors, and Related Persons
(Sections 4912(b), 4941(a), 4944(a)(2), 4945(a)(2), 4955(a)(2), 4958(a), 4965(a)(2), 4966(a)(2), and 4967(a))

(a) Name and address of person subject to tax. City or town, state or province, country, ZIP or foreign postal code	(b) Taxpayer identification number
a	
b	
c	
	(c) Tax on self-dealing - Schedule A, Part II, col. (d), and Part III, col. (d)
	(d) Tax on investments that jeopardize charitable purpose - Schedule D, Part II, col. (d)
	(e) Tax on taxable expenditures - Schedule E, Part II, col. (d)
	(f) Tax on political expenditures - Schedule F, Part II, col. (d)
a	
b	
c	
Total	
	(g) Tax on disqualifying lobbying expenditures - Sch H, Part II, col. (d)
	(h) Tax on excess benefit transactions - Schedule I, Part II, col. (d), and Part III, col. (d)
	(i) Tax on being a party to prohibited tax shelter transactions - Schedule J, Part II, col. (d)
	(j) Tax on taxable distributions - Schedule K, Part II, col. (d)
a	
b	
c	
Total	
	(k) Tax on prohibited benefits - Sch L, Part II, col. (d), and Part III, col. (d)
	(l) Total - Add cols. (c) through (k)
a	
b	
c	
Total	

LUMINIS HEALTH ANNE ARUNDEL MEDICAL CENTER, INC.

Form 4720 (2019)

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Part II-B Summary of Taxes (See Tax Payments in the instructions.)	
1	Enter the taxes listed in Part II-A, column (I), that apply to managers, self-dealers, disqualified persons, donors, donor advisors, and related persons who sign this form. If all sign, enter the total amount from Part II-A, column (I)
2	Total tax. Add Part I, line 15, and Part II-B, line 1
3	Total payments including amount paid with Form 8868 (see instructions)
4	Tax due. If line 2 is larger than line 3, enter amount owed (see instructions)
5	Overpayment. If line 2 is smaller than line 3, enter the difference. This is your refund

SCHEDULE A - Initial Taxes on Self-Dealing (Section 4941)

Part I Acts of Self-Dealing and Tax Computation		
(a) Act number	(b) Date of act	(c) Description of act
1		
2		
3		
4		
5		

(d) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VI-B, applicable to the act	(e) Amount involved in act	(f) Initial tax on self-dealer (10% of col. (e))	(g) Tax on foundation managers (if applicable) (lesser of \$20,000 or 5% of col. (e))

Part II Summary of Tax Liability of Self-Dealers and Proration of Payments			
(a) Names of self-dealers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Self-dealer's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Foundation Managers and Proration of Payments			
(a) Names of foundation managers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (g), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE B - Initial Tax on Undistributed Income (Section 4942)

1	Undistributed income for years before 2018 (from Form 990-PF for 2019, Part XIII, line 6d)	1
2	Undistributed income for 2018 (from Form 990-PF for 2019, Part XIII, line 6e)	2
3	Total undistributed income at end of current tax year beginning in 2019 and subject to tax under section 4942 (add lines 1 and 2)	3
4	Tax - Enter 30% of line 3 here and on Part I, line 1	4

Form 4720 (2019)

SCHEDULE C - Initial Tax on Excess Business Holdings (Section 4943)

Business Holdings and Computation of Tax

If you have taxable excess holdings in more than one business enterprise, attach a separate schedule for each enterprise. Refer to the instructions for each line item before making any entries.

Name and address of business enterprise

Employer identification number

Form of enterprise (corporation, partnership, trust, joint venture, sole proprietorship, etc.)

		(a) Voting stock (profits interest or beneficial interest)	(b) Value	(c) Nonvoting stock (capital interest)
1	Foundation holdings in business enterprise	1		
2	Permitted holdings in business enterprise	2		
3	Value of excess holdings in business enterprise	3		
4	Value of excess holdings disposed of within 90 days; or, other value of excess holdings not subject to section 4943 tax (attach statement)	4		
5	Taxable excess holdings in business enterprise - line 3 minus line 4	5		
6	Tax - Enter 10% of line 5	6		
7	Total tax - Add amounts on line 6, columns (a), (b), and (c); enter total here and on Part I, line 2	7		

SCHEDULE D - Initial Taxes on Investments That Jeopardize Charitable Purpose (Section 4944)

Part I Investments and Tax Computation

(a) Investment number	(b) Date of investment	(c) Description of investment	(d) Amount of investment	(e) Initial tax on foundation (10% of col. (d))	(f) Initial tax on foundation managers (if applicable) - (lesser of \$10,000 or 10% of col. (d))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 3					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments

(a) Names of foundation managers liable for tax	(b) Investment no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE E - Initial Taxes on Taxable Expenditures (Section 4945)

Part I Expenditures and Computation of Tax				
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Name and address of recipient	(e) Description of expenditure and purposes for which made
1				
2				
3				
4				
5				
(f) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VI-B, applicable to the expenditure			(g) Initial tax imposed on foundation (20% of col. (b))	(h) Initial tax imposed on foundation managers (if applicable)- (lesser of \$10,000 or 5% of col. (b))
Total - Column (g). Enter here and on Part I, line 4				
Total - Column (h). Enter total (or prorated amount) here and in Part II, column (c), below				

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments			
(a) Names of foundation managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (h), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE F - Initial Taxes on Political Expenditures (Section 4955)

Part I Expenditures and Computation of Tax					
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of political expenditure	(e) Initial tax imposed on organization or foundation (10% of col. (b))	(f) Initial tax imposed on managers (if applicable) (lesser of \$5,000 or 2½% of col. (b))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 5					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Organization Managers or Foundation Managers and Proration of Payments			
(a) Names of organization managers or foundation managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE G - Tax on Excess Lobbying Expenditures (Section 4911)

1	Excess of grass roots expenditures over grass roots nontaxable amount (from Schedule C (Form 990 or 990-EZ), Part II-A, column (b), line 1h). (See the instructions before making an entry.)	1
2	Excess of lobbying expenditures over lobbying nontaxable amount (from Schedule C (Form 990 or 990-EZ), Part II-A, column (b), line 1i). (See the instructions before making an entry.)	2
3	Excess lobbying expenditures - enter the larger of line 1 or line 2	3
4	Tax - Enter 25% of line 3 here and on Part I, line 6	4

SCHEDULE H - Taxes on Disqualifying Lobbying Expenditures (Section 4912)

Part I Expenditures and Computation of Tax					
(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of lobbying expenditures	(e) Tax imposed on organization (5% of col. (b))	(f) Tax imposed on organization managers (if applicable)- (5% of col. (b))
1					
2					
3					
4					
5					
Total - Column (e). Enter here and on Part I, line 7					
Total - Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					

Part II Summary of Tax Liability of Organization Managers and Proration of Payments			
(a) Names of organization managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE I - Initial Taxes on Excess Benefit Transactions (Section 4958)

Part I Excess Benefit Transactions and Tax Computation		
(a) Transaction number	(b) Date of transaction	(c) Description of transaction
1		
2		
3		
4		
5		
(d) Amount of excess benefit	(e) Initial tax on disqualified persons (25% of col. (d))	(f) Tax on organization managers (if applicable) (lesser of \$20,000 or 10% of col. (d))

SCHEDULE I - Initial Taxes on Excess Benefit Transactions (Section 4958) *Continued*

Part II Summary of Tax Liability of Disqualified Persons and Proration of Payments			
(a) Names of disqualified persons liable for tax	(b) Trans. no. from Part I, col. (a)	(c) Tax from Part I, col. (e), or prorated amount	(d) Disqualified person's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of 501(c)(3), (c)(4) & (c)(29) Organization Managers and Proration of Payments			
(a) Names of 501(c)(3), (c)(4) & (c)(29) organization managers liable for tax	(b) Trans. no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE J - Taxes on Being a Party to Prohibited Tax Shelter Transactions (Section 4965)

Part I Prohibited Tax Shelter Transactions (PTST) and Tax Imposed on the Tax-Exempt Entity (see instructions)				
(a) Transaction number	(b) Transaction date	(c) Type of transaction 1 - Listed 2 - Subsequently listed 3 - Confidential 4 - Contractual protection	(d) Description of transaction	
1				
2				
3				
4				
5				
(e) Did the tax-exempt entity know or have reason to know this transaction was a PTST when it became a party to the transaction? Answer Yes or No		(f) Net income attributable to the PTST	(g) 75% of proceeds attributable to the PTST	(h) Tax imposed on the tax-exempt entity (see instructions)
Total - Column (h). Enter here and on Part I, line 9				

SCHEDULE L - Taxes on Prohibited Benefits Distributed From Donor Advised Funds (Section 4967).

See the instructions.

Part I Prohibited Benefits and Tax Computation		
(a) Item number	(b) Date of prohibited benefit	(c) Description of benefit
1		
2		
3		
4		
5		
(d) Amount of prohibited benefit	(e) Tax on donors, donor advisors, or related persons (125% of col. (d)) (see instructions)	(f) Tax on fund managers (if applicable) (lesser of 10% of col. (d) or \$10,000) (see instructions)

Part II Summary of Tax Liability of Donors, Donor Advisors, Related Persons, and Proration of Payments			
(a) Names of donors, donor advisors, or related persons liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (e) or prorated amount	(d) Donor's, donor advisor's, or related person's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Fund Managers and Proration of Payments			
(a) Names of fund managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (f) or prorated amount	(d) Fund manager's total tax liability (add amounts in col. (c)) (see instructions)

**Schedule M - Tax on Hospital Organization for Failure to Meet the Community Health Needs
Assessment Requirements** (Sections 4959 and 501(r)(3)). (See instructions.)

Part I Failures to Meet Section 501(r)(3)				
(a) Item number	(b) Name of hospital facility	(c) Description of the failure	(d) Tax year hospital facility last conducted a CHNA	(e) Tax year hospital facility last adopted an implementation strategy
1				
2				
3				
4				
5				

Part II Computation of Tax	
1	Number of hospital facilities operated by the hospital organization that failed to meet the Community Health Needs Assessment requirements of section 501(r)(3) 1
2	Tax - Enter \$50,000 multiplied by line 1 here and on Part I, line 12 2

SCHEDULE N - Tax on Excess Executive Compensation (Section 4960). (See instructions.)

(a) Item number	(b) Name of covered employee	(c) Excess remuneration	(d) Excess parachute payment	(e) Total. Add column (c) and (d)
1	SEE STATEMENT 1			
2				
3				
4				
5				
6	Attachment, if necessary. See instructions			
Total (add column (e) items 1 - 6)				1,066,963.
Tax. Enter 21% of the amount above here and on Part I, line 13				224,062.

SCHEDULE O - Excise Tax on Net Investment Income of Private Colleges and Universities
(Section 4968)

	(a) Name	(b) EIN	(c) Gross investment income (See instructions.)	(d) Capital gain net income	(e) Administrative expenses allocable to income included in cols. (c) and (d)	(f) Net investment income (See instructions.)
1	Filing Organization					
2	Related Organization					
3	Related Organization					
4	Related Organization					
5	Total from attachment, if necessary					
6	Total					
7	Excise Tax on Net Investment Income. Enter 1.4% of the amount in 6(f) here and on Part I, line 14					

LUMINIS HEALTH ANNE ARUNDEL MEDICAL
CENTER, INC.

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.

Sign Here

	CFO	
Signature of officer or trustee	Title	Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date
Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person		Date

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
LORI S. BURGHAUSER	LORI S. BURGHAUSER	05/08/21		P00370694
Firm's name ▶ SC&H GROUP, INC.			Firm's EIN ▶ 20-5991824	
Firm's address ▶ 910 RIDGEBROOK ROAD SPARKS, MD 21152			Phone no. (410) 403-1500	

(A) ITEM NO	(B) NAME OF COVERED EMPLOYEE	(C) EXCESS RENUMERATION	(D) EXCESS PARACHUTE PAYMENT	(E) TOTAL
1.	VICTORIA BAYLESS	1,066,963.		1,066,963.
TOTAL EXCESS EXECUTIVE COMPENSATION				1,066,963.