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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission

FOUNDED MORE THAN 60 YEARS AGO, TALLAHASSEE MEMORIAL HEALTHCARE, INC. ("TMH") IS A PRIVATE, NOT-FOR PROFIT, 772-BED, COMMUNITY HEALTH CARE SYSTEM WITH CARING HANDS AND HEARTS, TMH HONORABLY SERVES THE COMMUNITY AND MAINTAINS POSITIVE, COLLABORATIVE RELATIONSHIPS BY PROVIDING COMPASSIONATE, LEADING-EDGE, PATIENT-CENTERED HEALTH CARE FOR ALL. TMH PURSUES PERFECTION IN A TRUSTING AND LEARNING ENVIRONMENT, THUS ENHANCING THE QUALITY OF LIFE FOR THOSE SERVED.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O

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

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses \$ 396,511,511 including grants of \$ 0) (Revenue \$ 508,157,406)






















TALLAHASSEE MEMORIAL HEALTHCARE ("TMH") IS A COMPREHENSIVE HEALTHCARE PROVIDER LOCATED IN TALLAHASSEE, FLORIDA, THE CAPITAL OF FLORIDA, IN THE HEART OF ITS PANHANDLE WITH A POPULATION OF MORE THAN 275,000 IN TALLAHASSEE ALONE, TMH SERVES A TOTAL OF 17 COUNTIES WITH A POPULATION BASE OF 685,033 COVERING 10,700 SQUARE MILES TMH'S PRIMARY SERVICE AREA COVERS 10 COUNTIES IN FLORIDA WHICH INCLUDE CALHOUN, GADSDEN, FRANKLIN, JACKSON, JEFFERSON, LIBERTY, MADISON, TAYLOR, AND WAKULLA THE SIX COUNTIES THAT COMPRISE THE GEORGIA SERVICE AREA INCLUDE BROOKS, DECATUR, GRADY, LOWNDES, SEMINOLE AND THOMAS TMH IS MANAGED BY A TEAM OF COMMUNITY CITIZENS WHO VOLUNTEER THEIR TIME AND EXPERTISE WITHOUT COMPENSATION THE TMH BOARD OF DIRECTORS IS COMMITTED TO ITS COMMUNITY SERVICE MISSION, AND MEMBERS SERVE WITHOUT COMPENSATION TMH SERVES A TRULY DIVERSE POPULATION TALLAHASSEE IS ONE OF THE YOUNGEST AND MOST HIGHLY EDUCATED POPULATIONS IN FLORIDA IT IS A POPULATION THAT HAS THE MOST IMMEDIATE ACCESS TO MEDICAL CARE LEON COUNTY HAS THE SECOND HIGHEST PERCENTAGE OF POPULATION BETWEEN THE AGES OF 18 AND 34 IN THE STATE AT 37.0% (BEHIND ALACHUA COUNTY) AND THE SMALLEST PERCENTAGE AGED 65 AND OLDER AT 9.4% (OF COUNTIES WITH A POPULATION GREATER THAN 20,000) TMH ATTEMPTS TO EDUCATE ALL PATIENTS, OR THEIR GUARANTORS, ABOUT THEIR FINANCIAL RESPONSIBILITY AS WELL AS THEIR OPTIONS AND OPPORTUNITIES FOR ASSISTANCE WITH HOSPITAL BILLS ALL PATIENTS ARE GIVEN THE OPPORTUNITY TO RECEIVE A GOOD FAITH ESTIMATE OF SERVICES TO BE PROVIDED ALONG WITH INFORMATION ABOUT FINANCIAL ASSISTANCE SIGNS ARE POSTED IN CENTRAL REGISTRATION, AS WELL AS OTHER ENTRY POINTS IN THE HOSPITAL, PROVIDING PATIENTS WITH A PHONE NUMBER TO CALL FOR THIS INFORMATION INFORMATION IS ALSO AVAILABLE ON THE TALLAHASSEE MEMORIAL WEBSITE AT [HTTP://WWW.TMH.ORG/BILLINGANDINSURANCEFINANCIALASSISTANCE](http://www.tmh.org/billingandinsurancefinancialassistance) THOSE PATIENTS WHO ARE UNINSURED ARE ASKED TO COMPLETE A BRIEF APPLICATION FOR FINANCIAL ASSISTANCE IT IS THROUGH THIS APPLICATION THAT TMH CAN ASSESS THE PATIENT'S NEED FOR FINANCIAL ASSISTANCE OR PROGRAM ELIGIBILITY A PATIENT MAY BE REFERRED TO A FINANCIAL COUNSELOR OR HOSPITAL INPATIENT SERVICES WHICH IS A CONTRACTED COMPANY THAT PROVIDES MEDICAID ELIGIBILITY SERVICES TO THE HOSPITAL FOR THOSE WHO DO NOT SPEAK ENGLISH, TRANSLATION SERVICES ARE AVAILABLE WHEN AN UNINSURED PATIENT PRESENTS IN A NON-EMERGENT SETTING, A FINANCIAL APPLICATION IS COMPLETED AND A MEETING WITH A FINANCIAL COUNSELOR IS SCHEDULED DURING THIS MEETING, VARIOUS OPTIONS, RANGING FROM VOCATIONAL REHAB TO PAYMENT PLANS BASED ON A SLIDING FEE SCHEDULE, TO REFERRAL TO THE WE CARE NETWORK, WHICH OFFERS FREE CARE, ARE EXPLORED IN THE EVENT THAT THE PATIENT WOULD QUALIFY FOR MEDICAID, A REFERRAL IS MADE TO HOSPITAL INPATIENT SERVICES HOSPITAL INPATIENT SERVICES, THROUGH A DEPARTMENT OF CHILDREN AND FAMILIES REPRESENTATIVE, ASSISTS PATIENTS IN COMPLETING THE MEDICAID APPLICATION IF THE PATIENT IS DISABLED, OR GOING TO BE DISABLED FOR AT LEAST A YEAR, HOSPITAL INPATIENT SERVICES WILL ASSIST THE PATIENT IN APPLYING FOR DISABILITY IF A PATIENT PRESENTS TO THE EMERGENCY ROOM, CARE IS PROVIDED PRIOR TO ASCERTAINING THE PATIENT'S COVERAGE AND/OR ABILITY TO PAY ONCE THE PATIENT IS STABILIZED, THE STEPS OUTLINED FOR THE NON-EMERGENT SETTING ARE TAKEN IN THE EVENT THAT A PATIENT DOES NOT QUALIFY FOR ANY PROGRAMS, AND IS UNINSURED, A CHARITY APPLICATION IS COMPLETED IT IS THROUGH THIS PROCESS THAT A DETERMINATION IS MADE AS TO WHETHER THE PATIENT QUALIFIES FOR CHARITY OR THE SLIDING FEE SCHEDULE THE HOSPITAL SPONSORED FINANCIAL ASSISTANCE PROGRAM (FAP) IS AVAILABLE FOR UNINSURED PATIENTS FAP IS A CHARITY AND SLIDING SCALE DISCOUNT PROGRAM BASED ON THE PATIENT'S FAMILY INCOME PATIENTS WITH FAMILY INCOMES AT OR BELOW 150% OF THE FEDERAL POVERTY GUIDELINES OR WHOSE CHARGES EXCEED 25% OF THE ANNUAL FAMILY INCOME ARE ELIGIBLE FOR 100% CHARITY OR FREE CARE PATIENTS WITH FAMILY INCOMES BETWEEN 151% AND 400% OF THE FEDERAL POVERTY GUIDELINES ARE ELIGIBLE FOR SLIDING SCALE DISCOUNTS THESE UNINSURED PATIENTS WILL BE RESPONSIBLE FOR A PERCENT OF HOSPITAL CHARGES DETERMINED BY INCOME AND FAMILY SIZE THE STATE OF FLORIDA HAS RECOGNIZED THE HIGH LEVEL OF UNCOMPENSATED CARE PROVIDED BY TMH BY DESIGNATING TMH AS A MEDICAID DISPROPORTIONATE SHARE PROVIDER APPROXIMATELY 3.0% OF TMH'S GROSS REVENUES ARE PROVIDED WITHOUT COMPENSATION TO INDIGENT PATIENTS WITH NO FUNDING SOURCE AND ANOTHER 12% OF THE GROSS REVENUES ARE GENERATED BY SERVICES TO PATIENTS COVERED UNDER THE MEDICAID PROGRAM AND MEDICAID HMOS > IMPROVING REGIONAL HEALTH STATUS TMH USES A VARIETY OF ASSESSMENT TOOLS TO DETERMINE THE NEEDS OF ITS COMMUNITY AMONG THOSE ASSESSMENT TOOLS ARE - COUNTY HEALTH STATUS SUMMARY FROM FLORIDA CHARTS (COMMUNITY HEALTH ASSESSMENT RESOURCE TOOL SET) [HTTP://WWW.FLORIDACHARTS.COM/CHARTS/SPECREPORT.aspx?repid=1341](http://www.floridacharts.com/charts/specreport.aspx?repid=1341) - TALLAHASSEE MEMORIAL HEALTHCARE PUBLIC PERCEPTION STUDY - COMMUNITY REQUESTS FOR SERVICES SUCH AS TRAUMA CENTER, DIABETES CENTER, LIPID CENTER, AND ADDICTION RECOVERY CENTER FOR INSTANCE, BASED ON THE MOST RECENT PUBLICATIONS FROM THE FLORIDA DEPARTMENT OF HEALTH, LEON COUNTY RANKED IN THE BOTTOM STATE QUARTILE IN THE FOLLOWING HEALTH INDICATORS ADULTS WHO ARE OVERWEIGHT, RESIDENTS BELOW 100% POVERTY, BREAST CANCER AGE-ADJUSTED INCIDENCE RATE, PROSTATE CANCER AGE-ADJUSTED DEATH RATE, HIV CASES REPORTED, AIDS CASES REPORTED, CHLAMYDIA CASES REPORTED, GONORRHEA CASES REPORTED, INFECTIOUS SYPHILIS CASES REPORTED, LOW BIRTH RATE BIRTHS (BIRTHS< 2500 GRAMS), POSTNEONATAL DEATH RATE, AND FETAL DEATH RATE GADSDEN COUNTY RANKED IN THE BOTTOM STATE QUARTILES FOR THE FOLLOWING HEALTH INDICATORS ADULTS WHO MEET MODERATE PHYSICAL ACTIVITY RECOMMENDATIONS, ADULTS WHO MEET VIGOROUS PHYSICAL ACTIVITY RECOMMENDATIONS, ADULTS WHO ENGAGE IN NO LEISURE-TIME PHYSICAL ACTIVITY, ADULTS WHO ARE OVERWEIGHT, ADULTS WHO ARE OBESE, MEDIAN INCOME, RESIDENTS BELOW 100% POVERTY, POPULATION OVER 25 WITHOUT HIGH SCHOOL DIPLOMA OR EQUIVALENCY, ADULTS WHO RATE THEIR HEALTH STATUS AS "FAIR" OR "POOR", STROKE AGE-ADJUSTED DEATH RATE, ADULTS WITH DIAGNOSED HYPERTENSION, PROSTATE CANCER AGE-ADJUSTED DEATH RATE, CERVICAL CANCER AGE-ADJUSTED DEATH RATE, CERVICAL CANCER AGE-ADJUSTED INCIDENCE RATE, DIABETES AGE-ADJUSTED DEATH RATE, DIABETES AGE-ADJUSTED HOSPITALIZATION RATE, AMPUTATION DUE TO DIABETES AGE-ADJUSTED HOSPITALIZATION RATE, ADULTS WITH DIAGNOSED DIABETES, HIV CASES REPORTED, AIDS CASES REPORTED, HIV/AIDS AGE-ADJUSTED DEATH RATE, CHLAMYDIA CASES REPORTED, TB CASES REPORTED, GONORRHEA CASES REPORTED, INFECTIOUS SYPHILIS CASES REPORTED, LOW BIRTH WEIGHT BIRTHS (BIRTHS < 2500 GRAMS), PREMATURE BIRTHS (BIRTHS < 37 WEEKS GESTATION), MULTIPLE BIRTHS, BIRTHS TO TEENS 15-19, INFANT DEATH RATE, NEONATAL DEATH RATE, POST NEONATAL DEATH RATE, AND FETAL DEATH RATIO WAKULLA COUNTY RANKED IN THE BOTTOM STATE QUARTILE FOR THE FOLLOWING HEALTH INDICATORS ADULTS WHO ARE OBESE, ADULTS WHO ARE CURRENT SMOKERS, LUNG CANCER AGE-ADJUSTED DEATH RATE, LUNG CANCER AGE-ADJUSTED INCIDENCE RATE, COLORECTAL CANCER AGE-ADJUSTED DEATH RATE, PROSTATE CANCER AGE-ADJUSTED DEATH RATE, MELANOMA AGE-ADJUSTED DEATH RATE, ADULTS WHO CURRENTLY HAVE ASTHMA, ADULTS WITH DIAGNOSED DIABETES, LOW BIRTH WEIGHT BIRTHS (BIRTHS < 2500 GRAMS), INFANT DEATH RATE, AND NEONATAL DEATH RATE JEFFERSON COUNTY RANKED IN THE BOTTOM STATE QUARTILE FOR THE FOLLOWING HEALTH INDICATORS ADULTS WHO ARE OBESE, STROKE AGE-ADJUSTED DEATH RATE, ADULTS WITH DIAGNOSED HYPERTENSION, ADULTS WHO HAVE DIAGNOSED HIGH BLOOD CHOLESTEROL, BREAST CANCER AGE-ADJUSTED DEATH RATE, BREAST CANCER AGE-ADJUSTED INCIDENCE RATE, MELANOMA AGE-ADJUSTED DEATH RATE, AMPUTATION DUE TO DIABETES AGE-ADJUSTED HOSPITALIZATION RATE, CHLAMYDIA CASES REPORTED, GONORRHEA CASES REPORTED, PREMATURE BIRTHS (BIRTHS < 37 WEEKS GESTATION), MULTIPLE BIRTHS, REPEAT BIRTHS TO MOTHERS 15-19, INFANT DEATH RATE, NEONATAL DEATH RATE, UNINTENTIONAL INJURIES AGE-ADJUSTED DEATH RATE, AND MOTOR VEHICLE CRASH AGE-ADJUSTED DEATH RATE FRANKLIN COUNTY RANKED IN THE BOTTOM STATE QUARTILE FOR THE FOLLOWING HEALTH INDICATORS ADULTS WHO MEET VIGOROUS PHYSICAL ACTIVITY RECOMMENDATIONS, ADULTS WHO ARE CURRENT SMOKERS, ADULTS WHO RATE THEIR HEALTH STATUS AS "FAIR" OR "POOR", ADULTS WITH ANY TYPE OF HEALTHCARE INSURANCE COVERAGE, ADULTS WHO RECEIVE A FLU SHOT IN THE PAST YEAR, LUNG CANCER AGE ADJUSTED DEATH RATE, WOMEN 40 YEARS OF AGE AND OVER WHO RECEIVED A MAMMOGRAM IN THE PAST YEAR, VACCINE PREVENTABLE DISEASES, CHLAMYDIA CASES REPORTED, PREMATURE BIRTHS (BIRTHS < 37 WEEKS GESTATION), BIRTHS TO TEENS 15-19, POSTNEONATAL DEATH RATE, FETAL DEATH RATIO, KINDERGARTEN CHILDREN FULLY IMMUNIZED, UNINTENTIONAL INJURIES AGE-ADJUSTED DEATH RATE, AND MOTOR VEHICLE CRASH AGE-ADJUSTED DEATH RATE TALLAHASSEE MEMORIAL COLLEAGUES ARE INVOLVED IN A WIDE VARIETY OF ACTIVITIES AND ESSENTIAL SERVICES TO POSITIVELY AFFECT OUR COMMUNITY'S HEALTH STATUS PHYSICIANS AND HOSPITAL STAFF CONDUCTED OV

[illegible][illegible]

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

4e	Total program service expenses	\$ 396,511,511
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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV 	14b Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV 	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV 	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	247
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	4,473
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		No
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
15c	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	FL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	WILLIAM A GIUDICE CFO 1300 MICCOSUKEE ROAD TALLAHASSEE, FL 323080000 (850) 431-5238

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

Check if Schedule O contains a response to any question in this Part VII ☒

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

[illegible]

Part VII

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								5,604,129	0	488,151

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization 150

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A)	(B)	(C)
Name and business address	Description of services	Compensation
PENNINGTON MOORE WILKINSON BELL 215 N MONROE STREET TALLAHASSEE, FL 32301	LEGAL SERVICES	3,213,316
CLEMONS RUTHERFORD ASSOCIATES IN 3027 THOMASVILLE ROAD TALLAHASSEE, FL 32308	ARCHITECT SERVICES	998,998
PETER MITCHELL ASSOCIATES 1311 E 7th AVE TALLAHASSEE, FL 32303	ADVERTISING SRVCS	979,196
ADREIMA 3200 N CENTRAL AVENUE STE 1000 PHOENIX, AZ 85012	MEDICAID/CHARITY	975,552
PRICEWATERHOUSECOOPERS LLP 50 N LAURA STREET STE 3000 JACKSONVILLE, FL 32202	AUDITING/TAX SRVCS	826,555
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 138		

Part VIII

Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d	702,106				
	e	Government grants (contributions)	1e	781,021				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	660,918				
	g	Noncash contributions included in lines 1a-1f \$		145,276				
	h	Total. Add lines 1a-1f		2,144,045				
	Program Service Revenue	2a	PATIENT SERVICE REVENUE	Business Code 622110	380,545,439	380,111,664	433,775	
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a–2f		380,545,439				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		232,854			232,854
		4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0				
	6a	Gross Rents	(i) Real 4,126,494	(ii) Personal				
	b	Less rental expenses	5,037,790					
	c	Rental income or (loss)	-911,296					
	d	Net rental income or (loss)		-911,296		904,921	- 1,816,217	
	7a	Gross amount from sales of assets other than inventory	(i) Securities 26,473,611	(ii) Other 53,566				
	b	Less cost or other basis and sales expenses	26,496,788	123,212				
	c	Gain or (loss)	-23,177	-69,646				
	d	Net gain or (loss)		-92,823			-92,823	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events		0				
	9a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities		0				
	10a	Gross sales of inventory, less returns and allowances	a	148,509,719				
	b	Less cost of goods sold	b	23,595,565				
	c	Net income or (loss) from sales of inventory		124,914,154	124,914,154			
	Miscellaneous Revenue		Business Code					
	11a	Services to other Organizations	900099	23,358	23,358			
	b	Parking Deck	900099	534,187	534,187			
c	Vendor Rebates	900099	1,875,595	1,875,595				
d	All other revenue		264,673	264,673				
e	Total. Add lines 11a–11d		2,697,813					
12	Total revenue. See Instructions		509,530,186	507,723,631	1,338,696	- 1,676,186		

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	3,840,177	3,197,576	642,601	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	166,440,590	147,645,264	18,795,326	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	18,312,170	16,266,828	2,045,342	0
9	Other employee benefits	11,034,064	9,788,041	1,246,023	0
10	Payroll taxes	11,757,137	10,429,461	1,327,676	0
a	Fees for services (non-employees) Management	0			
b	Legal	5,060,048	2,867,156	2,192,892	0
c	Accounting	785,529	0	785,529	0
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	11,464,251	11,005,465	458,786	0
12	Advertising and promotion	1,289,961		1,289,961	0
13	Office expenses	15,202,467	13,418,372	1,784,095	0
14	Information technology	8,150,257	6,132,333	2,017,924	0
15	Royalties	0			
16	Occupancy	8,854,984	7,311,660	1,543,324	0
17	Travel	1,837,420	854,732	982,688	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	884,155	343,206	540,949	0
20	Interest	8,772,814	8,772,814		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	17,198,833	14,321,121	2,877,712	0
23	Insurance	-270,394	-310,001	39,607	0
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	PROVISION FOR BAD DEBT	68,749,715	68,749,715	0	0
b	PATIENT EXPENSES	59,545,168	59,545,168	0	0
c	SERVICE MAINTENANCE	10,832,441	6,775,507	4,056,934	0
d	INDIGENT CARE	5,242,680	5,242,680	0	0
e	PATIENT FOOD	3,128,792	3,128,792	0	0
f	All other expenses	4,220,233	1,025,621	3,194,612	0
25	Total functional expenses. Add lines 1 through 24f	442,333,492	396,511,511	45,821,981	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			130,836,792	2	159,208,726
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			38,758,546	4	49,104,979
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			6,576,423	8	6,902,669
	9	Prepaid expenses and deferred charges			6,384,898	9	7,085,485
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	446,561,920	209,859,522	10c	223,893,781
	b	Less: accumulated depreciation	10b	222,668,139			
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			984,800	12	957,500
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			45,077,309	15	43,142,147
16	Total assets. Add lines 1 through 15 (must equal line 34)			438,478,290	16	490,295,287	
Liabilities	17	Accounts payable and accrued expenses			54,237,885	17	42,642,750
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			125,579,337	20	121,134,063
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			13,533,415	23	20,973,400
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			177,352,448	25	207,203,758
	26	Total liabilities. Add lines 17 through 25			370,703,085	26	391,953,971
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			67,775,205	27	98,341,316
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			67,775,205	33	98,341,316
	34	Total liabilities and net assets/fund balances			438,478,290	34	490,295,287

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	509,530,186
2	Total expenses (must equal Part IX, column (A), line 25)	2	442,333,492
3	Revenue less expenses Subtract line 2 from line 1	3	67,196,694
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	67,775,205
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-36,630,583
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	98,341,316

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization TALLAHASSEE MEMORIAL HEALTHCARE INC	Employer identification number 59-1917016
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Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Additional Data

Software ID:

Software Version:

EIN: 59-1917016

Name: TALLAHASSEE MEMORIAL HEALTHCARE INC

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DAVID L SAINT MD DIRECTOR	1 0	X						0	0	0
ERIN ENNIS DIRECTOR	1 0	X						0	0	0
JOSEPH L CAMPS MD CHAIR	1 0	X		X				0	0	0
LAURIE L DOZIER III SECRETARY	1 0	X		X				0	0	0
DEBRA AUSTIN EDD DIRECTOR	1 0	X						0	0	0
HAROLD BROCK DIRECTOR	1 0	X						0	0	0
SUSIE BUSCH-TRANSOU DIRECTOR	1 0	X						0	0	0
FRANK E GREDLER MD DIRECTOR	1 0	X						0	0	0
ALMA LITTLES MD DIRECTOR	1 0	X						0	0	0
RICK MOORE DIRECTOR	1 0	X						0	0	0
MARTIN PROCTOR DIRECTOR	1 0	X						0	0	0
WAYNE BATCHELOR MD DIRECTOR	1 0	X						0	0	0
GLENDAL THORNTON TREASURER	1 0	X		X				0	0	0
KIM WILLIAMS CHAIR-ELECT	1 0	X		X				0	0	0
G MARK O'BRYANT CEO/PRESIDENT	55 0			X				742,957	0	222,822
STEVEN ADRIAANSE VP/CHIEF HR OFFICER	55 0			X				273,505	0	20,696
WARREN JONES VP/CHIEF COMMUNICATION OFFICER	55 0			X				173,754	0	17,728
WILLIAM GIUDICE VP/CFO	55 0			X				414,980	0	22,822
BARBARA MACARTHUR VP/CHIEF PATIENT CARE OFFICER	55 0			X				226,863	0	13,974
CYNTHIA BLAIR VP/CHIEF IMPROVEMENT OFFICER	55 0			X				196,593	0	11,952
PAULA FORTUNAS VP/CHIEF ADVANCEMENT OFFICER	15 0			X				196,219	0	14,658
JASON H MOORE VP/COO	55 0			X				388,030	0	22,798
DONALD LINDSEY VP/CIO	55 0			X				206,288	0	16,579
DEAN WATSON MD CHEIF MEDICAL OFFICER	55 0			X				351,108	0	22,617
ALEX HO MD PHYSICIAN	40 0					X		438,213	0	22,798

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
EDWARD EASTMAN MD PHYSICIAN	43 0					X		469,987	0	22,798
STEPHEN CREMIN MD PHYSICIAN	44 0					X		482,551	0	22,919
WILLIAM MILLER MD PHYSICIAN	47 0					X		512,173	0	14,850
JOSHUA SIMMONS MD PHYSICIAN	42 0					X		530,908	0	18,140

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public
Inspection

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

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

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

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

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

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

Name of the organization TALLAHASSEE MEMORIAL HEALTHCARE INC	Employer identification number 59-1917016
---	--

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

- 1

Provide a description of the organization’s direct and indirect political campaign activities in Part IV
- 2

Political expenditures ▶ \$
- 3

Volunteer hours

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

- 1

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

Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3

If the organization incurred a section 4955 tax, did it file Form 4720 for this year?

☐ Yes

☐ No
- 4a

Was a correction made?

☐ Yes

☐ No
- b

If “Yes,” describe in Part IV

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

- 1

Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2

Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ \$
- 3

Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4

Did the filing organization file **Form 1120-POL** for this year?

☐ Yes

☐ No
- 5

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

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

Part II-A

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

A

Check

☒

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		0	0												
b Total lobbying expenditures to influence a legislative body (direct lobbying)		43,816	43,816												
c Total lobbying expenditures (add lines 1a and 1b)		43,816	43,816												
d Other exempt purpose expenditures		442,289,676	444,262,186												
e Total exempt purpose expenditures (add lines 1c and 1d)		442,333,492	444,306,002												
f Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000	1,000,000												
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)		250,000	250,000												
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	24,670	41,190	76,750	43,816	186,426
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	0	0	0	0	0

Part II-B

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

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

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION	FORM 990, SCHEDULE C, PART II-A	LOBBYING EXPENSES INCURRED INCLUDE MEETING WITH LOCAL CITY AND COUNTY OFFICIALS AND LEGISLATORS IN ORDER TO SECURE APPROPRIATED FUNDS FOR THE LEVEL II TRAUMA CENTER, AS WELL AS PORTIONS OF VHA AND FLORIDA HOSPITAL ASSOCIATION ("FHA") MEMBERSHIP DUES ALLOCATED TO LOBBYING EXPENSES

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number
59-1917016

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div>YesNo</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div>YesNo</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ►_____

4

Number of states where property subject to conservation easement is located ►_____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

YesNo

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ►_____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

YesNo

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		12,542,079		12,542,079
b Buildings		258,903,140	116,569,296	142,333,844
c Leasehold improvements		3,607,739	1,235,179	2,372,560
d Equipment		164,331,216	104,863,664	59,467,552
e Other		7,177,746	0	7,177,746
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				223,893,781

Part VIII Investments—Program Related. See Form 990, Part X, line 13.**Part IX Other Assets.** See Form 990, Part X, line 15.

Part X **Other Liabilities.** See Form 990, Part X, line 25.

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1509,530,186
2	Total expenses (Form 990, Part IX, column (A), line 25)	2442,333,492
3	Excess or (deficit) for the year Subtract line 2 from line 1	367,196,694
4	Net unrealized gains (losses) on investments	4-23,178
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-36,607,405
9	Total adjustments (net) Add lines 4 - 8	9-36,630,583
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	1030,566,111

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1493,328,108
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a-23,178	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d-16,178,900	
e	Add lines 2a through 2d2e-16,202,078	
3	Subtract line 2e from line 13	3509,530,186
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)5	5509,530,186

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1462,761,997
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d20,428,505	
e	Add lines 2a through 2d2e20,428,505	
3	Subtract line 2e from line 13	3442,333,492
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)5	5442,333,492

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION		DETAIL OF OTHER CHANGES IN NET ASSETS SCHEDULE D, PART XI, LINE 8 CHANGE IN ADD'L MIN PENSION LIABILITY \$(36,261,141) CHANGE IN FMV OF DERIVATIVE INSTRUMENT (233,482) OTHER CHANGES IN NET ASSETS (112,782) ----- TOTAL \$(36,607,405) ----- DETAIL OF OTHER CHANGES IN REVENUE SCHEDULE D, PART XII, LINE 2D CHANGE IN ADD'L MIN PENSION LIABILITY \$(36,261,141) CHANGE IN FMV OF DERIVATIVE INSTRUMENT (233,482) OTHER CHANGES IN NET ASSETS (112,782) COST OF GOODS SOLD 23,595,565 DEPRECIATION (18,333) AUXILIARY ACTIVITIES (222,210) CHILD CARE REVENUES (671,897) VENDOR REBATES (1,875,595) DONATED EQUIPMENT (379,025) ---- ----- TOTAL \$(16,178,900) ----- DETAIL OF OTHER CHANGES IN EXPENSES SCHEDULE D, PART XIII, LINE 2D COST OF GOODS SOLD \$23,595,565 DEPRECIATION (18,333) AUXILIARY ACTIVITIES (222,210) CHILD CARE REVENUES (671,897) VENDOR REBATES (1,875,595) DONATED EQUIPMENT (379,025) ---- ----- TOTAL \$20,428,505

Additional Data

Software ID:

Software Version:

EIN: 59-1917016

Name: TALLAHASSEE MEMORIAL HEALTHCARE INC

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
VHA Florida Partnership	27,300
Debt Reserve Fund	16,308,827
Debt Service Fund	6,733,404
Bond Issue Costs	1,493,412
SWAP Collateral	3,609,443
Deposits and Other Assets	4,849,646
Due from Parent Holding Compan	5,963,535
Self Insurance Trust Fund	3,431,379
Due from Medicare	725,201

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Amount
Worker's Comp Self Insurance	2,129,122
Professional Liability Self Insurance	25,289,438
SWAP Liability	4,559,404
Min Pension Liability	160,096,170
Obligation for supplemental executive retirement benefits	4,531,595
Defferred comp arrangement	1,347,753
Due to Medicaid	6,175,179
Asset retirement obligation	380,000
AHCA AASSEMENT	2,695,097

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number
59-1917016

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States
- 3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
Central America and the Caribbean	0	0	Program Services	Insurance	957,500
3a Sub-total	0	0			957,500
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	0	0			957,500

1

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ► _____

3 Enter total number of other organizations or entities ► _____

Part III

(a) Type of grant or assistance

(b) Region

(c) Number of recipients

(d) Amount of cash grant

(e) Manner of cash disbursement

(f) Amount of non-cash assistance

**(g) Description
of non-cash
assistance**

(h) Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*

☐ Yes ☒ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*

☐ Yes ☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*

☒ Yes ☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*

☐ Yes ☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*

☐ Yes ☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*

☐ Yes ☒ No

Additional Data

Software ID:
Software Version:
EIN: 59-1917016
Name: TALLAHASSEE MEMORIAL HEALTHCARE INC

Part V

Supplemental Information
Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number
59-1917016

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			17,534,616	0	17,534,616	4 690 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			47,313,170	49,612,277	-2,299,107	0 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			64,847,786	49,612,277	15,235,509	4 690 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)			7,542,981	836,028	6,706,953	1 800 %
g Subsidized health services (from Worksheet 6)			21,548,528	14,916,357	6,632,171	1 780 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits			29,091,509	15,752,385	13,339,124	3 580 %
k Total. Add lines 7d and 7j)			93,939,295	65,364,662	28,574,633	8 270 %

Part IICommunity Building Activities

during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			398,119	0	398,119	0 110 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total			398,119	0	398,119	0 110 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		No
2	Enter the amount of the organization's bad debt expense (at cost)	2	17,028,310	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	3,569,491	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	80,097,206	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	81,074,391	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-977,185	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used. <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes	

Part IVManagement Companies and Joint Ventures

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

Section A. Hospital Facilities

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

1	TALLAHASSEE MEMORIAL HOSPITAL 1300 MICCOSUKEE ROAD TALLAHASSEE, FL 32308
---	--

Other (Describe)

ER-other
ER-24 hours
Research facility
Critical access hospital
Teaching hospital
Children's hospital
General medical & surg
Licensed hospital

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (Describe)
1	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
SUPPLEMENTAL DISCLOSURES		PART I, LINES 3C, 6A NOT APPLICABLE BAD DEBT EXPENSE, COSTING METHODOLOGY USED PART I, LINE 7 THE BAD DEBT EXPENSE AMOUNT INCLUDED ON FORM 990, PART IX, COLUMN 25(A) WAS \$68,749,715 FOR THE YEAR ENDED SEPTEMBER 30, 2011 THIS AMOUNT HAS BEEN SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES REPORTED ON THE SCHEDULE H, PART I, LINE 7 TABLE THE COSTING METHODOLOGY USED IN CALCULATING THE AMOUNTS REPORTED ON THE LINE 7 TABLE ARE BASED ON A COST TO CHARGE RATIO THE COST TO CHARGE RATIO WAS DERIVED FROM WORKSHEET 2

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	PART III, SECTION A, LINE 1	<p>TMH REPORTS BAD DEBT EXPENSE IN ACCORDANCE WITH GAAP AND AICPA GUIDELINES HFMA STATEMENT NO 15 HAS NOT BEEN ADOPTED BY THE AICPA PART III, SECTION A, LINE 4 THE COMPONENTS OF NET PATIENT SERVICE REVENUE FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010 ARE AS FOLLOWS 2011- GROSS PATIENT SERVICE REVENUE \$1,483,636,094, CONTRACTUAL ADJUSTMENTS AND OTHER DEDUCTIONS (956,780,435), NET PATIENT SERVICE REVENUE \$526,855,659 2010- GROSS PATIENT SERVICE REVENUE \$1,397,969,671, CONTRACTUAL ADJUSTMENTS AND OTHER DEDUCTIONS (907,174,154), NET PATIENT SERVICE REVENUE \$490,795,517 NET PATIENT SERVICE REVENUE IS REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRDPARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENTS WITH THIRDPARTY PAYORS RETROACTIVE ADJUSTMENTS ARE ACCRUED ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED APPROXIMATELY 83% AND 86% OF THE HOSPITAL'S NET PATIENT ACCOUNTS RECEIVABLE AT SEPTEMBER 30, 2011 AND 2010 ARE DUE FROM COMMERCIAL INSURANCE CARRIERS AND GOVERNMENTAL PAYORS, AND THE REMAINDER IS DUE FROM OTHERS WHO RESIDE PRIMARILY IN THE GEOGRAPHICAL AREA IN OR NEAR TALLAHASSEE, FLORIDA PATIENT ACCOUNTS RECEIVABLES ARE STATED AT THEIR ESTIMATED NET REALIZABLE VALUE AS DETERMINED BY MANAGEMENT MANAGEMENT'S ESTIMATE IS BASED ON AN ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS THE COSTING METHODOLOGY USED IN DETERMINING THE AMOUNTS REPORTED ON LINES 2 AND 3 ARE BASED ON A COST TO CHARGE RATIO</p>

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY, MEDICARE SHORTFALL	PART III, SECTION B, LINE 8	THE COSTING METHODOLOGY USED IN DETERMINING THE AMOUNT REPORTED ON LINE 6 IS BASED ON THE HOSPITAL'S MEDICARE COST REPORT FILING FOR THE YEAR CONSISTENT WITH THE CHARITABLE HEALTHCARE MISSION OF TMH AND THE COMMUNITY BENEFIT STANDARD SET FORTH IN IRS REVENUE RULING 69-545, TMH PROVIDES CARE FOR ALL PATIENTS COVERED BY MEDICARE SEEKING MEDICAL CARE SUCH CARE IS PROVIDED REGARDLESS OF WHETHER THE REIMBURSEMENT PROVIDED FOR SUCH SERVICES MEETS OR EXCEEDS THE COSTS INCURRED BY TMH TO PROVIDE SUCH SERVICES AS A RESULT, TMH VIEWS ANY SHORTFALL REPORTED IN LINE 7 AS AN ADDITIONAL ITEM OF COMMUNITY BENEFIT PROVIDED BY THE ORGANIZATION

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES	PART III, LINE 9B	THE HOSPITAL PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI, LINE 2	<p>TALLAHASSEE MEMORIAL HEALTHCARE (TMH) USES A VARIETY OF ASSESSMENT TOOLS TO DETERMINE THE NEEDS OF ITS COMMUNITY. AMONG THOSE ASSESSMENT TOOLS ARE - COUNTY HEALTH STATUS SUMMARY FROM FLORIDA CHARTS (COMMUNITY HEALTH ASSESSMENT RESOURCE TOOL SET)</p> <p>HTTP://WWW.FLORIDACHARTS.COM/CHARTS/SPECREPORT.ASPX?REPID=1341 - TALLAHASSEE MEMORIAL HEALTHCARE PUBLIC PERCEPTION STUDY - COMMUNITY REQUESTS FOR SERVICES SUCH AS TRAUMA CENTER, DIABETES CENTER, LIPID CENTER, AND ADDICTION RECOVERY CENTER. FOR INSTANCE, BASED ON THE MOST RECENT PUBLICATIONS FROM THE FLORIDA DEPARTMENT OF HEALTH, LEON COUNTY RANKED IN THE BOTTOM STATE QUARTILE IN THE FOLLOWING HEALTH INDICATORS: ADULTS WHO ARE OVERWEIGHT, RESIDENTS BELOW 100% POVERTY, BREAST CANCER AGE-ADJUSTED INCIDENCE RATE, PROSTATE CANCER AGE-ADJUSTED DEATH RATE, HIV CASES REPORTED, AIDS CASES REPORTED, CHLAMYDIA CASES REPORTED, GONORRHEA CASES REPORTED, INFECTIOUS SYPHILIS CASES REPORTED, LOW BIRTH RATE BIRTHS (BIRTHS < 2500 GRAMS), POSTNEONATAL DEATH RATE, AND FETAL DEATH RATE. GADSDEN COUNTY RANKED IN THE BOTTOM STATE QUARTILES FOR THE FOLLOWING HEALTH INDICATORS: ADULTS WHO MEET MODERATE PHYSICAL ACTIVITY RECOMMENDATIONS, ADULTS WHO MEET VIGOROUS PHYSICAL ACTIVITY RECOMMENDATIONS, ADULTS WHO ENGAGE IN NO LEISURE-TIME PHYSICAL ACTIVITY, ADULTS WHO ARE OVERWEIGHT, ADULTS WHO ARE OBESE, MEDIAN INCOME, RESIDENTS BELOW 100% POVERTY, POPULATION OVER 25 WITHOUT HIGH SCHOOL DIPLOMA OR EQUIVALENCY, ADULTS WHO RATE THEIR HEALTH STATUS AS "FAIR" OR "POOR", STROKE AGE-ADJUSTED DEATH RATE, ADULTS WITH DIAGNOSED HYPERTENSION, PROSTATE CANCER AGE-ADJUSTED DEATH RATE, CERVICAL CANCER AGE-ADJUSTED DEATH RATE, CERVICAL CANCER AGE-ADJUSTED INCIDENCE RATE, DIABETES AGE-ADJUSTED DEATH RATE, DIABETES AGE-ADJUSTED HOSPITALIZATION RATE, AMPUTATION DUE TO DIABETES AGE-ADJUSTED HOSPITALIZATION RATE, ADULTS WITH DIAGNOSED DIABETES, HIV CASES REPORTED, AIDS CASES REPORTED, HIV/AIDS AGE-ADJUSTED DEATH RATE, CHLAMYDIA CASES REPORTED, TB CASES REPORTED, GONORRHEA CASES REPORTED, INFECTIOUS SYPHILIS CASES REPORTED, LOW BIRTH WEIGHT BIRTHS (BIRTHS < 2500 GRAMS), PREMATURE BIRTHS (BIRTHS < 37 WEEKS GESTATION), MULTIPLE BIRTHS, BIRTHS TO TEENS 15-19, INFANT DEATH RATE, NEONATAL DEATH RATE, POST-NEONATAL DEATH RATE, AND FETAL DEATH RATIO. WAKULLA COUNTY RANKED IN THE BOTTOM STATE QUARTILE FOR THE FOLLOWING HEALTH INDICATORS: ADULTS WHO ARE OBESE, ADULTS WHO ARE CURRENT SMOKERS, LUNG CANCER AGE-ADJUSTED DEATH RATE, LUNG CANCER AGE-ADJUSTED INCIDENCE RATE, COLORECTAL CANCER AGE-ADJUSTED DEATH RATE, PROSTATE CANCER AGE-ADJUSTED DEATH RATE, MELANOMA AGE-ADJUSTED DEATH RATE, ADULTS WHO CURRENTLY HAVE ASTHMA, ADULTS WITH DIAGNOSED DIABETES, LOW BIRTH WEIGHT BIRTHS (BIRTHS < 2500 GRAMS), INFANT DEATH RATE, AND NEONATAL DEATH RATE. JEFFERSON COUNTY RANKED IN THE BOTTOM STATE QUARTILE FOR THE FOLLOWING HEALTH INDICATORS: ADULTS WHO ARE OBESE, STROKE AGE-ADJUSTED DEATH RATE, ADULTS WITH DIAGNOSED HYPERTENSION, ADULTS WHO HAVE DIAGNOSED HIGH BLOOD CHOLESTEROL, BREAST CANCER AGE-ADJUSTED DEATH RATE, BREAST CANCER AGE-ADJUSTED INCIDENCE RATE, MELANOMA AGE-ADJUSTED DEATH RATE, AMPUTATION DUE TO DIABETES AGE-ADJUSTED HOSPITALIZATION RATE, CHLAMYDIA CASES REPORTED, GONORRHEA CASES REPORTED, PREMATURE BIRTHS (BIRTHS < 37 WEEKS GESTATION), MULTIPLE BIRTHS, REPEAT BIRTHS TO MOTHERS 15-19, INFANT DEATH RATE, NEONATAL DEATH RATE, UNINTENTIONAL INJURIES AGE-ADJUSTED DEATH RATE, AND MOTOR VEHICLE CRASH AGE-ADJUSTED DEATH RATE. FRANKLIN COUNTY RANKED IN THE BOTTOM STATE QUARTILE FOR THE FOLLOWING HEALTH INDICATORS: ADULTS WHO MEET VIGOROUS PHYSICAL ACTIVITY RECOMMENDATIONS, ADULTS WHO ARE CURRENT SMOKERS, ADULTS WHO RATE THEIR HEALTH STATUS AS "FAIR" OR "POOR", ADULTS WITH ANY TYPE OF HEALTHCARE INSURANCE COVERAGE, ADULTS WHO RECEIVE A FLU SHOT IN THE PAST YEAR, LUNG CANCER AGE-ADJUSTED DEATH RATE, WOMEN 40 YEARS OF AGE AND OVER WHO RECEIVED A MAMMOGRAM IN THE PAST YEAR, VACCINE PREVENTABLE DISEASES, CHLAMYDIA CASES REPORTED, PREMATURE BIRTHS (BIRTHS < 37 WEEKS GESTATION), BIRTHS TO TEENS 15-19, POSTNEONATAL DEATH RATE, FETAL DEATH RATIO, KINDERGARTEN CHILDREN FULLY IMMUNIZED, UNINTENTIONAL INJURIES AGE-ADJUSTED DEATH RATE, AND MOTOR VEHICLE CRASH AGE-ADJUSTED DEATH RATE.</p> <p>TMH COLLEAGUES ARE INVOLVED IN A WIDE VARIETY OF ACTIVITIES AND ESSENTIAL SERVICES TO POSITIVELY AFFECT OUR COMMUNITY'S HEALTH STATUS. PHYSICIANS AND HOSPITAL STAFF CONDUCTED OVER 150 VARIOUS HEALTH SEMINARS, HEALTH SCREENINGS, SUPPORT GROUPS AND HEALTH FAIRS FOR THE PUBLIC THROUGHOUT THE YEAR. IN MOST CASES, THESE ACTIVITIES ARE FREE, OR AT LOW COSTS FOR PARTICIPANTS. EXAMPLES OF SUCH ACTIVITIES INCLUDE SEMINARS HOSTED BY THE WOMEN'S PAVILION, THE DIABETES CENTER, THE NEUROSCIENCE CENTER, THE HEART AND VASCULAR CENTER AND THE BEHAVIORAL HEALTH CENTER.</p>

Identifier	ReturnReference	Explanation
INFORMATION REGARDING PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI, LINE 3	TMH ATTEMPTS TO EDUCATE ALL PATIENTS, OR THEIR GUARANTORS, ABOUT THEIR FINANCIAL RESPONSIBILITY AS WELL AS THEIR OPTIONS AND OPPORTUNITIES FOR ASSISTANCE WITH HOSPITAL BILLS ALL PATIENTS ARE GIVEN THE OPPORTUNITY TO RECEIVE A GOOD FAITH ESTIMATE OF SERVICES TO BE PROVIDED ALONG WITH INFORMATION ABOUT FINANCIAL ASSISTANCE SIGNS ARE POSTED IN CENTRAL REGISTRATION, AS WELL AS OTHER ENTRY POINTS IN THE HOSPITAL, PROVIDING PATIENTS WITH A PHONE NUMBER TO CALL FOR THIS INFORMATION INFORMATION IS ALSO AVAILABLE ON THE TMHWEBSITE AT HTTP //WWW TMH ORG/BILLINGANDINSURANCEFINANCIALASSISTANCE THOSE PATIENTS WHO ARE UNINSURED ARE ASKED TO COMPLETE A BRIEF APPLICATION FOR FINANCIAL ASSISTANCE IT IS THROUGH THIS APPLICATION THAT TMH CAN ASSESS THE PATIENT'S NEED FOR FINANCIAL ASSISTANCE OR PROGRAM ELIGIBILITY A PATIENT MAY BE REFERRED TO A FINANCIAL COUNSELOR OR HOSPITAL INPATIENT SERVICES WHICH IS A CONTRACTED COMPANY THAT PROVIDES MEDICAID ELIGIBILITY SERVICES TO THE HOSPITAL FOR THOSE WHO DO NOT SPEAK ENGLISH, TRANSLATION SERVICES ARE AVAILABLE WHEN AN UNINSURED PATIENT PRESENTS IN A NON-EMERGENT SETTING, A FINANCIAL APPLICATION IS COMPLETED AND A MEETING WITH A FINANCIAL COUNSELOR IS SCHEDULED DURING THIS MEETING, VARIOUS OPTIONS, RANGING FROM VOCATIONAL REHAB TO PAYMENT PLANS BASED ON A SLIDING FEE SCHEDULE, TO REFERRAL TO THE WECARE NETWORK, WHICH OFFERS FREE CARE, ARE EXPLORED IN THE EVENT THAT THE PATIENT WOULD QUALIFY FOR MEDICAID, A REFERRAL IS MADE TO HOSPITAL INPATIENT SERVICES HOSPITAL INPATIENT SERVICES, THROUGH A DEPARTMENT OF CHILDREN AND FAMILIES REPRESENTATIVE, ASSISTS PATIENTS IN COMPLETING THE MEDICAID APPLICATION IF THE PATIENT IS DISABLED, OR GOING TO BE DISABLED FOR AT LEAST A YEAR, HOSPITAL INPATIENT SERVICES WILL ASSIST THE PATIENT IN APPLYING FOR DISABILITY IF A PATIENT PRESENTS TO THE EMERGENCY ROOM, CARE IS PROVIDED PRIOR TO ASCERTAINING THE PATIENT'S COVERAGE AND/OR ABILITY TO PAY ONCE THE PATIENT IS STABILIZED, THE STEPS OUTLINED FOR THE NON-EMERGENT SETTING ARE TAKEN IN THE EVENT THAT A PATIENT DOES NOT QUALIFY FOR ANY PROGRAMS, AND IS UNINSURED, A CHARITY APPLICATION IS COMPLETED IT IS THROUGH THIS PROCESS THAT A DETERMINATION IS MADE AS TO WHETHER THE PATIENT QUALIFIES FOR CHARITY OR THE SLIDING FEE SCHEDULE THE HOSPITAL SPONSORED FINANCIAL ASSISTANCE PROGRAM (FAP) IS AVAILABLE FOR UNINSURED PATIENTS FAP IS A CHARITY AND SLIDING SCALE DISCOUNT PROGRAM BASED ON THE PATIENT'S FAMILY INCOME PATIENTS WITH FAMILY INCOMES AT OR BELOW 150% OF THE FEDERAL POVERTY GUIDELINES OR WHOSE CHARGES EXCEED 25% OF THE ANNUAL FAMILY INCOME ARE ELIGIBLE FOR 100% CHARITY OR FREE CARE PATIENTS WITH FAMILY INCOMES BETWEEN 151% AND 400% OF THE FEDERAL POVERTY GUIDELINES ARE ELIGIBLE FOR SLIDING SCALE DISCOUNTS THESE UNINSURED PATIENTS WILL BE RESPONSIBLE FOR A PERCENT OF HOSPITAL CHARGES DETERMINED BY INCOME AND FAMILY SIZE THE STATE OF FLORIDA HAS RECOGNIZED THE HIGH LEVEL OF UNCOMPENSATED CARE PROVIDED BY TMH BY DESIGNATING TMH AS A MEDICAID DISPROPORTIONATE SHARE PROVIDER APPROXIMATELY 3 0% OF TMH'S GROSS REVENUES ARE PROVIDED WITHOUT COMPENSATION TO INDIGENT PATIENTS WITH NO FUNDING SOURCE AND ANOTHER 12% OF THE GROSS REVENUES ARE GENERATED BY SERVICES TO PATIENTS COVERED UNDER THE MEDICAID PROGRAM AND MEDICAID HMOS

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI, LINE 4	<p>TMH IS LOCATED IN THE CAPITOL CITY OF TALLAHASSEE, FLORIDA, IN THE HEART OF THE STATE'S PANHANDLE WITH A POPULATION OF MORE THAN 275,000 IN TALLAHASSEE ALONE, TMH SERVES A TOTAL OF 17 COUNTIES WITH A POPULATION BASE OF 685,033 COVERING 10,700 SQUARE MILES. TMH'S PRIMARY SERVICE AREA COVERS TEN COUNTIES IN FLORIDA WHICH INCLUDE CALHOUN, GADSDEN, FRANKLIN, JACKSON, JEFFERSON, LIBERTY, MADISON, TAYLOR, AND WAKULLA. THE SEVEN COUNTIES THAT COMPRISE THE GEORGIA SERVICE AREA INCLUDE BROOKS, COLQUITT, DECATUR, GRADY, MITCHELL, SEMINOLE AND THOMAS. TMH SERVES A TRULY DIVERSE POPULATION. TALLAHASSEE IS ONE OF THE YOUNGEST AND MOST HIGHLY EDUCATED POPULATIONS IN FLORIDA. IT IS A POPULATION THAT HAS THE MOST IMMEDIATE ACCESS TO MEDICAL CARE. LEON COUNTY HAS THE SECOND HIGHEST PERCENTAGE OF POPULATION BETWEEN THE AGES OF 18 AND 34 IN THE STATE AT 37.0% (BEHIND ALACHUA COUNTY) AND THE SMALLEST PERCENTAGE AGED 65 AND OLDER AT 9.4% (OF COUNTIES WITH A POPULATION GREATER THAN 20,000). THE AREA SURROUNDING TALLAHASSEE IS MOSTLY RURAL, WITH BEAUTIFUL GENTLY ROLLING HILLS AND ACTIVE BEACHES. UNFORTUNATELY, MANY OF THESE LESS POPULATED AREAS ARE ALSO MEDICALLY UNDERSERVED DUE TO A SHORTAGE OF HEALTHCARE PROFESSIONALS IN MANY OF THE REGION'S 17 COUNTIES. THE HEALTH RESOURCE AND SERVICES ADMINISTRATION (HRSA) HAS DESIGNATED NINE OF THESE 17 COUNTIES AS MEDICALLY UNDERSERVED AREAS (MUA) AND SEVEN OF THE 17 COUNTIES CONTAIN MEDICALLY UNDERSERVED POPULATION (MUP) SEGMENTS. ALMOST 25% OF THE POPULATION LIVES AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL. BASED ON ESTIMATES FROM THOMSON REUTERS, THE PERCENTAGE OF UNINSURED ARE AS FOLLOWS: LEON - 39%, GADSDEN - 36.1%, WAKULLA - 18.0%, JEFFERSON - 33.3%, CALHOUN - 37.1%, FRANKLIN - 32.9%, JACKSON - 29.1%, LIBERTY - 33.8%, MADISON - 42%, AND TAYLOR 33.9%. THE PERCENTAGE OF UNINSURED FOR THE COUNTIES IN GEORGIA ARE: BROOKS - 37%, COLQUITT - 35%, DECATUR - 36%, GRADY - 35.4%, MITCHELL - 38.9%, SEMINOLE - 31%, AND THOMAS 28.1%. BASED ON DATA FROM THOMSON REUTERS, THE PERCENTAGE OF COVERED LIVES THAT ARE ON MEDICAID ARE AS FOLLOWS: LEON - 13.2%, GADSDEN - 25.4%, WAKULLA - 10.6%, JEFFERSON - 16.4%, CALHOUN - 20.1%, FRANKLIN - 16.6%, JACKSON - 16.3%, LIBERTY - 17.9%, MADISON - 28.3%, AND TAYLOR - 21.2%. THE PERCENTAGE OF COVERED LIVES THAT ARE ON MEDICAID FOR THE COUNTIES IN GEORGIA ARE: BROOKS - 26.9%, COLQUITT - 30.4%, DECATUR - 30.4%, GRADY - 26.3%, MITCHELL - 31.5%, SEMINOLE - 29.4%, AND THOMAS - 21.7%. HEALTH BARRIERS ARE NUMEROUS AND HARD TO OVERCOME, BUT TMH IS TACKLING THESE BARRIERS AND STRIVING TO IMPROVE HEALTHCARE.</p>

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	TMH COLLEAGUES ARE INVOLVED IN A WIDE VARIETY OF ACTIVITIES AND ESSENTIAL SERVICES TO POSITIVELY AFFECT OUR COMMUNITY'S HEALTH STATUS PHYSICIANS AND HOSPITAL STAFF CONDUCTED OVER 150 VARIOUS HEALTH SEMINARS, HEALTH SCREENINGS, SUPPORT GROUPS AND HEALTH FAIRS FOR THE PUBLIC THROUGHOUT THE YEAR IN MOST CASES, THESE ACTIVITIES ARE FREE, OR AT LOW COSTS FOR PARTICIPANTS EXAMPLES OF SUCH ACTIVITIES INCLUDE SEMINARS HOSTED BY THE WOMEN'S PAVILION, THE DIABETES CENTER, THE NEUROSCIENCE CENTER, THE HEART AND VASCULAR CENTER AND THE BEHAVIORAL HEALTH CENTER PROSTATE SCREENING TMH, ALONG WITH SOUTHEASTERN UROLOGICAL CENTER, TEAMED TO OFFER A FREE PROSTATE CANCER SCREENING FOR MORE THAN 700 MEN PROSTATE CANCER IS THE MOST COMMON CANCER AMONG MEN AND THE SECOND LEADING CAUSE OF DEATH THE SCREENING EDUCATED MEN ABOUT THE WARNING SIGNS, POTENTIAL CAUSES FOR PROSTATE CANCER AND ENCOURAGED EARLY DETECTION THE EXAM CONSISTED OF A DRE AND PSA BLOOD TEST THESE METHODS ARE THE MOST EFFECTIVE FOR DETECTING PROSTATE CANCER AT AN EARLY AND POTENTIALLY CURABLE STAGE

Identifier	ReturnReference	Explanation
INFORMATION REGARDING PROMOTION OF COMMUNITY HEALTH	PART VI, LINE 5	<p>AS A NOT-FOR-PROFIT COMMUNITY HEALTHCARE SYSTEM TMH SUBSIDIZES HEALTH SERVICES THAT DO NOT GENERATE A POSITIVE OPERATING MARGIN BUT ARE OFFERED BECAUSE OF A NEED IN THE COMMUNITY DURING FISCAL YEAR 2011, TMH CONTRIBUTED \$6,632,170 IN SUBSIDIZED HEALTH SERVICES IN OUR SERVICE AREA. A FEW OF THE SUBSIDIZED SERVICES PROVIDED INCLUDE THE FOLLOWING:</p> <ul style="list-style-type: none">> DIABETES CENTER: THE DIABETES CENTER WAS ESTABLISHED AT THE DIRECTION OF LOCAL ENDOCRINOLOGISTS TO IMPROVE THE EDUCATIONAL EXPERIENCE OF PATIENTS. GADSDEN, JEFFERSON, AND WAKULLA COUNTIES' STATISTICS SHOW A HIGHER THAN AVERAGE RATE OF AGE ADJUSTED DEATHS AND AMPUTATIONS FROM DIABETES. OUR COMPREHENSIVE OUTPATIENT DIABETES CENTER IS STAFFED WITH NURSES AND DIETITIANS WHO ARE CERTIFIED AS DIABETES EDUCATORS. SERVICES OFFERED INCLUDE: DIABETES MANAGEMENT CLASSES AND INDIVIDUAL COUNSELING SESSIONS ON A VARIETY OF TOPICS, INCLUDING BLOOD SUGAR TESTING, MANAGING HIGH- AND LOW-BLOOD SUGAR, MAKING HEALTHY FOOD CHOICES, AND INSULIN AND NUTRITION THERAPY. DURING 2011, THE DIABETES CENTER OPERATED AT A NET LOSS OF \$470,376.> EMERGENCY AND TRAUMA CARE: THE NEED FOR A TRAUMA CENTER IN THIS AREA BECAME APPARENT WHEN THE UNIVERSITY OF SOUTH FLORIDA CONDUCTED AN ASSESSMENT OF THE STATE'S TRAUMA SYSTEM FOR THE FLORIDA LEGISLATURE. THE 2005 REPORT CAME TO SEVERAL CONCLUSIONS THAT PROMPTED TMH'S ENTRY INTO THE TRAUMA SERVICE. FIRST, THE STUDY FOUND THAT COUNTIES WITHOUT A TRAUMA CENTER REPORTED HIGHER MORTALITY RATES FOR TRAUMA PATIENTS. SECOND, THE STUDY FOUND THAT FIVE OF THE TOP SIX COUNTIES WITH THE HIGHEST MORTALITY RATES ARE IN THE TRAUMA SERVICE AREA SERVED BY TMH. THIRD, THE AUTHORS OF THE STUDY RECOMMENDED THAT, "TRAUMA CENTERS SHOULD BE PLACED IN TALLAHASSEE AND IN BAY COUNTY, WHICH DO NOT CURRENTLY HAVE A TRAUMA CENTER." TMH'S TRAUMA SERVICE AREA INCLUDES THE FOLLOWING COUNTIES: CALHOUN, FRANKLIN, GADSDEN, JACKSON, JEFFERSON, LEON, LIBERTY, MADISON, TAYLOR, AND WAKULLA. LIKE EMERGENCY CENTERS AT MOST SAFETY-NET HOSPITALS, THE TMHBIXLER EMERGENCY CENTER HAS ALWAYS EXPERIENCED AN OPERATING LOSS. HOWEVER, WHEN TMH BECAME A DESIGNATED LEVEL II TRAUMA CENTER, THIS LOSS INCREASED DUE TO THE EXPENSE OF OPERATING A TRAUMA PROGRAM. THE TRAUMA SERVICE CONSISTS OF FIVE TRAUMA SURGEONS. THE TRAUMA TEAM ALSO INCLUDES EMERGENCY PHYSICIANS, STAFF MEMBERS AND SERVICES FROM A VARIETY OF DEPARTMENTS WITHIN THE HOSPITAL. A WIDE VARIETY OF SPECIALTY PHYSICIANS ARE AVAILABLE AS NEEDED. OUR TRAUMA SERVICES DEPARTMENT ALSO INCLUDES A FULL-TIME TRAUMA PHYSICIAN ASSISTANT, NURSE TRAUMA REGISTRAR, AND TRAUMA PROGRAM MANAGER. THE TRAUMA CENTER HAS AN ANNUAL OPERATING BUDGET OF 1,900,000.> NEUROSCIENCE CENTER: THE NEUROSCIENCE CENTER PROVIDES A VARIETY OF SERVICES TO PEOPLE WITH INJURIES AND CONDITIONS AFFECTING THE BRAIN AND NERVOUS SYSTEM AND SERVES AS A CLEARINGHOUSE OF INFORMATION. MANY OF THE PROGRAMS OFFERED BY THE NEUROSCIENCE CENTER RECEIVE SOME GOVERNMENT FUNDING AND PRIVATE GRANTS, BUT STILL EXPERIENCE A NET OPERATING LOSS EACH YEAR. DURING 2011, THE NET OPERATING LOSS OF THE NEUROSCIENCE CENTER WAS \$389,019.> THE MEMORY DISORDER CLINIC IS A PARTNERSHIP BETWEEN TMH, THE ALZHEIMER RESOURCE CENTER, AND RESEARCHERS FROM FLORIDA STATE UNIVERSITY. THE CLINIC, WHICH OPENED JULY 1, 1998, WAS AT THAT TIME, ONE OF 13 ACROSS THE STATE BEING FUNDED THROUGH A GRANT FROM THE FLORIDA DEPARTMENT OF ELDER AFFAIRS. THE MEMORY DISORDER CLINIC OFFERS FREE PUBLIC SCREENINGS WHERE PEOPLE CONCERNED ABOUT THEIR MEMORY CAN BE SCREENED. THE PUBLIC ALSO CAN LEARN HOW TO IMPROVE THEIR MEMORIES BY USING SIMPLE STRATEGIES EXPLAINED AT THE SCREENINGS. THE MEMORY DISORDER CLINIC OFFERS A QUARTERLY TRAINING COURSE FOR CAREGIVERS CALLED "ALZHEIMER 101". OTHER PROGRAMS INCLUDE: A MONTHLY SUPPORT GROUP FOR CAREGIVERS, SILVER ALERT PRESENTATIONS, ADI TRAINING, AND MEMORY LOSS/ALZHEIMER'S PRESENTATIONS FOR THE COMMUNITY.> THE PARKINSON'S CENTER PROVIDES DIAGNOSTIC, CONSULTATIVE AND HIGH-QUALITY PATIENT CARE SERVICES, AS WELL AS EDUCATIONAL CLASSES, CAREGIVER TRAINING, COUNSELING AND ONGOING SUPPORT GROUPS. THE CENTER ALSO PARTICIPATES IN ONGOING DATA COLLECTION AND RESEARCH WITH THE NATIONAL PARKINSON FOUNDATION IN MIAMI AND OTHER SATELLITE CENTERS AROUND THE STATE OF FLORIDA.> RURAL CLINICS: AS PART OF OUR COMMITMENT TO PROVIDING ACCESS TO HEALTHCARE IN SURROUNDING RURAL COMMUNITIES, TMH HAS OPENED A FAMILY MEDICINE CLINIC IN PERRY, FLORIDA, AND TMHCARDIOLOGY SPECIALISTS IN MARIANNA, FLORIDA. THE ESTABLISHMENT OF TMH CARDIOLOGY SPECIALISTS WAS A RESPONSE TO THAT AREA'S GROWING NEED FOR CARDIAC CARE - THE RURAL COMMUNITY PREVIOUSLY HAD NO FULL-TIME CARDIAC CARE. CURRENTLY, TMH OPERATES FIVE FAMILY MEDICINE PRACTICES, WITH TWELVE PHYSICIANS AND FOUR ADVANCED REGISTERED NURSE PRACTITIONERS, THROUGHOUT THE BIG BEND WITH OFFICES LOCATED IN GADSDEN, JEFFERSON, TAYLOR, WAKULLA, AND CALHOUN COUNTIES. DURING 2011, THESE CLINICS OPERATED AT A LOSS OF \$2,481,755.> PROSTATE SCREENING: TMH, ALONG WITH SOUTHEASTERN UROLOGICAL CENTER

Identifier	ReturnReference	Explanation
INFORMATION REGARDING PROMOTION OF COMMUNITY HEALTH	PART VI, LINE 5	, TEAMED TO OFFER A FREE PROSTATE CANCER SCREENING FOR MORE THAN 600 MEN PROSTATE CANCER IS THE MOST COMMON CANCER AMONG MEN AND THE SECOND LEADING CAUSE OF DEATH THE SCREENING E DUCATED MEN ABOUT THE WARNING SIGNS AND POTENTIAL CAUSES FOR PROSTATE CANCER AND ENCOURAGE D EARLY DETECTION THE EXAM CONSISTED OF A DRE AND PSA BLOOD TEST THESE METHODS ARE THE M OST EFFECTIVE FOR DETECTING PROSTATE CANCER AT AN EARLY AND POTENTIALLY CURABLE STAGE > T RANSITION CENTER IN FEBRUARY 2011, OPENED THE TRANSITION CENTER, AN INNOVATIVE FACILITY T HAT PROVIDES FOLLOW-UP CARE TO TMHPATIENTS WHO HAVE RECENTLY BEEN DISCHARGED FROM THE HOSP ITAL AND MAY BE AT HIGH RISK FOR READMISSION WHETHER THESE PATIENTS ARE AT RISK OF READMI SSION BECAUSE THEY DO NOT HAVE A PRIMARY CARE PHYSICIAN, DO NOT HAVE INSURANCE, OR CANNOT SEE THEIR OWN DOCTOR IN A REASONABLE PERIOD AFTER LEAVING THE HOSPITAL, THE TRANSITION CEN TER ACTS AS A SAFETY NET, HELPING THEM TO AVOID A SECOND HOSPITAL STAY CREATED IN PARTNER SHIP WITH CAPITAL HEALTH PLAN, THE TRANSITION CENTER IS A PLACE WHERE HEALTHCARE PROFESSIO NS CAN CONNECT PATIENTS TO ANY CARE THEY MAY NEED FOLLOWING THEIR TIME IN THE HOSPITAL, WH ETHER THIS MEANS FILLING PRESCRIPTIONS, ARRANGING PHYSICAL THERAPY OR OTHER REHABILITATION SERVICES, OR GETTING IN TOUCH WITH CASE MANAGEMENT OR SOCIAL WORK FOR INTERVENTION BY TH E END OF THE YEAR, THE TRANSITION CENTER HAD TREATED MORE THAN 600 PATIENTS, REDUCING EMER GENCY ROOM VISITS AND HOSPITAL READMISSIONS FOR THE IDENTIFIED, HIGH-RISK POPULATION BY AN ASTOUNDING 61 PERCENT DURING 2011, THE TRANSITION CENTER OPERATED AT A LOSS OF \$249,000 > EDUCATING FUTURE HEALTH CARE PROVIDERS TMH CONTRIBUTES MILLIONS OF DOLLARS EACH YEAR TO THE CLINICAL EDUCATION OF HEALTHCARE PROFESSIONALS THIS INCLUDES TRAINING FOR FLORIDA ST ATE UNIVERSITY COLLEGE OF MEDICINE STUDENTS, FLORIDA A&M PHARMACY STUDENTS, HANDS-ON EXPER IENCE FOR NURSES FROM MANY DIFFERENT NURSING SCHOOLS THROUGHOUT NORTH FLORIDA AND SOUTH GE ORGIA, AND CONTINUING MEDICAL EDUCATION FOR PHYSICIANS IN OUR COMMUNITY TMH HAS AWARDED A LAND GRANT TO TALLAHASSEE COMMUNITY COLLEGE AS PART OF ITS PLAN TO DEVELOP A HEALTH EDUCA TION PARTNERSHIP CAMPUS ON A PORTION OF THE 81 4 ACRES OF UNDEVELOPED LAND IT OWNS BEHIND THE HOSPITAL IN AUGUST, TMH WELCOMED MORE THAN 400 TCC STUDENTS TO THE HOSPITAL'S CAMPUS WITH THE OPENING OF THE NEW GHAZVINI CENTER FOR HEALTHCARE EDUCATION THE 85,000-SQUARE-FO OT, THREE-STORY EDUCATIONAL CENTER INCLUDES SIX CLASSROOMS, 13 LABORATORIES, A MULTI-PURPO SE LIBRARY AND LEARNING COMMONS, SIX SIMULATION CENTERS, PLUS ADDITIONAL SPACE FOR EXPANSI ON AND A 296-SEAT AUDITORIUM THE CENTER IS EXPECTED TO BE HOME TO AS MANY AS 900 STUDENTS WITHIN FIVE YEARS ONE OF TMH'S MOST SIGNIFICANT CONTRIBUTIONS TO THE EDUCATION FOR HEALT HCARE PROFESSIONALS IS THE TMH FAMILY MEDICINE RESIDENCY PROGRAM, WHICH TRAINS PHYSICIANS WHO HAVE GRADUATED FROM MEDICAL SCHOOL IN THE SPECIALTY OF FAMILY MEDICINE THE FAMILY MED ICINE RESIDENCY PROGRAM HAS PRODUCED 312 GRADUATES SINCE ITS INCEPTION IN 1973 OF THOSE, 97 HAVE CHOSEN TO REMAIN IN TMH'S SERVICE AREA HELPING TO ENSURE ACCESS TO PRIMARY HEALTHC ARE OF RESIDENTS OF THE BIG BEND DURING 2011, THE FAMILY MEDICINE RESIDENCY PROGRAM OPERA TED AT A NET LOSS OF \$6,706,953 NURSING EDUCATION AND ADVANCEMENT ARE A KEY FOCUS THE PROFESSIONAL DEVELOPMENT MODEL MANAGED BY THE PRACTICE COUNCIL PROVIDES NURSES WITH THE OPPO RTUNITY TO EXCEL IN THEIR PROFESSIONAL PRACTICE AND TO ENHANCE PROFESSIONAL RELATIONSHIPS BETWEEN NURSES AND OTHER HEALTHCARE PROVIDERS DURING 2011, TMH COLLEAGUES CONTRIBUTED THE IR NURSING EXPERTISE TO MORE THAN 50 DIFFERENT COMMUNITY PROJECTS TMH CREATED, AND IN PART FUNDED, THE NURSING RESEARCH PROGRAM WITHIN THE FLORIDA STATE UNIVERSITY COLLEGE OF NURS ING WITH SUPPORT FROM FLORIDA STATE UNIVERSITY AND THE TMH FOUNDATION, A NURSING RESEARCH AND MENTORING PROGRAM WAS ESTABLISHED THE PROGRAM UNDERWRITES ROXANNE HAUBER, PHD, RN, A FLORIDA STATE COLLEGE OF NURSING FACULT

Identifier	ReturnReference	Explanation
AFFILIATED HEALTHCARE SYSTEM INFORMATION	PART VI, LINE 6	NOT APPLICABLE

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	PART VI, LINE 7	NOT APPLICABLE

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization TALLAHASSEE MEMORIAL HEALTHCARE INC	Employer identification number 59-1917016
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Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input checked="" type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization <div><div>a Receive a severance payment or change-of-control payment from the organization or a related organization?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.	4a	No
		4b	No
		4c	No
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 5a or 5b, describe in Part III	5a	No
		5b	No
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 6a or 6b, describe in Part III	6a	No
		6b	No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) G MARK O'BRYANT	(i) (ii)	524,999 0	156,000 0	61,958 0	214,700 0	8,122 0	965,779 0	0 0
(2) STEVEN ADRIAANSE	(i) (ii)	241,822 0	30,899 0	784 0	14,700 0	5,996 0	294,201 0	0 0
(3) WARREN JONES	(i) (ii)	151,522 0	19,865 0	2,366 0	10,988 0	6,740 0	191,482 0	0 0
(4) WILLIAM GIUDICE	(i) (ii)	356,653 0	49,286 0	9,041 0	14,700 0	8,122 0	437,802 0	0 0
(5) BARBARA MACARTHUR	(i) (ii)	206,561 0	19,518 0	784 0	13,681 0	293 0	240,837 0	0 0
(6) CYNTHIA BLAIR	(i) (ii)	177,633 0	18,176 0	784 0	11,796 0	156 0	208,545 0	0 0
(7) PAULA FORTUNAS	(i) (ii)	173,923 0	20,000 0	2,296 0	11,876 0	2,782 0	210,877 0	0 0
(8) JASON H MOORE	(i) (ii)	352,304 0	34,528 0	1,198 0	14,700 0	8,098 0	410,828 0	0 0
(9) DONALD LINDSEY	(i) (ii)	186,442 0	19,662 0	184 0	8,481 0	8,098 0	222,867 0	0 0
(10) ALEX HO MD	(i) (ii)	160,309 0	275,597 0	2,307 0	14,700 0	8,098 0	461,011 0	0 0
(11) EDWARD EASTMAN MD	(i) (ii)	169,980 0	297,379 0	2,628 0	14,700 0	8,098 0	492,785 0	0 0
(12) STEPHEN CREMIN MD	(i) (ii)	172,056 0	307,996 0	2,498 0	14,700 0	8,219 0	505,470 0	0 0
(13) WILLIAM MILLER MD	(i) (ii)	191,130 0	319,769 0	1,275 0	14,700 0	150 0	527,023 0	0 0
(14) JOSHUA SIMMONS MD	(i) (ii)	169,112 0	361,634 0	162 0	14,700 0	3,440 0	549,048 0	0 0
(15) DEAN WATSON MD	(i) (ii)	295,363 0	33,203 0	22,542 0	14,700 0	7,917 0	373,725 0	0 0
(16)								

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
COMPENSATION INFORMATION		QUESTIONS REGARDING COMPENSATION FORM 990, SCHEDULE J, PART I, LINE 1A DIRECTORS RECEIVE COMPLIMENTARY ACCESS TO TMH'S HEALTH CLUB, PREMIER HEALTH AND FITNESS CENTER. THE TMH PRESIDENT/CEO IS REIMBURSED FOR ONE COUNTRY CLUB MEMBERSHIP AND RECEIVES A MONTHLY AUTOMOBILE ALLOWANCE. ----- PROVISION OF NON-FIXED PAYMENTS FORM 990, SCHEDULE J, LINE 7 TMH MAINTAINS A VARIABLE COMPENSATION PROGRAM FOR CERTAIN MANAGERS THAT MAKES A BONUS PAYMENT BASED UPON ATTAINMENT OF INDIVIDUAL AND CORPORATE GOALS. INDIVIDUAL GOALS ARE ESTABLISHED AT THE BEGINNING OF THE FISCAL YEAR AND INCLUDE QUALITATIVE AND QUANTITATIVE RESULTS. CORPORATE GOALS ARE ESTABLISHED AT THE BEGINNING OF THE YEAR AND ARE BASED UPON THE BUDGET APPROVED BY THE BOARD OF DIRECTORS. NO PAYMENT IS MADE FOR VARIABLE COMPENSATION PAYMENT UNLESS THE ORGANIZATION MEETS OR EXCEEDS ITS BUDGETED OPERATING MARGIN FOR THE YEAR. UPON DETERMINATION THAT THE ACTUAL OPERATING MARGIN HAS MET OR EXCEEDED THE BUDGET VIA THE AUDITED FINANCIAL STATEMENTS, OTHER INDIVIDUAL AND CORPORATE GOALS ARE SCORED TO DETERMINE IF THEY MET OR EXCEEDED THE PRE-ESTABLISHED MEASUREMENT FOR THE YEAR. THE ACTUAL AMOUNT OF THE BONUS IS BASED UPON AN INDIVIDUAL'S BASE COMPENSATION FOR THE FISCAL YEAR AND THE PERCENTAGE ATTAINMENT OF INDIVIDUAL AND CORPORATE GOALS. PAYMENTS MADE TO ANY DISQUALIFIED PERSON IS APPROVED BY THE TMH COMPENSATION COMMITTEE THROUGH THE PROCESS DESCRIBED IN FORM 990, PART VI, SECTION B, LINE 15.

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number
59-1917016

Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A City of Tallahassee	59-6000435		09-12-2008	600,000	PURCHASE OF SLEEP CTR EQUIPMENT		X		X		X

Part II Proceeds									
		A		B		C		D	
1	Amount of bonds retired	0							
2	Amount of bonds legally defeased	0							
3	Total proceeds of issue	600,000							
4	Gross proceeds in reserve funds	0							
5	Capitalized interest from proceeds	0							
6	Proceeds in refunding escrow	0							
7	Issuance costs from proceeds	0							
8	Credit enhancement from proceeds	0							
9	Working capital expenditures from proceeds	0							
10	Capital expenditures from proceeds	600,000							
11	Other spent proceeds	0							
12	Other unspent proceeds	0							
13	Year of substantial completion	2009							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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

Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IVArbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?	X							

Part VSupplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number

59-1917016

Part I

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2

Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958

\$

3

Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

\$

Part II

Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total										

Part III

Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V

Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
DETAIL OF BUSINESS TRANSACTIONS WITH INT PERSONS	FORM 990, SCHEDULE L, PART IV, ITEM 3	THE \$137,018 HEART SURGERY CENTER AMOUNT REPORTED REPRESENTS THE AGGREGATE REPORTING OF TWO SEPERATE TRANSACTION FLOWS HEART SURGERY CENTER PAID TALLAHASSEE MEMORIAL HOSPITAL ("TMH") \$67,125 IN RENTAL PAYMENTS DURING THE FISCAL YEAR, WHILE TMH PAID HEART SURGERY CENTER \$69,893 IN PHYSICIAN INCOME GUARANTEES DURING THE FISCAL YEAR

Additional Data

Software ID:
Software Version:
EIN: 59-1917016
Name: TALLAHASSEE MEMORIAL HEALTHCARE INC

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
MOORE BASS CONSULTING INC	SIMILAR DIRECTOR/PARTNER	468,335	CONSULTING SERVICES		No
SOUTHERN MEDICAL GROUP	SIMILAR DIRECTOR/SHARHLDR	3,088,541	PROPERTY RENTAL/ASSET PURCHASE		No
HEART SURGERY CENTER	SIMILAR DIRECTOR/SHARHLDR	137,018	PROPERTY RENTAL/INC GUARANTEE		No
TIM FORTUNAS	FAMILY MEMBER OF OFFICER	34,003	EMPLOYMENT		No
RICHARD MACARTHUR	FAMILY MEMBER OF OFFICER	261,586	EMPLOYMENT		No
FAITH JONES	FAMILY MEMBER OF OFFICER	107,175	EMPLOYMENT		No
VIVIAN MOORE	FAMILY MEMBER OF OFFICER	97,106	EMPLOYMENT		No

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number
59-1917016

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles .				
7 Boats and planes				
8 Intellectual property . .				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests .				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other . .				
15 Real estate—Residential .				
16 Real estate—Commercial				
17 Real estate—Other . .				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts . .				
23 Scientific specimens . .				
24 Archeological artifacts .				
25 Other ► (Book, Toys, Giftcards)	X	131	52,062	actual cost
26 Other ► (Employee Meals Recognition)	X	14	5,363	actual cost
27 Other ► (Specialty Air Mattress)	X	2	10,200	actual cost
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

2967,625

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30aNo

b If "Yes," describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31Yes

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?

32aNo

b If "Yes," describe in Part II

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
------------	------------------	-------------

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2010**Open to Public
Inspection****Name of the organization**

TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number

59-1917016

Identifier	Return Reference	Explanation
SUPPLEMENTAL DISCLOSURES		<p>DESCRIPTION OF FAMILY OR BUSINESS RELATIONSHIPS FORM 990, PART VI, SECTION A, LINE 2 G MARK O'BRYANT, OFFICER, AND JOSEPH L CAMPS, MD, DIRECTOR, SERVE AS DIRECTORS ON THE BOARD OF AN ORGANIZATION GLENDA L THORNTON, DIRECTOR, AND KIM WILLIAMS, DIRECTOR, SERVE AS DIRECTORS ON THE BOARD OF AN ORGANIZATION ----- FORM 990 REVIEW PROCESS FORM 990, PART VI, SECTION B, LINE 11A INFORMATION RELATED TO TMH'S FORM 990 FILING IS GATHERED BY FINANCE STAFF AND PROVIDED TO PRICEWATERHOUSECOOPERS LLP FOR REVIEW AND RETURN PREPARATION THE 2010 FORM 990 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2011 WAS REVIEWED AND APPROVED BY VARIOUS SENIOR FINANCE TEAM MEMBERS BEFORE IT WAS FILED WITH THE IRS THE AUDIT & COMPLIANCE COMMITTEE OF THE BOARD OF DIRECTORS REVIEWED THE FORM 990 AT A MEETING OF THE COMMITTEE PRIOR TO ITS FILING ALL MEMBERS OF THE BOARD WERE AFFORDED THE OPPORTUNITY TO REVIEW FORM 990 PRIOR TO ITS FILING ----- CONFLICT OF INTEREST POLICY FORM 990, PART VI, SECTION B, LINE 12C AS PART OF OUR WRITTEN CONFLICT OF INTEREST POLICY, OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES ARE REQUIRED TO ANNUALLY DISCLOSE POTENTIAL CONFLICTS OF THEMSELVES AND THEIR FAMILY MEMBERS -----</p> <p>COMPENSATION PROCESS FORM 990, PART VI, SECTION B, LINE 15 COMPENSATION ARRANGEMENTS INVOLVING OUR CEO AND SENIOR LEADERSHIP TEAM ARE ESTABLISHED BY TMH PURSUANT TO A PROCESS THAT SATISFIES THE REBUTTABLE PRESUMPTION PROCEDURE AVAILABLE FOR SECTION 4958 EXCESS BENEFIT TRANSACTION TAX PURPOSES (WHICH REQUIRES A REVIEW OF COMPENSATION DETERMINATIONS BY DISINTERESTED PERSONS, USE OF APPROPRIATE COMPARABILITY DATA, AND CONTEMPORANEOUS DOCUMENTATION OF THE PROCESS) ----- DOCUMENTS AVAILABILITY TO PUBLIC FORM 990, PART VI, SECTION C, LINE 19 ALL DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST IN ADDITION, A COPY OF OUR CONFLICT OF INTEREST POLICY IS AVAILABLE ON THE TMH WEBSITE CONSOLIDATED FINANCIAL STATEMENTS ARE ALSO FILED WITH THE DIGITAL ASSURANCE CERTIFICATION, LLC, AGENCY FOR HEALTH CARE ADMINISTRATION A COPY OF OUR FORM 990 IS ALSO FILED WITH THE FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES -----</p> <p>----- DETAIL OF OTHER CHANGES IN NET ASSETS FORM 990, PART XI, LINE 5 CHANGE IN ADD'L MIN PENSION LIABILITY \$(36,261,141) CHANGE IN FMV OF DERIVATIVE INSTRUMENT (233,482) UNREALIZED GAIN/(LOSS) ON INVESTMENTS (23,178) OTHER CHANGES IN NET ASSETS (112,782) ----- TOTAL \$(36,630,583)</p>

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME:JOSEPH L. CAMPS, MD TITLE:CHAIR HOURS:1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME G MARK O'BRYANT TITLE CEO/PRESIDENT HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME WILLIAM GIUDICE TITLE VP/CFO HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAULA FORTUNAS TITLE VP/CHIEF ADVANCEMENT OFFICER HOURS 40

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number
59-1917016

Part I

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) HEALTH VENTURES PAIN MANAGEMENT LLC 1401 CENERVILLE RD STE 210 TALLAHASSEE, FL 323030000 20-2928736	HOLDING CO	FL	0	0	TMHV
(2) HEALTH VENTURES SURGICAL CENTER LLC 1309 THOMASVILLE ROAD TALLAHASSEE, FL 323030000 27-2216350	HOLDING CO	FL	0	0	TMHV

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) SOUTHEAST COMMUNITY HEALTH SERVICES INC 1300 MICCOSUKEE ROAD TALLAHASSEE, FL 32308 58-1434992	HOLDING CO	FL	501(c) 25	N/A	TMH		
(2) TALLAHASSEE MEMORIAL HEALTHCARE FDN 1300 MICCOSUKEE ROAD TALLAHASSEE, FL 32308 59-1727645	FUNDRAISING	FL	501(c) 3	7	TMH		

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) TALLAHASSEE MEMORIAL HEALTH VENTURES INC 1300 MICCOSUKEE ROAD TALLAHASSEE, FL32308 59-2717050	HOLDING COMPANY	FL	TMH	C CORP	-1,708,001	11,716,150	100 000 %
(2) PRIME MERIDIAN HEALTH VENTURES INC 1309 THOMASVILLE ROAD TALLAHASSEE, FL32303 59-2668613	DIAGNOSTIC IM	FL	TMHV	C CORP			
(3) TALLAHASSEE MEMORIAL TELEPHONE COMPANY 1309 THOMASVILLE ROAD TALLAHASSEE, FL32303 59-3395937	TELEPHONE COM	FL	TMHV	C CORP			
(4) PREMIER HEALTH & FITNESS CENTER INC 3521 MACLAY BOULEVARD TALLAHASSEE, FL32312 59-2471569	FITNESS CENTE	FL	TMHV	C CORP			

Part V

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

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

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

a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a Yes

1b No

1c Yes

1d No

1e No

1f No

1g No

1h No

1i Yes

1j Yes

1k No

1l No

1m No

1n Yes

1o No

1p Yes

1q No

1r No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
------------	------------------	-------------

Software ID:

Software Version:

EIN: 59-1917016

Name: TALLAHASSEE MEMORIAL HEALTHCARE INC

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) SOUTHEAST COMMUNITY HEALTH SERVICES INC	A	26,000	
(2) SOUTHEAST COMMUNITY HEALTH SERVICES INC	J	608,000	
(3) SOUTHEAST COMMUNITY HEALTH SERVICES INC	N,P	48,000	
(4) TALLAHASSEE MEMORIAL HEALTHCARE FDN	C	702,106	
(5) TALLAHASSEE MEMORIAL HEALTHCARE FDN	N,P	776,000	
(6) TALLAHASSEE MEMORIAL HEALTH VENTURES INC	A,I	1,402,000	
(7) TALLAHASSEE MEMORIAL HEALTH VENTURES INC	J	230,000	

TY 2010 AffiliatedGroupAttachment

Name: TALLAHASSEE MEMORIAL HEALTHCARE INC

EIN: 59-1917016

Explanation: DIRECT OTHER LOBBYING EXEMPT PURPOSE NAME OF ELECTING ORGANIZATION EXPENDITURES EXPENDITURES

_____ TALLAHASSEE MEMORIAL HEALTHCARE, INC.
 \$43,816 \$442,289,676 THIS ORGANIZATION HAS MADE THE
 LOBBYING ELECTION UNDER I.R.C. SECTION 501(H) FOR THE TAX
 YEAR ENDED SEPTEMBER 30, 2011. THIS ELECTION HAS NOT BEEN
 REVOKED BEFORE THE START OF THE ORGANIZATION'S TAX YEAR
 THAT BEGAN IN 2010. -----
 DIRECT OTHER LOBBYING EXEMPT PURPOSE NAME OF NON-
 ELECTING ORGANIZATION EXPENDITURES EXPENDITURES

_____ SOUTHEAST COMMUNITY HEALTH SRVS, INC.
 \$NONE \$ 318,774 TALLAHASSEE MEMORIAL HEALTHCARE FND
 NONE 1,653,736 ----- \$NONE \$ 1,972,510
 TOTALS \$43,816 \$444,262,186 =====
 =====

Tallahassee Memorial Hospital

(A division of Tallahassee Memorial HealthCare, Inc.)

Financial Statements and Supplemental Data
September 30, 2011 and 2010

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Index
September 30, 2011 and 2010

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Report of Independent Certified Public Accountants

To the Board of Directors of
Tallahassee Memorial HealthCare, Inc

In our opinion, the accompanying balance sheets and the related statements of operations, of changes in net assets and of cash flows present fairly, in all material respects, the financial position of Tallahassee Memorial Hospital (a division of Tallahassee Memorial HealthCare, Inc) (the "Hospital") at September 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

A handwritten signature in dark ink that reads "PricewaterhouseCoopers 22P".

December 12, 2011

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Balance Sheets
September 30, 2011 and 2010

	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 157,666,504	\$ 129,309,497
Short-term investments	1,542,222	1,527,295
Assets limited as to use	13,774,226	14,830,582
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$47,514,000 and \$45,771,000 as of September 30, 2011 and 2010, respectively	49,104,979	38,758,546
Inventories	6,902,669	6,576,423
Due from Medicare	725,201	3,448,845
Other current assets	7,085,485	6,384,898
Total current assets	<u>236,801,286</u>	<u>200,836,086</u>
Assets limited as to use		
Held by trustee	30,083,054	31,825,086
Less amount required to meet current obligations	<u>(13,774,226)</u>	<u>(14,830,582)</u>
Total assets limited as to use	<u>16,308,828</u>	<u>16,994,504</u>
Long-term investments	27,300	27,300
Property, plant and equipment, net	223,893,781	209,859,522
Due from TMH, Inc	5,963,535	5,536,385
Other assets	7,300,557	5,224,493
Total assets	<u>\$ 490,295,287</u>	<u>\$ 438,478,290</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 42,642,749	\$ 54,237,884
Current portion of long-term debt	5,889,861	5,450,507
Current portion of pension liability	18,039,917	14,155,056
Other current liabilities	11,600,338	11,561,475
Total current liabilities	<u>78,172,865</u>	<u>85,404,922</u>
Long-term debt, net of current portion	136,217,602	133,662,245
Long-term pension liability	142,056,253	110,057,466
Other liabilities	35,507,250	41,578,452
Total liabilities	<u>391,953,970</u>	<u>370,703,085</u>
Commitments and contingencies		
Net assets, unrestricted	<u>98,341,317</u>	<u>67,775,205</u>
Total liabilities and net assets	<u>\$ 490,295,287</u>	<u>\$ 438,478,290</u>

The accompanying notes are an integral part of these financial statements

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Statements of Operations
Years Ended September 30, 2011 and 2010

	2011	2010
Unrestricted revenues, gains and other support		
Net patient service revenue	\$ 526,855,659	\$ 490,795,517
Other revenue	3,623,198	3,939,321
Total revenues, gains and other support	<u>530,478,857</u>	<u>494,734,838</u>
Expenses		
Salaries, wages and benefits	213,763,579	206,857,051
Supplies and other	139,751,252	139,815,553
Professional fees	14,525,803	13,651,936
Depreciation and amortization	17,198,833	15,345,478
Interest	8,772,814	8,142,376
Provision for bad debts	68,749,715	65,972,065
Total expenses	<u>462,761,996</u>	<u>449,784,459</u>
Operating income	67,716,861	44,950,379
Other revenues and expenses, net	<u>(1,321,017)</u>	<u>(1,537,999)</u>
Excess of revenues over expenses	66,395,844	43,412,380
Net assets released from restrictions used for purchase of equipment	431,409	481,713
Change in pension liability	<u>(36,261,141)</u>	<u>(12,339,180)</u>
Increase in unrestricted net assets	<u>\$ 30,566,112</u>	<u>\$ 31,554,913</u>

The accompanying notes are an integral part of these financial statements

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Statements of Changes in Net Assets
Years Ended September 30, 2011 and 2010

	2011	2010
Unrestricted net assets		
Excess of revenues over expenses	\$ 66,395,844	\$ 43,412,380
Net assets released from restrictions used for purchase of equipment	431,409	481,713
Change in pension liability	(36,261,141)	(12,339,180)
Increase in unrestricted net assets	<u>30,566,112</u>	<u>31,554,913</u>
Temporarily restricted net assets		
Contributions	431,409	481,713
Net assets released from restrictions used for purchase of equipment	(431,409)	(481,713)
Increase in temporarily restricted net assets	<u>-</u>	<u>-</u>
Increase in net assets	<u>30,566,112</u>	<u>31,554,913</u>
Net assets		
Beginning of year	<u>67,775,205</u>	<u>36,220,292</u>
End of year	<u>\$ 98,341,317</u>	<u>\$ 67,775,205</u>

The accompanying notes are an integral part of these financial statements

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Statements of Cash Flows
Years Ended September 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 30,566,112	\$ 31,554,913
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	17,198,833	15,345,478
Depreciation on office space rental property	1,641,791	1,771,068
Amortization of bond discount and bond issue costs	264,530	266,588
Net realized and unrealized losses (gains) on trading securities	23,178	(115,112)
Change in fair value of derivative	233,482	1,201,775
Provision for bad debts	68,749,715	65,972,065
Change in pension liability	35,883,648	15,844,226
Loss on sale of equipment	69,646	440,415
Restricted contributions	(431,409)	(481,713)
(Increase) decrease in		
Patient accounts receivable	(79,096,148)	(68,364,087)
Inventories	(326,246)	(430,347)
Due from Medicare	2,723,644	(3,448,845)
Other current assets	(700,587)	79,729
Increase (decrease) in		
Accounts payable and accrued expenses	(11,595,135)	12,034,446
Due to Medicare	-	(3,803,258)
Other current liabilities	38,863	36,704
Other liabilities	(6,304,684)	(3,188,846)
Net cash provided by operating activities	<u>58,939,233</u>	<u>64,715,199</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(24,601,275)	(27,037,859)
Proceeds from disposals of equipment	53,565	240,964
Investments		
Purchases of investments	(14,927)	(9,887)
Assets limited as to use		
Purchases of investments	(4,676,175)	(7,338,155)
Proceeds from sales and maturities of investments	6,395,030	5,307,669
Increase in notes receivable and deposits	(2,230,868)	(914,185)
Net cash used in investing activities	<u>(25,074,650)</u>	<u>(29,751,453)</u>
Cash flows from financing activities		
Payments on capital lease obligations	(956,833)	(883,792)
Payments on long-term debt	(4,555,002)	(4,285,002)
Increase in due from TMH, Inc	(427,150)	(543,251)
Restricted contributions	431,409	481,713
Net cash used in financing activities	<u>(5,507,576)</u>	<u>(5,230,332)</u>
Net increase in cash and cash equivalents	28,357,007	29,733,414
Cash and cash equivalents		
Beginning of year	129,309,497	99,576,083
End of year	<u>\$ 157,666,504</u>	<u>\$ 129,309,497</u>
Supplemental disclosures of cash flow information		
Purchases of building and equipment under capital lease obligations	\$ 8,396,819	\$ 135,738
Interest paid on debt obligations	8,943,600	8,299,924
Building construction under capital lease	-	10,990,055

The accompanying notes are an integral part of these financial statements

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Notes to Financial Statements
September 30, 2011 and 2010

1. Summary of Significant Accounting Policies

Organization and Reporting Entity

Tallahassee Memorial HealthCare, Inc. and Subsidiaries ("TMH, Inc.") is a not-for-profit corporation, which primarily operates as Tallahassee Memorial Hospital (the "Hospital") in Tallahassee, Florida. The Hospital provides inpatient, outpatient and emergency care services as well as skilled nursing and psychiatric care to residents in the Big Bend area of Florida. The Hospital is used to distinguish the hospital division from TMH, Inc.'s consolidated financial statements, which are TMH, Inc.'s primary financial statements. The accompanying financial statements of the Hospital are not intended to be the primary financial statements of TMH, Inc. These financial statements are prepared for regulatory purposes.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Net assets are identified as unrestricted, temporarily restricted, or permanently restricted:

- Unrestricted – Net assets that are not subject to donor imposed restrictions
- Temporarily restricted – Net assets whose use by the Hospital is subject to donor-imposed stipulations that can be fulfilled by actions of the Hospital pursuant to those stipulations or that expire by the passage of time. At September 30, 2011 and 2010, the Hospital has no temporarily restricted net assets.
- Permanently restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Hospital. At September 30, 2011 and 2010, the Hospital has no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates involve accounting for the allowance for doubtful accounts, due from Medicare, self-insurance liabilities, accrued pension liability and depreciation and amortization expense.

Cash and Cash Equivalents

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

Tallahassee Memorial Hospital
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Notes to Financial Statements
September 30, 2011 and 2010

Investments

Short-term and long-term investments consist primarily of certificates deposit with maturities of less than one year, money market funds, and equities. All investments in debt securities and marketable equity securities with readily determinable fair values are measured at fair value in the accompanying balance sheets. Investment income or loss (including unrealized and realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses for trading securities except for income or loss that is restricted by donor or law. Unrealized gains and losses on short-term and long-term investments classified as other than trading securities are excluded from the excess of revenues over expenses. The Hospital evaluates the nature and classification of securities on a periodic basis under Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities* ("ASC 958").

Assets Limited as to Use

Assets limited as to use include assets held by trustees under indenture agreements and self-insurance trust arrangements. Amounts required to meet current liabilities of the Hospital have been presented as current assets in the accompanying balance sheets. Assets limited as to use are classified as trading or other than trading securities and stated at fair value. Amounts consist of cash and cash equivalents, corporate obligations, U.S. government and agency obligations, mutual funds and equities. The Hospital evaluates the nature and classification of securities on a periodic basis, and has designated all securities as trading.

Inventories

Inventories consist principally of unused supplies and are stated at the lower of cost (first-in, first-out method) or market.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation and amortization is computed on the straight-line method over the estimated useful lives of the assets generally as follows:

	Estimated Useful Lives
Building and building improvements	5–40
Leasehold improvements	5–25
Equipment	3–20

Expenditures for additions and improvements are capitalized. Costs incurred to acquire material and services in obtaining and installing internal-use software and payroll costs directly spent on the installation of such software are capitalized. Training and maintenance fees are expensed as incurred. Expenditures for maintenance and repairs are charged to operations as incurred. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is included in other revenues and expenses, net.

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Notes to Financial Statements
September 30, 2011 and 2010

Debt Issuance Costs

Debt issuance costs incurred in connection with the Health Facilities Revenue Bonds, Health Facilities Revenue Refunding Bonds and Healthcare Facilities Subordinated Revenue Bonds are being amortized over their respective terms utilizing the straight-line method, which approximates the effective interest method. As of September 30, 2011 and 2010, debt issuance costs of approximately \$3,574,000, net of accumulated amortization of approximately \$2,080,000 and \$1,926,000, respectively, remain to be amortized over future periods and are included in other assets in the balance sheets.

Accrued Self-Insurance Liabilities

The provision for estimated self-insured professional liability (malpractice), workers' compensation and employee health includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. The current portion of professional liability, workers' compensation and employee health are included in other current liabilities and the long-term portion is included in other liabilities in the balance sheets.

Net Patient Service Revenue

The components of net patient service revenue for the years ended September 30, 2011 and 2010 are as follows:

	2011	2010
Gross patient service revenue	\$ 1,483,636,094	\$ 1,397,969,671
Contractual adjustments and other deductions	<u>(956,780,435)</u>	<u>(907,174,154)</u>
Net patient service revenue	<u>\$ 526,855,659</u>	<u>\$ 490,795,517</u>

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Approximately 83% and 86% of the Hospital's net patient accounts receivable at September 30, 2011 and 2010, respectively, are due from commercial insurance carriers and governmental payors, and the remainder is due from others who reside primarily in the geographical area in or near Tallahassee, Florida. Patient accounts receivable are stated at their estimated net realizable value as determined by management. Management's estimate is based on an assessment of historical and expected net collections, considering business and economic conditions, trends in health care coverage, and other collection indicators.

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Interest Expense

Cash payments for interest were approximately \$8,944,000 and \$8,300,000 for the years ended September 30, 2011 and 2010, respectively. Interest expense charged to operations for the years ended September 30, 2011 and 2010 is summarized as follows:

	2011	2010
Interest cost		
Total interest cost	\$ 9,160,764	\$ 8,530,326
Net interest expense	<u>\$ 9,160,764</u>	<u>\$ 8,530,326</u>
Interest expense classified as		
Operating	\$ 8,772,814	\$ 8,142,376
Nonoperating	<u>387,950</u>	<u>387,950</u>
	<u>\$ 9,160,764</u>	<u>\$ 8,530,326</u>

Excess of Revenues Over Expenses

The statements of operations include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets and the change in pension liability.

Charity Care

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

Donor-Restricted Gifts

Donor-restricted contributions, other than for equipment, whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Other Revenues and Expenses, Net

Other revenues and expenses, net consist primarily of interest income, rental income and the related expenses incurred to maintain rental property and the total change in the fair value of the derivative.

Derivatives

The Hospital recognizes the asset or liability for derivative instruments on the balance sheets at fair value and the amount is included in other liabilities in the balance sheets. The market value of the derivative instrument at September 30, 2011 and 2010 was approximately \$(4,559,000) and \$(4,326,000), respectively. Changes in the fair value of derivatives are recorded each period in excess of revenues over expenses or as a change in unrestricted net assets, depending on the type of hedge transaction.

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On March 22, 2001, the Hospital entered into a "Basis Rate Swap" agreement with a financial institution to receive or pay the spread between two variable interest rates for a notional amount equal to the outstanding principal on the Series 2000 Bond Issue. The purpose of the Basis Rate Swap is to reduce interest cost over the life of the Series 2000 Bonds. However, the swap agreement does not meet the definition of a hedge. Consequently, changes in the fair value of the instrument are required to be recorded in the excess of revenues over expenses in the statements of operations. The changes in the market value of the swap required the recording of a loss of approximately \$233,000 and \$1,202,000 in other revenues and expenses, net, in the accompanying statements of operations for the years ended September 30, 2011 and 2010, respectively. The loss is unrealized and represents the amount the Hospital would be required to pay for the Basis Rate Swap at the end of the fiscal year.

The Hospital paid funds related to the Basis Rate Swap of approximately \$40,000 and \$61,000 for the years ended September 30, 2011 and 2010, respectively, which is recorded in other revenues and expenses, net in the accompanying statements of operations. Furthermore, the Hospital was required to post collateral in the amount of \$3,609,000 and \$4,830,000 at September 30, 2011 and 2010, respectively, as part of the margin call related to the Basis Rate Swaps. The cash collateral is recorded in assets limited as to use in the accompanying balance sheets.

Fair Value Measurements

Effective October 1, 2008, the Hospital adopted ASC 820, *Fair Value Measurement* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

ASC 820 establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Hospital for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement

The following tables present the financial instruments carried at fair value as of September 30, 2011 and 2010, by caption on the balance sheets by the ASC 820 valuation hierarchy defined above

September 30, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Cash, investments and assets limited as to use				
Cash and cash equivalents	\$ 179,990,901	\$ -	\$ -	\$ 179,990,901
U S government and agency obligations	-	7,149,600	-	7,149,600
Mutual funds	-	489,954	-	489,954
Equities	1,433,134	-	-	1,433,134
Corporate obligations	-	255,491	-	255,491
Total cash, investments and assets limited as to use	<u>181,424,035</u>	<u>7,895,045</u>	<u>-</u>	<u>189,319,080</u>
Total assets at fair value	<u>\$ 181,424,035</u>	<u>\$ 7,895,045</u>	<u>\$ -</u>	<u>\$ 189,319,080</u>
Liabilities				
Basis rate swap payable	\$ -	\$ 4,559,404	\$ -	\$ 4,559,404
Total liabilities at fair value	<u>\$ -</u>	<u>\$ 4,559,404</u>	<u>\$ -</u>	<u>\$ 4,559,404</u>
September 30, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Cash, investments and assets limited as to use				
Cash and cash equivalents	\$ 154,052,496	\$ -	\$ -	\$ 154,052,496
U S government and agency obligations	-	6,501,967	-	6,501,967
Mutual funds	-	515,216	-	515,216
Equities	1,272,551	-	-	1,272,551
Corporate obligations	-	346,948	-	346,948
Total cash, investments and assets limited as to use	<u>155,325,047</u>	<u>7,364,131</u>	<u>-</u>	<u>162,689,178</u>
Total assets at fair value	<u>\$ 155,325,047</u>	<u>\$ 7,364,131</u>	<u>\$ -</u>	<u>\$ 162,689,178</u>
Liabilities				
Basis rate swap payable	\$ -	\$ 4,325,922	\$ -	\$ 4,325,922
Total liabilities at fair value	<u>\$ -</u>	<u>\$ 4,325,922</u>	<u>\$ -</u>	<u>\$ 4,325,922</u>

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Following is a description of the Hospital's valuation methodologies for assets and liabilities measured at fair value

Fair value for Level 1 is based upon quoted prices in active markets that the Hospital has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. The Hospital does not adjust the quoted price for such assets and liabilities.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all.

Basis rate swaps are valued using both observable and unobservable inputs, such as quotations received from the counterparty, dealers or brokers, whenever available and considered reliable. In instances where models are used, the value of the interest rate swap depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates, assumptions for nonperformance risk, and correlations of such inputs. The basis rate swap arrangement has inputs which can generally be corroborated by market data and are therefore classified within Level 2.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital 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 estimate of fair value at the reporting date.

Concentrations of Credit Risk

The Hospital maintains its cash and cash equivalents with several large institutions. All accounts at each financial institution are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000 per bank. The Hospital has cash deposits which exceed the federally insured deposited amount. Management does not anticipate nonperformance by financial institutions.

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors on a net basis at September 30, 2011 and 2010 was as follows:

	2011	2010
Medicare	23%	20%
Medicaid	16%	9%
Managed Care	25%	42%
Blue Cross	15%	13%
Other	21%	16%
	<u>100%</u>	<u>100%</u>

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Recent Accounting Pronouncements

ASC 954, *Health Care Entities* ("ASC 954"), revised the guidance and requirements for acquisitions and mergers of not-for-profit entities. ASC 954 prescribes a model similar to ASC 805, *Business Combinations*, when a not-for-profit entity acquires another not-for-profit entity. Furthermore, goodwill is assigned to reporting units as prescribed in ASC 350 and amortization ceases, subject to annual impairment testing. In addition, ASU 2010-29, *Disclosure of Supplemental Information for Business Combinations*, was released to clarify the standard further. ASU 2010-29 clarifies that if an entity issues comparative financial statements, the pro forma information required by ASC 958-805-50 should be presented as if the acquisition occurred as of the beginning of the prior year, rolled forward through the current period. The Hospital does not expect material impact to its financial statements upon adoption of ASU 2010-29.

Accounting Standards Update ("ASU") 2011-07, *Presentation and Disclosure of Net Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts*, modifies the presentation of bad debts on the face of the income statement by presenting it directly beneath the patient service revenue line. In addition, the standard will require additional disclosures to provide greater clarity to users concerning revenue recognition specific to health care organizations. For nonpublic entities, ASU 2011-07 is effective for the first annual period ending after December 15, 2012. While early adoption is permitted, the Hospital has not elected early adoption for the current fiscal year ended September 30, 2011. The Hospital does not expect material impact to its financial statements upon adoption of ASU 2011-07.

ASU 2010-24, *Health Care Entities: Presentation of Insurance Claims and Related Insurance Recoveries*, revised the previous guidance specific to health care organizations related to insurance recoveries. Previously, health care organizations accounted for recoveries under a "transfer of risk" model, in which the loss accrued was limited to claims for which the risk of loss had not been transferred to an external insurance carrier. Once effective, health care entities must increase their historically reported malpractice liability for claims that are covered by insurance, and report a separate receivable for the expected insurance recoveries, to be recognized at the same time and measured on the same basis as the related liability, subject to a potential valuation allowance if necessary. ASU 2010-24 is effective for periods beginning after December 15, 2010. While early adoption is permitted, the Hospital has not elected early adoption for the current fiscal year ended September 30, 2011. The Hospital does not expect material impact to its financial statements upon adoption of ASU 2010-24.

ASU 2010-23, *Measuring Charity Care for Disclosure*, clarifies and increases the level of disclosure surrounding a health care organization's charity care. ASU 2010-23 requires that the disclosure of the level of care provided using fully-loaded costs (i.e., all direct and indirect costs of providing the services), which is consistent with the charity care disclosures requirements in IRS Form 990 Schedule H for not-for-profit hospitals. Costs should be estimated using the best information available. The cost measurement is not required to be based upon specific identification or the use of a cost accounting system; management may estimate such costs using "reasonable techniques" such as multiplying a ratio of cost to gross charges by the gross uncompensated charges associated with charity care patients; however, the method utilized to derive the cost must be disclosed. Entities are also required to disclose the value of any funds received to offset or subsidize charity care provided during the period (e.g., contributions that are donor-restricted for charity care). ASU 2010-23 is effective for fiscal years beginning after December 15, 2010, with early adoption permitted. The new disclosures should be applied retrospectively for all periods presented. While early adoption is permitted, the Hospital has not elected early adoption for the

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current fiscal year ended September 30, 2011. The Hospital does not expect material impact to its financial statements upon adoption of ASU 2010-23.

Reclassifications

Certain reclassifications are reflected in the 2010 financial statements to conform with the 2011 presentation.

2. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute care services, skilled nursing services, hospital outpatient services, rehabilitation services, psychiatric services and home health services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain outpatient services rendered to Medicare beneficiaries, and direct graduate medical education costs are paid based upon a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative interim rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

The Hospital's Medicare cost reports have been audited by the Medicare intermediary for all years through September 30, 2009. Approximately 28% and 29% of net patient service revenue for the years ended September 30, 2011 and 2010, respectively, is subject to the provisions of Medicare agreements.

Medicaid

Inpatient and outpatient services (except for laboratory and pathology services) rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. Reimbursable cost is determined in accordance with the principles of reimbursement established by the State of Florida Title XIX Hospital Reimbursement Plan supplemented by the Medicare Principles of Reimbursement. The interim rates are tentatively established on an individual per diem basis for each hospital, subject to cost ceilings with exceptions. The Hospital is reimbursed at a tentative rate with final settlement determined when the prospectively determined rate is adjusted as a result of intermediary audit of the cost report used in the establishment of the prospective rate. Retroactive adjustments for interim rate changes anticipated after the intermediary audit of the cost report are accrued on an estimated basis and adjusted in the period when final settlements are determined. The Hospital's Medicaid cost reports have been audited by the fiscal intermediary through September 30, 2006, however, final audited rates have not been issued by the Medicaid fiscal intermediary. Approximately 6% of net patient service revenue for each of the years ended September 30, 2011 and 2010 is related to services provided to Medicaid patients.

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Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Other

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Some of these arrangements provide for review of paid claims for compliance with the terms of the contract and result in retroactive settlement with third parties. Retroactive adjustments for other third party claims are recorded in the period when final settlement is determined.

3. Charity Care

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy and equivalent service statistics. The following information measures the approximate level of charity care provided during the years ended September 30, 2011 and 2010.

	2011	2010
Charges foregone, based on established rates	<u>\$ 49,627,185</u>	<u>\$ 48,942,873</u>

4. Tax Status

The Hospital is organized as a Florida not-for-profit corporation and is exempt from payment of income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances.

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5. Investments and Assets Limited as to Use

The composition of assets limited as to use at September 30, 2011 and 2010 is set forth in the following table

	2011	2010
Held by trustee under indenture agreements		
Cash, cash equivalents and short-term investments	\$ 16,824,630	\$ 7,942,417
U S government and agency obligations	6,217,602	5,349,156
Corporate obligations	-	10,307,830
	<u>23,042,232</u>	<u>23,599,403</u>
Held by trustee for self-insurance funding arrangements		
Cash, cash equivalents and short-term investments	348,101	135,457
U S government and agency obligations	904,699	1,125,510
Mutual funds	489,955	515,217
Equities	1,433,134	1,272,551
Corporate obligations	255,490	346,948
	<u>3,431,379</u>	<u>3,395,683</u>
Held by trustee as swap collateral		
Cash	3,609,443	4,830,000
	<u>\$ 30,083,054</u>	<u>\$ 31,825,086</u>

Short-term and long-term investments, stated at fair value, at September 30, 2011 and 2010 include

	2011	2010
Private equities	\$ 27,300	\$ 27,300
Certificates of deposit	1,542,222	1,527,295
	<u>1,569,522</u>	<u>1,554,595</u>
Less Long-term investments	<u>(27,300)</u>	<u>(27,300)</u>
Short-term investments	<u>\$ 1,542,222</u>	<u>\$ 1,527,295</u>

Investment income for assets limited as to use, cash equivalents, and other investments are approximately comprised of the following for the years ended September 30, 2011 and 2010

	2011	2010
Income		
Interest income	\$ 232,454	\$ 625,351
Unrealized (losses) gains on trading securities	<u>(23,178)</u>	<u>115,112</u>
	<u>\$ 209,276</u>	<u>\$ 740,463</u>

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6. Property, Plant and Equipment

Property, plant and equipment (as described below) at September 30, 2011 and 2010 is summarized as follows

	2011	2010
Land	\$ 12,542,079	\$ 10,508,556
Buildings	258,903,140	234,586,335
Equipment	164,331,216	164,845,186
Leasehold improvements	3,607,739	2,836,971
	<u>439,384,174</u>	<u>412,777,048</u>
Less Accumulated depreciation	<u>(222,668,139)</u>	<u>(219,274,081)</u>
	216,716,035	193,502,967
Construction in progress	<u>7,177,746</u>	<u>16,356,555</u>
Property, plant and equipment, net	<u><u>\$ 223,893,781</u></u>	<u><u>\$ 209,859,522</u></u>

Depreciation and amortization expense for the years ended September 30, 2011 and 2010 was approximately \$17,199,000 and \$15,345,000, respectively. Depreciation expense on office space rental property for the years ended September 30, 2011 and 2010 was approximately \$1,642,000 and \$1,771,000, respectively, and was included in other revenues and expenses, net in the accompanying statements of operations. Construction in progress at September 30, 2011 consisted of facility renovations, professional office building renovations and other miscellaneous construction projects. Estimated costs to complete are approximately \$7,413,000.

The Hospital leases substantially all of its property, plant and equipment from the City of Tallahassee under the terms of a lease, as amended, which expires in September 2040. The lease is automatically extended one year each September 30 unless the City of Tallahassee or the Hospital elects to nullify that year's extension. Any such election will not affect automatic renewals in future years. Property, plant and equipment acquired by the Hospital becomes a part of the leased properties, but are owned by the City of Tallahassee and are subject to the terms of the lease agreement. Obligations incurred for such acquisitions are the direct responsibility and liability of the Hospital. The Hospital leases the facility for \$1 per year and is responsible for payment of related taxes, insurance, operating expenses and capital improvements of the property, plant and equipment.

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The Hospital leases a portion of its office and equipment under agreements which expire at various dates through 2018. Rent expense for the years ended September 30, 2011 and 2010 was approximately \$3,190,000 and \$2,491,000, respectively. As of September 30, 2011 future minimum rental payments required under noncancelable operating leases are

Years Ending	
2012	\$ 194,621
2013	90,966
2014	75,774
2015	105,719
2016	61,373
Thereafter	18,583
	<u>\$ 547,036</u>

The Hospital leases office space to tenants under operating leases. Lease terms range from one to ten years.

7. Other Liabilities

Other liabilities consist of the following at September 30, 2011 and 2010

	2011	2010
Workers' compensation liability	\$ 1,278,096	\$ 3,248,306
Self-insured professional liability	14,540,126	19,103,443
Agency for HealthCare Administration statutory liability	2,695,097	2,426,173
Deferred compensation arrangement	1,347,753	1,137,191
Due to Medicaid	6,175,179	6,441,091
Asset retirement obligation	380,000	380,000
Fair value of interest rate swap	4,559,404	4,325,922
Obligation for supplemental executive retirement benefits	4,531,595	4,516,326
	<u>\$ 35,507,250</u>	<u>\$ 41,578,452</u>

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8. Long-Term Debt

A summary of long-term debt and capital lease obligations at September 30, 2011 and 2010 follows

	2011	2010
Health Facilities Revenue Refunding Bonds, Series 1992B, interest of 6% at September 30, 2011 and 2010, final maturity December 2015	\$ 13,990,000	\$ 16,330,000
Health Facilities Revenue Refunding Bonds, Series 1994, interest of 6 25% at September 30, 2011 and 2010, final maturity December 2013	7,570,000	9,785,000
Health Facilities Revenue Bonds, Series 2000, interest of 6 25% to 6 375% at September 30, 2011 and 2010, final maturity December 2030	100,100,000	100,100,000
Healthcare Facilities Subordinated Revenue Bonds, Series 2008, interest of 9 3% at September 30, 2011 and 2010, final maturity June 2028	600,000	600,000
Capital lease obligations	20,973,400	13,533,415
	<u>143,233,400</u>	<u>140,348,415</u>
Less Net amortized bond discount	<u>(1,125,937)</u>	<u>(1,235,663)</u>
Total long-term debt	142,107,463	139,112,752
Less Current portion	<u>(5,889,861)</u>	<u>(5,450,507)</u>
Long-term portion	<u>\$ 136,217,602</u>	<u>\$ 133,662,245</u>

The Hospital, with the City of Tallahassee acting as a conduit, issued Health Facilities Revenue Refunding Bonds, Series 1987 and 1992B, of \$54,905,000 and \$38,840,000, respectively, in connection with two cross-over financings. In addition, Health Facilities Revenue Refunding Bonds, Series 1994 in the amount of \$21,835,000 were issued in October 1994. On December 1, 1994, the Hospital elected that the Series 1987 Bonds provide for the payment of the Series 1984 Bonds. At the same time, the Series 1992B Bonds and the Series 1994 Bonds provided for the payment of the Series 1987 Bonds. The Hospital granted the City of Tallahassee a security interest in its revenue at the time of closing of the Health Facilities Revenue Refunding Bonds, Series 1994, and the cross-over of the Series 1992B Bonds.

On November 7, 2000, the Hospital, with the City of Tallahassee acting as a conduit, issued Health Facility Revenue Bonds, Series 2000, in the amount of \$100,100,000 for certain construction, renovation, and purchase of equipment. Interest rates range from 6 25% to 6 375% with final maturity in December 2030. The Series 2000 Bonds are collateralized by the gross revenues of the Hospital.

On September 12, 2008, the Hospital, with the City of Tallahassee acting as a conduit, issued Healthcare Facilities Subordinated Revenue Bonds, Series 2008, in the amount of \$600,000 for the construction of a sleep center. The Bonds are privately placed and contain an interest rate of 9 3%.

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The Series 1992B Bonds and the Series 1994 Bonds currently outstanding are collateralized by the unconditional and irrevocable guarantee of MBIA, Inc (formerly the Municipal Bond Investors Assurance Corporation) The guarantee expires concurrently with the Bonds

The bond trust indentures require compliance with various restrictive covenants, such as minimum debt service coverage ratios, and include maintenance of certain debt service funds The Hospital was in compliance with various financial restrictive covenants at September 30, 2011 and 2010

Scheduled principal payments on long-term debt and the capital lease obligations are as follows

Years Ending	Long-Term Debt	Capital Lease Obligations
2012	\$ 4,845,000	\$ 2,272,588
2013	5,150,000	1,917,779
2014	5,475,000	1,469,963
2015	3,680,000	1,399,561
2016	3,900,000	1,421,084
Thereafter	99,210,000	30,753,649
	<u>\$ 122,260,000</u>	<u>39,234,624</u>
Less Amount representing interest under capital lease obligations		(18,261,224)
		<u>\$ 20,973,400</u>

The following equipment and buildings were financed under capital leases and are included in property, plant and equipment on the balance sheets at September 30, 2011 and 2010

	2011	2010
Equipment and buildings	\$ 24,029,898	\$ 4,643,464
Less Accumulated depreciation	(3,759,744)	(2,128,782)
	<u>\$ 20,270,154</u>	<u>\$ 2,514,682</u>

9. Self-Insurance

The Hospital has professional liability insurance coverage through a captive insurer on a claims-made basis The Hospital is currently self-insured for the first \$3,000,000 of each claim From May 1, 2003 through April 30, 2005, the Hospital was self-insured for the first \$5,000,000 of each claim From March 28, 2002 through April 30, 2003, the Hospital was self-insured for the first \$3,000,000 of each claim From March 15, 2001 through March 27, 2002, the Hospital was self-insured for the first \$1,000,000 of each claim From January 1, 1989 through March 14, 2001 the Hospital was self-insured for the first \$250,000 and prior to January 1, 1989, the Hospital was self-insured for the first \$100,000 of each claim Malpractice claims, including amounts for which the Hospital is self-insured, have been asserted by various claimants, and additional claims may be asserted for known incidents occurring through September 30, 2011 The claims are in various stages of processing and some may ultimately be brought to trial Moreover, additional claims arising from services provided to patients in the past may be asserted The Hospital has engaged an independent actuary to assist in the computation of an accrual for self-insurance of professional

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liability coverage The actuarial computations were based upon an evaluation of past incidents A liability of approximately \$25,289,000 and \$29,814,000 has been recorded at September 30, 2011 and 2010, respectively, representing management's best estimates based upon the actuarial computations

Effective May 1, 2005, the Hospital entered into a captive arrangement with Health Care Casualty Risk Retention Group, Inc ("HCCR") for professional and general liability reinsurance coverage HCCR provides liability insurance coverage of \$20,000,000 per occurrence in excess of the \$3,000,000 retention HCCR provides aggregate liability coverage of \$20,000,000

HCCR was incorporated under the Captive Insurance Company Act of 2004 and the District of Columbia Business Corporation Act, D C Code, 2001 edition, on December 14, 2004 HCCR was added to the list of registered Risk Retention Groups by the state of Florida on March 8, 2005 In addition, the Hospital owns shares of Health Care Casualty Insurance Limited (the "Captive") which was incorporated as a limited liability company under the Companies Law of the Cayman Islands on August 30, 2002 and holds an unrestricted Class "B" Cayman Islands insurer's license under Section 4(2) of the Cayman Islands Insurance Law The license enables the Captive to transact insurance business, other than domestic business, from within the Cayman Islands The Cayman Islands Monetary Authority has imposed a minimum capital requirement of \$120,000

HCCR and the Captive are owned by a number of healthcare institutions based in the United States The owners are all not-for-profit hospitals and healthcare systems The principal activity of the Captive and HCCR is to provide professional and general liability coverage on a claims made and occurrence basis for the risk associated with the delivery of healthcare services for the shareholders, their employees and medical staff members The Hospital became a shareholder of the Captive and HCCR on May 1, 2005 As of September 30, 2011, the Hospital is one of eight owners of the Captive, four of which are active and four are inactive and one of five owners of HCCR TMH, Inc 's investment in HCCR and the Captive was \$100,000 and \$857,000, respectively, at September 30, 2011 and 2010 The Captive's bylaws indicate that no more than 15 organizations can be owners HCCR maintains a facultative reinsurance agreement with the Captive whereby all of the professional and general liability risk of the Hospital is effectively transferred to the Captive Effective August 1, 2009, the Captive entered into a reinsurance contract with limits reinsured of \$14,000,000 per claim and aggregate in excess of \$6,000,000 per claim and aggregate retention Prior to August 1, 2009, the Captive retained \$6,000,000 professional liability risk for each claim and \$21,000,000 aggregate coverage each year Prior to August 1, 2006, the Captive retained \$5,000,000 of professional liability risk for each claim and maintained a reinsurance treaty that provided \$5,000,000 of excess coverage for each claim

The Hospital is self-insured for workers' compensation up to \$500,000 per occurrence, and has purchased excess coverage from commercial carriers up to the amount allowed by Florida Statutes A liability of approximately \$2,129,000 and \$4,099,000 has been recorded at September 30, 2011 and 2010, respectively

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The combined liability for professional liability and workers' compensation self-insurance at September 30, 2011 and 2010 was approximately

	2011	2010
Other current liabilities	\$ 11,600,338	\$ 11,561,476
Other liabilities	15,818,222	22,351,323
	<u>\$ 27,418,560</u>	<u>\$ 33,912,799</u>

10. Retirement Plans

The Hospital maintains a noncontributory defined benefit pension plan (the "Plan") covering substantially all employees. The Plan's benefits are based on years of service and the employees' compensation during the highest five years of credited service. The Hospital's funding policy is to contribute annually the minimum amount permitted under ERISA using the Projected Unit Credit Actuarial Cost Method. Plan assets consist primarily of listed stocks, corporate bonds, government bonds and notes, and mutual funds.

On October 20, 2004, the Board of Directors of TMH, Inc. approved a resolution to freeze benefit accruals under the Plan effective December 31, 2004. While continued service after December 31, 2004 will count towards eligibility for early retirement benefits and vesting purposes, no service or compensation after December 31, 2004 will be considered for benefit accruals.

In December 2006, the Hospital adopted ASC 715, *Compensation - Retirements* ("ASC 715"). ASC 715 requires an employer to recognize the net funded status of defined benefit pensions and other postretirement benefit plans (the "Plan") as an asset or liability in its balance sheet and to recognize changes in the funded status through net assets. Additional minimum pension liabilities ("AML") and related intangible assets were derecognized upon adoption of the new Standard. For pension plans, the benefit obligation is the projected benefit obligation, for other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

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The following table sets forth the approximate change in projected benefit obligation, change in plan assets, weighted average assumptions and component of net periodic pension cost for the Plan

	2011	2010
Accumulated benefit obligation	<u>\$ 396,481,690</u>	<u>\$ 362,666,634</u>
Change in projected benefit obligation		
Projected benefit obligation, beginning of year	\$ 362,666,634	\$ 333,873,120
Interest cost	17,819,347	18,099,021
Actuarial loss	30,548,600	24,415,397
Benefits paid	<u>(14,552,891)</u>	<u>(13,720,904)</u>
Projected benefit obligation, end of year	<u>\$ 396,481,690</u>	<u>\$ 362,666,634</u>
Change in plan assets		
Plan assets at fair value, beginning of year	\$ 238,454,112	\$ 225,504,824
Employer contributions	11,726,108	8,131,100
Actual return on plan assets	758,191	18,539,092
Benefits paid	<u>(14,552,891)</u>	<u>(13,720,904)</u>
Plan assets at fair value, end of year	<u>\$ 236,385,520</u>	<u>\$ 238,454,112</u>
Funded status	<u>\$ (160,096,170)</u>	<u>\$ (124,212,522)</u>
	2011	2010
Amounts recognized in unrestricted net assets		
Net loss (gain)	\$ 191,517,708	\$ 155,255,884
Prior service cost (credit)	<u>-</u>	<u>-</u>
Total amount recognized	<u>\$ 191,517,708</u>	<u>\$ 155,255,884</u>
Changes recognized in unrestricted net assets		
Plan amendments	\$ -	\$ -
Prior service cost (credit)	-	-
Net actuarial loss		
Net actuarial loss from liabilities	30,548,600	24,415,397
Net actuarial loss from assets	<u>19,436,788</u>	<u>352,666</u>
Total net actuarial loss	<u>49,985,388</u>	<u>24,768,063</u>
Amortization of prior service cost	-	-
Amortization of actuarial loss	<u>(13,724,247)</u>	<u>(12,448,783)</u>
Net change in unrestricted net assets	<u>\$ 36,261,141</u>	<u>\$ 12,319,280</u>
Net periodic pension benefit cost	<u>\$ 11,347,932</u>	<u>\$ 11,656,046</u>

Tallahassee Memorial Hospital
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	2011	2010
Weighted average assumptions for benefit obligations at September 30		
Discount rate	4.55%	5.01%
Rate of increase in future compensation levels	N/A	N/A
Weighted average assumptions for net periodic benefit costs at September 30		
Discount rate	5.01%	5.53%
Expected return on plan assets	8.50%	8.50%
Rate of compensation increase	N/A	N/A
Components of net periodic pension cost		
Interest cost	\$ 17,829,347	\$ 18,099,021
Expected return on plan assets	(20,195,660)	(18,891,758)
Amortization of loss	13,724,247	12,448,783
Net periodic pension expense	<u>\$ 11,357,934</u>	<u>\$ 11,656,046</u>

The Plan assets are administered by a trustee and are invested in the following percentages in various instruments at September 30, 2011 and 2010

	2011	2010
Mutual funds and short-term investments	7%	9%
Equity securities	57%	55%
Debt securities	36%	36%
	<u>100%</u>	<u>100%</u>

The fair value of the Plan's assets at September 30, 2011 and 2010 are as follows

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
September 30, 2011				
Short-term investments	\$ 10,112,565	\$ -	\$ -	\$ 10,112,565
Corporate bonds and notes	-	38,223,647	-	38,223,647
U S government and agency obligations	-	46,774,479	-	46,774,479
Common stocks	141,274,829	-	-	141,274,829
Total investments	<u>\$ 151,387,394</u>	<u>\$ 84,998,126</u>	<u>\$ -</u>	<u>\$ 236,385,520</u>

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September 30, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Short-term investments	\$ 10,222,559	\$ -	\$ -	\$ 10,222,559
Corporate bonds and notes	-	44,193,724	-	44,193,724
U S government and agency obligations	-	42,050,719	-	42,050,719
Common stocks	135,765,249	-	-	135,765,249
Common/collective trust	-	6,221,861	-	6,221,861
Total investments	<u>\$ 145,987,808</u>	<u>\$ 92,466,304</u>	<u>\$ -</u>	<u>\$ 238,454,112</u>

Future benefit payments for years ending September 30 are as follows

2012	\$ 15,229,205
2013	15,982,565
2014	16,795,062
2015	17,613,057
2016	18,345,219
2017 – 2021	128,298,421
	<u>\$ 212,263,529</u>

The Hospital expects to contribute approximately \$13,934,000 to the Plan for the year ending September 30, 2012. Estimated amounts to be amortized out of unrestricted net assets for the year ending September 30, 2012 are approximately \$20,115,000 and the amount will be recorded in pension expense.

Investment Strategy

The asset allocation and investment strategy of the Plan are designed to earn superior returns on plan assets consistent with a reasonably prudent level of risk. Investments are diversified across classes, sectors, and manager style to minimize the risk of large losses. The Hospital uses investment managers specializing in each asset category and, where appropriate, provides the investment managers with specific guidelines, which include allowable and/or prohibited investment types. The Hospital regularly monitors manager performance and compliance with investment guidelines.

Expected Rate of Return

The expected long-term rate of return on Plan assets is based on historical and projected rates of return for current and planned asset categories in the Plan's investment portfolio. Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates. Based on target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns for the effect of expenses paid from Plan assets.

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
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Retirement Savings Plan

During the year ended September 30, 2005, the Hospital established the Tallahassee Memorial HealthCare 401(A) Retirement Savings Plan (the "Savings Plan"), a qualified defined contribution plan covering all employees who are at least 21 years of age and have completed one year of service. TMH, Inc. contributes 4% of eligible income to each eligible employee and an additional matching contribution up to 2% of eligible income. Participants become fully vested after three years of service. The contribution required under the Savings Plan for the years ended September 30, 2011 and 2010 was approximately \$7,207,000 and \$6,697,000, respectively. These contributions have been included in salaries, wages and benefits expense in the accompanying statements of operations. Additionally, the amounts due to the Savings Plan as of September 30, 2011 and 2010 were approximately \$371,000 and \$423,000, respectively, and are included in accounts payable and accrued expenses in the accompanying balance sheets.

11. Related Party Transactions

TMH, Inc. is a not-for-profit holding corporation which manages and operates a healthcare delivery system. Through common board membership, provisions of bylaws and direct stock ownership, TMH, Inc. is the parent corporation of Southeast Community Health Services, Inc. ("SECHS"), Tallahassee Memorial Health Ventures, Inc. ("TMHV"), and Tallahassee Memorial HealthCare Foundation, Inc. (the "Foundation"). SECHS is a not-for-profit property holding company. TMHV is a for-profit corporation which manages activities which are not tax exempt. The Foundation is a not-for-profit organization which promotes the educational training and research programs of the Hospital.

During the years ended September 30, 2011 and 2010, the Hospital charged rent amounting to approximately \$1,402,000 to TMHV. The Hospital charged interest during the years ended September 30, 2011 and 2010 of approximately \$26,000 to SECHS relating to the financing of capital acquisitions in prior years. For the years ended September 30, 2011 and 2010, the Hospital received contributions of approximately \$723,000 and \$890,000, respectively, from the Foundation. For the years ended September 30, 2011 and 2010, the Hospital paid for leased space of approximately \$608,000 and \$596,000, respectively, to SECHS and approximately \$230,000 and \$144,000 to TMHV. At September 30, 2011 and 2010, the Hospital had outstanding receivables from TMH, Inc. of approximately \$1,417,000 and other receivables from subsidiaries of TMH, Inc. of approximately \$4,547,000 and \$4,119,000, respectively.

12. Functional Expenses

The Hospital provides general health care services to residents within its geographic area. Expenses related to providing these services for the years ended September 30, 2011 and 2010 are as follows:

	2011	2010
Patient care services	\$ 286,162,164	\$ 265,390,610
General and administrative	176,599,832	184,393,849
Total healthcare services	<u>\$ 462,761,996</u>	<u>\$ 449,784,459</u>

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Notes to Financial Statements
September 30, 2011 and 2010

13. Financial Instruments

The estimated fair value of the Hospital's bonds and notes payable is based on dealer quotations for hospital debt with similar terms and maturities for the same or similar issues. The aggregate carrying amount and estimated fair value of the bonds and notes payable, exclusive of the capital lease obligations, as of September 30, 2011 and 2010 are as follows:

	2011	2010
Carrying value	\$ 121,134,063	\$ 125,579,337
Estimated fair value	123,021,030	127,461,250

Certain financial instruments potentially subject the Hospital to concentrations of credit risk. These financial instruments consist primarily of cash and cash equivalents, short-term investments, assets limited as to use, and patient accounts receivable. The Hospital maintains its cash and cash equivalents and short-term investments with what management believes to be high quality financial institutions and thus limits its credit exposure. Concentrations of credit risk with respect to patient accounts receivables include Medicare, Medicaid, and various managed care and commercial payors.

14. Commitments

As of September 30, 2011, future minimum payments required under noncancelable maintenance agreements were as follows:

2012	\$ 4,744,476
2013	4,744,476
2014	4,744,476
2015	4,686,156
2016	4,604,508
	<u>\$ 23,524,092</u>

15. Contingencies

In the normal course of business, the Hospital is subject to various litigation and claims such as labor-related and other matters. Management has analyzed such pending unresolved disputes and estimated the potential cost of settlements, legal fees and other costs associated with an unfavorable outcome. The financial statements include accruals related to these disputes. In the opinion of management, after consultation with legal counsel, no other material liabilities are likely to result from the ultimate disposition of such matters.

16. Subsequent Events

The Hospital has evaluated subsequent events through December 12, 2011, which is the date the financial statements were available for issuance.



Report of Independent Certified Public Accountants on Supplemental Data

To the Board of Directors of
Tallahassee Memorial HealthCare, Inc

The report on our audits of the basic financial statements of Tallahassee Memorial Hospital (a division of Tallahassee Memorial HealthCare, Inc) as of September 30, 2011 and 2010 and for the years then ended appears on page 1 of this document. These audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental data on pages 29-34 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers 22P".

December 12, 2011

Tallahassee Memorial Hospital

(A division of Tallahassee Memorial HealthCare, Inc.)

Gross Patient Service Revenue

Year Ended September 30, 2011 (With Comparative Totals for the Year Ended September 30, 2010)

	Inpatient	Outpatient	Extended Care	Behavioral Health Care	Non-Patient	Total 2011	Total 2010
Medical-surgical Nursing	\$ 96,408,795	\$ 5,499,088	\$ -	\$ 454	\$ -	\$ 101,908,337	\$ 94,583,844
Neurology ICU	7,063,488	-	-	-	-	7,063,488	6,570,956
Coronary Care	5,966,259	-	-	-	-	5,966,259	5,696,546
Hemodialysis	1,410,901	328,949	-	3,130	-	1,742,980	1,707,618
Respiratory Services	41,813,728	9,302,894	2,249,838	221,262	-	53,587,722	50,820,550
Labor & Delivery	19,436,378	2,995,654	-	359	-	22,432,391	20,251,407
Operating Room	101,152,065	93,134,023	11,852	233	-	194,298,173	183,358,278
Endoscopy Clinic	4,194,117	12,310,359	9,194	-	-	16,513,670	14,778,085
Recovery Room	9,094,486	12,899,077	-	-	-	21,993,563	20,376,295
Emergency Room	20,584,775	62,018,597	701	1,732,967	-	84,337,040	76,552,206
Ambulance Service	486	186,907	-	-	-	187,393	162,527
Central Service	21,346,176	4,860,626	1,145,903	62,262	-	27,414,967	29,416,457
Intravenous Therapy	11,569,448	4,610,131	41,723	312	-	16,221,614	17,457,982
Laboratory	100,132,502	61,968,166	2,232,817	3,803,126	823,362	168,959,973	152,724,890
Laboratory-POB	54,442	7,002,434	108	1,547	5,291	7,063,822	6,459,793
Blood	9,268,335	1,924,153	59,155	298	1,932	11,253,873	12,276,597
Neurodiagnostics/EEG	1,543,694	971,177	2,318	22,512	-	2,539,701	2,433,234
Radiology-diagnostic	129,607,601	176,982,364	471,580	398,099	75,192	307,534,836	304,119,587
Radiation Therapy	824,378	39,509,311	-	-	-	40,333,689	29,199,272
Nuclear Medicine	4,052,804	8,727,840	4,179	-	-	12,784,823	11,210,176
Pharmacy	75,237,590	40,635,239	3,477,919	919,570	86,880	120,357,198	120,454,610
Anesthesiology	38,177,921	32,431,913	2,772	-	-	70,612,606	66,504,143
Physical Therapy	5,900,002	10,961,218	6,343,378	2,214	200	23,207,012	22,242,663
Home Health Care	-	2,548,679	-	-	-	2,548,679	2,612,811
Newborn Nursery	11,225,242	-	-	-	-	11,225,242	10,222,897
Intensive Care	11,913,530	-	-	-	-	11,913,530	11,650,638
Neonatal ICU	11,029,784	-	-	-	-	11,029,784	10,112,002
EKG	17,177,196	18,092,470	44,049	42,297	11,698	35,367,710	31,518,543
Diabetes Center	-	1,150,291	-	-	-	1,150,291	1,101,723
Neuro Science Center	71,111	343,516	-	-	-	414,627	410,533
Wound Healing Program	24,697	5,358,333	-	510	-	5,383,540	5,161,231
Emergency Room Physicians	-	22,671,155	-	-	-	22,671,155	21,585,462
Extended Care Facility	-	-	5,622,603	-	-	5,622,603	5,053,501
Psychiatric Center Routine	-	-	-	11,435,002	-	11,435,002	9,816,718
Psychiatric Center Other	-	1,596,399	-	9,866,539	-	11,462,938	9,516,325
Family Practice Residency Program	-	7,306,378	-	-	-	7,306,378	8,272,968
Women's Resource	385	409,340	-	-	1,692	411,417	302,286
Rural Family Practice Clinics	-	20,040,378	-	-	-	20,040,378	16,353,539
Palliative Care	-	192,997	-	-	-	192,997	80,327
Sleep Center	-	7,144,693	-	-	-	7,144,693	4,840,451
Total	\$ 756,282,316	\$ 676,114,749	\$ 21,720,089	\$ 28,512,693	\$ 1,006,247	\$ 1,483,636,094	\$ 1,397,969,671

Tallahassee Memorial Hospital

(A division of Tallahassee Memorial HealthCare, Inc.)

Provision for Contractual Adjustments, Charity, Uncollectible Accounts and Other

Year Ended September 30, 2011 (With Comparative Totals for the Year Ended September 30, 2010)

	Hospital	Extended Care Facility	Family Practice Residency Program	Behavioral Health Center	Total 2011	Total 2010
Provision for Uncollectible Accounts	\$ 67,056,180	\$ 403,975	\$ 188,334	\$ 1,101,226	\$ 68,749,715	\$ 65,972,065
Medicare Adjustments	290,382,488	5,637,138	140,058	2,231,317	298,391,001	272,109,494
Medicaid Adjustments	100,367,005	2,200,826	1,333,668	1,010,363	104,911,862	106,291,947
HMO/Medicaid Adjustments	43,450,545	-	34,328	1,188,534	44,673,407	42,115,583
Division of Children's Medical Services	433,719	-	-	8,591	442,310	378,381
Vocational Rehabilitation	2,435,966	-	-	6,398	2,442,364	1,676,605
Workers' Compensation	4,959,481	13,013	952	933	4,974,379	4,871,447
Medical Center Approved Charity	48,213,940	878,352	126,648	408,245	49,627,185	48,942,873
Employee Discounts	163,792	-	3,245	4,762	171,799	102,711
Patient Adjustments	10,660,252	664,324	75,735	503,984	11,904,295	11,282,122
Health Maintenance Organizations	380,076,218	4,816,427	614,545	6,907,587	392,414,777	379,627,458
Florida State Hospital	2,005,827	-	-	-	2,005,827	2,312,318
Other Governmental Programs	18,054,270	156,646	77,040	373,926	18,661,882	20,817,973
Other Contractual Adjustments	21,280,080	153,292	574,984	2,021,784	24,030,140	14,433,630
Absorbed Employee Health Claims	2,129,207	-	-	-	2,129,207	2,211,612
Provision for Uncollectible Accounts	(67,056,180)	(403,975)	(188,334)	(1,101,226)	(68,749,715)	(65,972,065)
Total	<u>\$ 924,612,790</u>	<u>\$ 14,520,018</u>	<u>\$ 2,981,203</u>	<u>\$ 14,666,424</u>	<u>\$ 956,780,435</u>	<u>\$ 907,174,154</u>

Tallahassee Memorial Hospital

(A division of Tallahassee Memorial HealthCare, Inc.)

Other Revenue

Year Ended September 30, 2011 (With Comparative Totals for the Year Ended September 30, 2010)

	Hospital	Extended Care Facility	Family Practice Residency Program	Behavioral Health Center	Total 2011	Total 2010
Parking Deck	\$ 534,187	\$ -	\$ -	\$ -	\$ 534,187	\$ 555,452
Contractual Late Fees	107,673	-	-	-	107,673	108,638
Services to Other Organizations	71,128	-	38,970	170,231	280,329	339,787
Lifeline Services	300,769	-	-	-	300,769	307,535
Adult Day Care Services	295,712	-	-	-	295,712	313,502
Alzheimer/Parkinsons Grant	222,801	-	-	-	222,801	224,602
Diabetes Grant	22,960	-	-	-	22,960	135,180
Domestic Security Preparedness	105,398	-	-	-	105,398	49,339
Trauma Center	186,351	-	-	-	186,351	572,117
Lower Income Pool Grant	186,619	-	275,744	-	462,363	-
Other Grants	285,340	-	-	-	285,340	555,557
Foundation Donations	561,548	1,005	13,118	-	575,671	500,929
Miscellaneous	172,342	1,521	61,692	8,089	243,644	276,683
Other revenue	<u>\$ 3,052,828</u>	<u>\$ 2,526</u>	<u>\$ 389,524</u>	<u>\$ 178,320</u>	<u>\$ 3,623,198</u>	<u>\$ 3,939,321</u>

Tallahassee Memorial Hospital

(A division of Tallahassee Memorial HealthCare, Inc.)

Patient Service Expenses

Year Ended September 30, 2011 (With Comparative Totals for the
Year Ended September 30, 2010)

	Salaries	Other	Total 2011	Total 2010
Medical-surgical Nursing	\$ 25,824,243	\$ 8,539,555	\$ 34,363,798	\$ 33,657,210
Neurology ICU	1,581,030	543,740	2,124,770	2,137,221
Coronary Care	1,690,667	492,946	2,183,613	2,116,234
Hemodialysis	508,850	273,250	782,100	874,385
Wound Healing Program	664,852	1,412,087	2,076,939	2,334,086
Respiratory Services	3,432,927	1,786,631	5,219,558	5,139,244
Labor and Delivery	3,507,607	1,774,043	5,281,650	5,726,491
Operating Room	9,107,175	33,487,743	42,594,918	40,912,057
Surgery Center	2,144,408	3,859,980	6,004,388	6,335,382
Organ Transplant	7,930	2,265	10,195	30,295
Recovery Room	1,012,605	311,900	1,324,505	1,280,821
Emergency Room	14,833,935	6,458,120	21,292,055	21,468,779
Diabetes Center	638,894	721,050	1,359,944	1,276,169
Alzheimer/Parkinsons Clinic	81,811	99,211	181,022	179,481
Ambulance Service	262,940	129,919	392,859	361,854
Central Service	486,699	4,677,053	5,163,752	4,509,940
A Womens' Place	129,484	273,176	402,660	365,518
Intravenous Therapy	1,013,124	1,268,403	2,281,527	2,283,304
Laboratory	4,221,738	7,369,983	11,591,721	10,954,244
Blood	-	4,825,312	4,825,312	5,216,656
Neurodiagnostics/EEG	381,794	122,785	504,579	498,985
Radiology-diagnostic	5,673,189	20,480,664	26,153,853	26,970,853
Radiation Therapy	1,991,092	1,573,355	3,564,447	3,038,284
Nuclear Medicine	431,811	1,506,794	1,938,605	1,714,056
Pharmacy	4,532,164	21,137,890	25,670,054	25,674,769
Anesthesiology	656,629	1,404,658	2,061,287	1,948,554
Physical Therapy	3,553,649	1,449,163	5,002,812	4,428,546
Home Health Care	1,502,264	762,274	2,264,538	2,449,970
Family Care/Newborn Nursery	2,562,567	844,288	3,406,855	3,451,154
Neonatal ICU	2,116,318	836,731	2,953,049	2,808,535
Intensive Care	3,297,066	1,093,166	4,390,232	4,381,371
Cardiovascular/EKG	1,664,825	1,842,737	3,507,562	3,478,012
Extended Care Facility	4,687,660	2,425,536	7,113,196	6,659,833
Behavioral Health Center/Routine	7,376,514	2,551,617	9,928,131	9,138,399
Behavioral Health Center/Other	1,015,971	304,698	1,320,669	1,131,571
Family Practice Program	6,258,628	2,945,801	9,204,429	8,896,490
Sleep Center	487,927	412,908	900,835	805,074
Rural Family Practice Clinics	11,239,472	4,075,864	15,315,336	12,122,126
Palliative Care	125,539	34,683	160,222	131,340
Absorbed employee health claims	-	(1,490,445)	(1,490,445)	(1,548,128)
	<u>\$ 130,705,998</u>	<u>\$ 142,621,534</u>	<u>\$ 273,327,532</u>	<u>\$ 265,339,165</u>

Tallahassee Memorial Hospital

(A division of Tallahassee Memorial HealthCare, Inc.)

General Operating Expenses

Year Ended September 30, 2011 (With Comparative Totals for the
Year Ended September 30, 2010)

	Salaries	Other	Total 2011	Total 2010
Dietary	\$ 1,910,525	\$ 2,594,662	\$ 4,505,187	\$ 4,270,358
Plant Engineering	3,711,924	9,310,657	13,022,581	12,880,267
Housekeeping	2,813,039	2,715,653	5,528,692	5,522,776
Laundry	928,943	976,503	1,905,446	1,763,594
Nursing-administration	6,283,947	3,254,535	9,538,482	9,308,758
Medical Records	1,500,134	1,665,523	3,165,657	3,399,725
Communication Services	271,007	93,789	364,796	371,429
Data Processing	5,474,368	7,463,820	12,938,188	11,052,817
Purchasing	966,350	176,881	1,143,231	1,224,803
Admitting	2,105,756	1,125,172	3,230,928	3,165,623
Patient Accounts	2,776,613	2,796,413	5,573,026	5,546,648
Social Services	2,093,806	946,765	3,040,571	2,615,786
Finance/Administrative Office	7,138,949	10,011,683	17,150,632	16,273,851
Fund Development	623,679	167,558	791,237	743,443
Neuro Science Center	264,627	300,408	565,035	534,165
Adult Day Care	185,248	169,136	354,384	322,042
Indigent care assessment	-	5,242,680	5,242,680	4,390,628
Insurance	-	(270,394)	(270,394)	5,719,480
Employee health and welfare	2,881,557	4,679,948	7,561,505	6,542,666
Absorbed employee health claims	-	(638,762)	(638,762)	(663,484)
	<u>\$ 41,930,472</u>	<u>\$ 52,782,630</u>	<u>\$ 94,713,102</u>	<u>\$ 94,985,375</u>

Tallahassee Memorial Hospital
(A division of Tallahassee Memorial HealthCare, Inc.)
Other Revenues and Expenses, Net
Years Ended September 30, 2011 and 2010

	2011	2010
Investment income	\$ 209,276	\$ 740,463
Loss on sale of equipment	(69,646)	(440,415)
Change in fair value of derivative	(233,482)	(1,201,775)
Loss on office space rentals	(2,277,672)	(1,730,395)
Other rental income	1,047,276	1,091,015
Miscellaneous	3,231	3,108
	<u>\$ (1,321,017)</u>	<u>\$ (1,537,999)</u>
Other revenues and expenses, net		