



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990**  
 Department of the Treasury  
 Internal Revenue Service

**Return of Organization Exempt From Income Tax**  
**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**  
 The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047  
**2012**  
**Open to Public Inspection**

**A For the 2012 calendar year, or tax year beginning 10-01-2012, 2012, and ending 09-30-2013**

- B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Application pending

**C** Name of organization  
 TALLAHASSEE MEMORIAL HEALTHCARE INC  
 Doing Business As  
 Number and street (or P O box if mail is not delivered to street address) Room/suite  
 1300 MICCOSUKEE ROAD  
 Suite  
 City or town, state or country, and ZIP + 4  
 TALLAHASSEE, FL 323085054

**D** Employer identification number  
 59-1917016  
**E** Telephone number  
 (850) 431-5238  
**G** Gross receipts \$ 621,216,964

**F** Name and address of principal officer  
 WILLIAM GIUDICE CFO  
 1300 MICCOSUKEE ROAD  
 TALLAHASSEE, FL 323080000

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list (see instructions)

**I** Tax-exempt status  501(c)(3)  501(c) ( ) (Insert no )  4947(a)(1) or  527

**J** Website: www tmh org

**H(c)** Group exemption number

**K** Form of organization  Corporation  Trust  Association  Other

**L** Year of formation 1979

**M** State of legal domicile FL

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities TALLAHASSEE MEMORIAL HEALTHCARE, INC IS A PRIVATE 772-BED, COMMUNITY HEALTH CARE SYSTEM THAT PROVIDES CHARITABLE, COMPASSIONATE, LEADING- EDGE, PATIENT-CENTERED HEALTH CARE FOR ALL		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	16
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	11
	<b>5</b> Total number of individuals employed in calendar year 2012 (Part V, line 2a)	<b>5</b>	4,844
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	790
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	1,425,788
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	1,160,611	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	2,336,724	2,093,409
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	399,327,762	414,717,765
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	785,760	555,761
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	142,264,845	148,848,327
		544,715,091	566,215,262
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	237,332,528	245,592,755
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	0	0
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	269,009,726	289,123,914
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	506,342,254	534,716,669
<b>19</b> Revenue less expenses Subtract line 18 from line 12	38,372,837	31,498,593	
<b>Net Assets or Fund Balances</b>		<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b> Total assets (Part X, line 16)	522,415,027	546,351,934
	<b>21</b> Total liabilities (Part X, line 26)	380,863,324	296,046,245
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	141,551,703	250,305,689	

**Part II Signature Block**

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

**Sign Here**  
 Signature of officer: WILLIAM GIUDICE CFO  
 Date: 2014-08-08  
 Type or print name and title

**Paid Preparer Use Only**  
 Preparer's name: PricewaterhouseCoopers LLP  
 Preparer's signature: [Signature]  
 Date: [Date]  
 Check  if self-employed  
 PTIN: [PTIN]  
 Firm's EIN: [EIN]  
 Firm's address: 2001 MARKET ST SUITE 1700 PHILADELPHIA, PA 19103  
 Phone no: (267) 330-3000

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

**Part III Statement of Program Service Accomplishments**

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

**1** Briefly describe the organization's mission  
FOUNDED MORE THAN 60 YEARS AGO, TALLAHASSEE MEMORIAL HEALTHCARE, INC IS A PRIVATE, NOT-FOR PROFIT, 772-BED, COMMUNITY HEALTH CARE SYSTEM ITS MISSION TRANSFORMING CARE ADVANCING HEALTH IMPROVING LIVES

**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 organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

**4a** (Code ) (Expenses \$ 478,073,107 including grants of \$ 0 ) (Revenue \$ 564,087,200 )  
DESIGNED TO MEET THE DIVERSE HEALTH CARE NEEDS OF THE BIG BEND REGION, TALLAHASSEE MEMORIAL HEALTHCARE, INC ("TMH") IS A COMPREHENSIVE, PRIVATE, NOT-FOR-PROFIT HEALTH CARE SYSTEM THAT SERVES 17 COUNTIES IN NORTH FLORIDA AND SOUTH GEORGIA TMH INCLUDES A 772-BED ACUTE CARE HOSPITAL AND HAS A TIME-HONORED COMMITMENT TO PROVIDING PATIENT-CENTERED, WORLD-CLASS HEALTH CARE TO ITS COMMUNITY WITHOUT REGARD TO A PATIENT'S ABILITY TO PAY TMH HOLDS A NUMBER OF IMPORTANT DISTINCTIONS WITHIN THE REGIONAL HEALTH SECTOR TMH IS HOME TO THE BIG BEND'S ONLY ACCREDITED COMMUNITY HOSPITAL CANCER PROGRAM AND THE REGION'S ONLY STATE-DESIGNATED TRAUMA CENTER TMH IS ALSO THE AREA'S ONLY HOSPITAL RECOGNIZED BY THE SOCIETY OF CHEST PAIN CENTERS AS AN ACCREDITED CHEST PAIN CENTER WITH PCI IN ALL, TMH IS THE SEVENTH-LARGEST HOSPITAL IN FLORIDA WITH A MEDICAL STAFF OF 570+ PHYSICIANS REPRESENTING 50+ DIFFERENT SPECIALTIES 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 THE ENERGY AND RESOURCES COMMITTED BY TMH AND ITS COLLEAGUES ARE PROOF OF THE FULFILLMENT OF ITS MISSION TRANSFORMING CARE ADVANCING HEALTH IMPROVING LIVES SEE SCHEDULE H, PART VI FOR ADDITIONAL DETAILS REGARDING SOME OF THE VARIOUS PROGRAM SERVICE ACCOMPLISHMENTS AND ADDITIONAL COMMUNITY BUILDING ACTIVITIES CONDUCTED BY TMH

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

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

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

**4e Total program service expenses** 478,073,107

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	Yes	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	Yes	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		No
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	Yes	
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		No
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		No
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		No
<b>9</b> Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		No
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	Yes	
<b>11</b> 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		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	Yes	
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		No
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		No
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	Yes	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	Yes	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		No
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	Yes	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	Yes	
<b>15</b> 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 United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		No
<b>16</b> 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 United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		No
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		No
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	Yes	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	Yes	

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

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. <b>1a</b> 259		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. <b>1b</b> 0		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. <b>2a</b> 4,844		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
<b>4a</b>	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)? <b>4a</b>		No
<b>b</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.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
<b>5c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	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?		No
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year. <b>7d</b>		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12. <b>10a</b>		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. <b>10b</b>		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>11a</b>	Gross income from members or shareholders. <b>11a</b>		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). <b>11b</b>		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? <b>12a</b>		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year. <b>12b</b>		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O. <b>13a</b>		
<b>13b</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. <b>13b</b>		
<b>13c</b>	Enter the amount of reserves on hand. <b>13c</b>		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year? <b>14a</b>		No
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O. <b>14b</b>		

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 . . . . . [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (16), 1b (11), 2 (Yes), 3 (No), 4 (No), 5 (No), 6 (No), 7a (No), 7b (No), 8a (Yes), 8b (Yes), 9 (Yes).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (No), 10b, 11a (Yes), 12a (Yes), 12b (Yes), 12c (Yes), 13 (Yes), 14 (Yes), 15a (Yes), 15b (Yes), 16a (No), 16b.

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 made these available. Check all that apply: [ ] Own website, [ ] Another's website, [X] Upon request, [ ] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20 State the name, 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 (850) 431-5238





**Part VIII Statement of Revenue**

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

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . . <b>1a</b> _____					
	<b>b</b> Membership dues . . . . . <b>1b</b> _____					
	<b>c</b> Fundraising events . . . . . <b>1c</b> _____					
	<b>d</b> Related organizations . . . . . <b>1d</b> 607,529					
	<b>e</b> Government grants (contributions) <b>1e</b> 1,150,173					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above <b>1f</b> 335,707					
	<b>g</b> Noncash contributions included in lines 1a-1f \$ 45,335					
	<b>h Total.</b> Add lines 1a-1f . . . . . <b>▶</b>		2,093,409			
<b>Program Service Revenue</b>	<b>2a</b> _____ Business Code					
	Health Care Services	621500	414,717,765	414,308,730	409,035	
	<b>b</b> All Other Program Services					
	<b>c</b> _____					
	<b>d</b> _____					
	<b>e</b> _____					
	<b>f</b> All other program service revenue					
<b>g Total.</b> Add lines 2a-2f . . . . . <b>▶</b>		414,717,765				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . . <b>▶</b>		306,920		306,920	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . . <b>▶</b>		0			
	<b>5</b> Royalties . . . . . <b>▶</b>		0			
	<b>6a</b> Gross rents	(i) Real	3,392,020			
		(ii) Personal				
		<b>b</b> Less rental expenses	3,913,128			
		<b>c</b> Rental income or (loss)	-521,108	0		
	<b>d</b> Net rental income or (loss) . . . . . <b>▶</b>		-521,108		1,016,753	-1,537,861
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	26,719,799	108,863		
		(ii) Other				
		<b>b</b> Less cost or other basis and sales expenses	26,579,821			
		<b>c</b> Gain or (loss)	139,978	108,863		
	<b>d</b> Net gain or (loss) . . . . . <b>▶</b>		248,841			248,841
	<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . . <b>a</b>					
		<b>b</b> Less direct expenses . . . . . <b>b</b>				
<b>c</b> Net income or (loss) from fundraising events . . . . . <b>▶</b>			0			
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . . <b>a</b>						
	<b>b</b> Less direct expenses . . . . . <b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities . . . . . <b>▶</b>		0			
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . . <b>a</b>		171,959,702				
	<b>b</b> Less cost of goods sold . . . . . <b>b</b>	24,508,753				
	<b>c</b> Net income or (loss) from sales of inventory . . . . . <b>▶</b>		147,450,949	147,450,949		
Miscellaneous Revenue		Business Code				
<b>11a</b> Vendor Rebates	900099	1,098,433	1,098,433			
<b>b</b> Parking Deck	900099	547,928	547,928			
<b>c</b> Contractual Late Fees	900099	89,740	89,740			
<b>d</b> All other revenue . . . . .		182,385	182,385			
<b>e Total.</b> Add lines 11a-11d . . . . . <b>▶</b>		1,918,486				
<b>12 Total revenue.</b> See Instructions . . . . . <b>▶</b>		566,215,262	563,678,165	1,425,788	-982,100	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b>	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	0			
<b>2</b>	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
<b>4</b>	Benefits paid to or for members.	0			
<b>5</b>	Compensation of current officers, directors, trustees, and key employees.	3,879,519	3,290,529	588,990	0
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
<b>7</b>	Other salaries and wages.	192,289,225	169,692,060	22,597,165	0
<b>8</b>	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	20,700,179	18,310,605	2,389,574	0
<b>9</b>	Other employee benefits.	15,051,011	13,282,268	1,768,743	0
<b>10</b>	Payroll taxes.	13,672,821	12,066,038	1,606,783	0
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management.	0			
<b>b</b>	Legal.	1,749,321	1,603,331	145,990	0
<b>c</b>	Accounting.	701,164		701,164	0
<b>d</b>	Lobbying.	0			
<b>e</b>	Professional fundraising services. See Part IV, line 17.	0			
<b>f</b>	Investment management fees.	0			
<b>g</b>	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	32,654,574	30,491,380	2,163,194	0
<b>12</b>	Advertising and promotion.	1,613,366		1,613,366	0
<b>13</b>	Office expenses.	17,255,551	15,467,234	1,788,317	0
<b>14</b>	Information technology.	14,541,430	8,103,134	6,438,296	0
<b>15</b>	Royalties.	0			
<b>16</b>	Occupancy.	6,493,063	5,174,585	1,318,478	0
<b>17</b>	Travel.	1,968,188	888,972	1,079,216	0
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
<b>19</b>	Conferences, conventions, and meetings.	945,597	442,101	503,496	0
<b>20</b>	Interest.	8,848,124	8,848,124	0	0
<b>21</b>	Payments to affiliates.	0			
<b>22</b>	Depreciation, depletion, and amortization.	21,578,664	18,302,832	3,275,832	0
<b>23</b>	Insurance.	4,780,330	4,445,300	335,030	0
<b>24</b>	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b>	Bad Debt Expense	80,603,147	80,603,147	0	0
<b>b</b>	Patient Expense	65,629,078	65,629,078	0	0
<b>c</b>	Service/Maintenance	13,752,100	9,900,728	3,851,372	0
<b>d</b>	Indigent Care Assessment	5,041,875	5,041,875	0	0
<b>e</b>	All other expenses	10,968,342	6,489,786	4,478,556	
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24e.	534,716,669	478,073,107	56,643,562	0
<b>26</b>	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	0	<b>1</b>	0
	<b>2</b> Savings and temporary cash investments . . . . .	159,002,989	<b>2</b>	156,138,850
	<b>3</b> Pledges and grants receivable, net . . . . .	0	<b>3</b>	0
	<b>4</b> Accounts receivable, net . . . . .	53,985,988	<b>4</b>	69,081,421
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .	0	<b>5</b>	0
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L . . . . .	0	<b>6</b>	0
	<b>7</b> Notes and loans receivable, net . . . . .	0	<b>7</b>	0
	<b>8</b> Inventories for sale or use . . . . .	7,980,634	<b>8</b>	8,196,708
	<b>9</b> Prepaid expenses and deferred charges . . . . .	10,445,445	<b>9</b>	6,983,456
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .	524,708,833		
	<b>b</b> Less accumulated depreciation . . . . .	262,949,728		
	<b>11</b> Investments—publicly traded securities . . . . .	0	<b>11</b>	0
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	27,300	<b>12</b>	27,300
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	0	<b>13</b>	0
	<b>14</b> Intangible assets . . . . .	0	<b>14</b>	0
	<b>15</b> Other assets See Part IV, line 11 . . . . .	49,703,203	<b>15</b>	44,165,094
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	522,415,027	<b>16</b>	546,351,934	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	45,720,902	<b>17</b>	44,344,284
	<b>18</b> Grants payable . . . . .	0	<b>18</b>	0
	<b>19</b> Deferred revenue . . . . .	0	<b>19</b>	0
	<b>20</b> Tax-exempt bond liabilities . . . . .	116,398,789	<b>20</b>	111,358,516
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	0	<b>21</b>	0
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .	0	<b>22</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	23,282,767	<b>23</b>	22,627,043
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	0	<b>24</b>	0
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .	195,460,866	<b>25</b>	117,716,402
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	380,863,324	<b>26</b>	296,046,245
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	141,551,703	<b>27</b>	250,305,689
	<b>28</b> Temporarily restricted net assets . . . . .	0	<b>28</b>	0
	<b>29</b> Permanently restricted net assets . . . . .	0	<b>29</b>	0
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	141,551,703	<b>33</b>	250,305,689	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	522,415,027	<b>34</b>	546,351,934	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	566,215,262
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	534,716,669
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	31,498,593
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	141,551,703
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	143,225
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	77,112,168
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	250,305,689

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	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		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
<b>2b</b>	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	Yes	
<b>2c</b>	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
<b>3a</b>	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>3b</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		

**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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LAURIE L DOZIER III CHAIRPERSON	2 5 1 0	X		X				0	0	0
GLENDAL THORNTON CHAIR ELECT	1 6 0 0	X		X				0	0	0
FRANK E GREDLER MD SECRETARY	1 4 0 0	X		X				0	0	0
SUSIE BUSCH-TRANSOU TREASURER	1 4 0 0	X		X				0	0	0
JOSEPH L CAMPS MD DIRECTOR	1 1 0 0	X						0	0	0
ERIN ENNIS DIRECTOR	1 1 0 0	X						0	0	0
ALMA LITTLES MD DIRECTOR	1 5 0 0	X						0	0	0
AVERY MCKNIGHT DIRECTOR	1 1 0 0	X						0	0	0
RICK MOORE DIRECTOR	1 5 0 0	X						0	0	0
HAROLD BROCK DIRECTOR	1 1 0 0	X						0	0	0
CHRISTOPHER RUMANA MD DIRECTOR	1 5 0 0	X						0	0	0
DAVID L SAINT MD DIRECTOR	1 1 0 0	X						0	0	0
MARTHA BARNETT DIRECTOR	1 1 0 0	X						0	0	0
GARY WINCHESTER MD DIRECTOR	1 1 0 0	X						0	0	0
G MARK O'BRYANT CEO/PRESIDENT	55 0 2 0	X		X				886,771	0	185,232
ALBERT LEE MD DIRECTOR	1 1 0 0	X						0	0	0
WILLIAM GIUDICE VP/CFO	55 0 1 0			X				453,323	0	23,693
BARBARA ALFORD VP/CHIEF PATIENT CARE OFFICER	55 0 0 0			X				70,198	0	8,160
WARREN JONES VP/CHIEF COMMUNICATION OFFICER	55 0 0 0			X				192,191	0	12,452
CYNTHIA BLAIR VP/CHIEF IMPROVEMENT OFFICER	55 0 0 0			X				213,605	0	13,821
PAULA S FORTUNAS VP/CHIEF ADVANCEMENT OFFICER	15 0 40 0			X				207,688	0	16,865
JASON H MOORE VP/COO	55 0 0 0			X				418,384		24,669
DONALD LINDSEY VP/CIO	55 0 0 0			X				222,203	0	18,787
DEAN WATSON MD VP/CMO	55 0 0 0			X				367,020	0	24,669
ROBERT MOORE VP/CHIEF HR OFFICER	55 0 0 0			X				96,623	0	4,458

**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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
TIM BROESEKER MD PHYSICIAN	40 0 0 0					X		671,872	0	8,469
JOSHUA SIMMONS MD PHYSICIAN	40 0 0 0					X		582,593	0	18,666
MARCUS S WILLETT MD PHYSICIAN	40 0 0 0					X		558,422	0	23,709
MICHAEL A GLAZE MD PHYSICIAN	40 0 0 0					X		548,384	0	22,214
WILLIAM MILLER MD PHYSICIAN	40 0 0 0					X		519,568	0	15,478
STEVEN ADRIAANSE FMR VP/CHIEF HR OFFICER	0 0 0 0						X	284,227	0	22,687
BARBARA MACARTHUR FRMR VP/CHIEF PAT CARE OFFICER	0 0 0 0						X	222,586	0	13,887

SCHEDULE A (Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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.

Name of the organization

TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number

59-1917016

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...
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 - Non-functionally integrated
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 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)

Table with 2 columns: Yes, No. Rows 11g(i), 11g(ii), 11g(iii)

Table with 7 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (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 monetary support. Includes a Total row.

**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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc (see instructions)					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b> . . . . . ▶						

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

<b>14</b> Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	
<b>15</b> Public support percentage for 2011 Schedule A, Part II, line 14	<b>15</b>	
<b>16a 33 1/3% support test—2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶		
<b>b 33 1/3% support test—2011.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶		
<b>17a 10%-facts-and-circumstances test—2012.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶		
<b>b 10%-facts-and-circumstances test—2011.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶		

**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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> 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 <b>stop here</b> <input type="checkbox"/>						

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

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15	<b>16</b>	

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

<b>17</b> Investment income percentage for <b>2012</b> (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2011</b> Schedule A, Part III, line 17	<b>18</b>	

- 19a 33 1/3% support tests—2012.** 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—2011.** 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.** 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).

<b>Facts And Circumstances Test</b>
-------------------------------------

<b>Explanation</b>

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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.

2012

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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 35c (Proxy Tax), then

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

Table with 2 columns: Name of the organization (TALLAHASSEE MEMORIAL HEALTHCARE INC) and 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 function activities \$
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization

**Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).****A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures) **B** Check  if the filing organization checked box A and "limited control" provisions apply

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying)	0	0												
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	162,743	162,743												
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b)	162,743	162,743												
<b>d</b>	Other exempt purpose expenditures	534,553,926	536,513,381												
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d)	534,716,669	536,676,124												
<b>f</b>	Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000												
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000												
<b>h</b>	Subtract line 1g from line 1a If zero or less, enter -0-														
<b>i</b>	Subtract line 1f from line 1c If zero or less, enter -0-														
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
<b>2a</b> Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
<b>c</b> Total lobbying expenditures	76,750	43,816	52,859	162,743	336,168
<b>d</b> Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
<b>f</b> Grassroots lobbying expenditures	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)).**

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

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

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

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

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

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. 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)

OMB No 1545-0047

Supplemental Financial Statements

2012

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

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.

Table with 3 columns: (a) Donor advised funds, (b) Funds and other accounts, and a Yes/No column. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and questions about donor advised funds and grant purposes.

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

Table with 3 columns: Description, Held at the End of the Year (2a-2d), and Yes/No. Rows include purpose of easements, number of easements, and monitoring details.

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.

Table with 3 columns: Description, Revenues, and Assets. Rows include questions about reporting art and historical treasures.

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

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

- a**  Public exhibition
- b**  Scholarly research
- c**  Preservation for future generations
- d**  Loan or exchange programs
- e**  Other

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

**5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" 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 XIII and complete the following table

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

**2a** Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

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

**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
<b>1a</b> Beginning of year balance	8,742,748	7,583,960	7,505,686	7,212,937	7,104,605
<b>b</b> Contributions	88,362	898,431	56,895	153,794	179,449
<b>c</b> Net investment earnings, gains, and losses	122,347	260,357	21,379	138,955	-71,117
<b>d</b> Grants or scholarships	0	0	0	0	0
<b>e</b> Other expenditures for facilities and programs	0	0	0	0	0
<b>f</b> Administrative expenses	0	0	0	0	0
<b>g</b> End of year balance	8,953,457	8,742,748	7,583,960	7,505,686	7,212,937

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

- a** Board designated or quasi-endowment 0 %
- b** Permanent endowment 100 000 %
- c** Temporarily restricted endowment 0 %

The percentages in lines 2a, 2b, and 2c should equal 100%

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by

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

**4** Describe in Part XIII the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land		15,063,683		15,063,683
<b>b</b> Buildings		296,708,130	134,127,866	162,580,264
<b>c</b> Leasehold improvements		4,203,560	1,585,761	2,617,799
<b>d</b> Equipment		208,733,460	127,236,101	81,497,359
<b>e</b> Other		0	0	0
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				261,759,105



**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	665,593,551
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	143,225
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	99,235,064
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	99,378,289
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	566,215,262
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .	<b>5</b>	566,215,262

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

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	556,839,565
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	22,122,896
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	22,122,896
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	534,716,669
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	534,716,669

**Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4	ALL ENDOWMENT FUNDS ARE UTILIZED IN PURSUIT OF THE ORGANIZATION'S TAX-EXEMPT PURPOSES
DETAIL OF OTHER CHANGES IN REVENUES	SCHEDULE D, PART XI, LINE 2D	CHANGE IN ADD'L MIN PENSION LIABILITY \$(77,156,656) CHANGE IN FMV OF DERIVATIVE INSTRUMENT 26,157 ADDITIONAL DEPRECIATION 18,331 COST OF GOODS SOLD (24,070,911) OTHER CHANGES 1,948,015 ----- - TOTAL \$(99,235,064)
DETAIL OF OTHER CHANGES IN EXPENSES	SCHEDULE D, PART XII, LINE 2D	COST OF GOODS SOLD \$24,070,911 OTHER CHANGES (1,948,015) ----- TOTAL \$22,122,896

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 59-1917016

**Name:** TALLAHASSEE MEMORIAL HEALTHCARE INC

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

<b>1</b>	<b>(a)</b> Description of Liability	<b>(b)</b> Book Value
	WORKER'S COMP SELF INSURANCE	1,278,095
	PROFESSIONAL LIABILITY SELF IN	10,263,230
	SWAP LIABILITY	2,492,076
	MIN PENSION LIABILITY	84,556,204
	OBLIGATION FOR SUPPLEMENTAL EX	4,384,948
	DEFERRED COMP ARRANGEMENT	1,927,315
	ASSET RETIREMENT OBLIGATION	380,000
	AHCA ASSESSMENT	2,750,149
	DUE TO MEDICARE	487,281
	OTHER LIABILITIES`	9,197,104

SCHEDULE F (Form 990)

Statement of Activities Outside the United States

OMB No 1545-0047

2012

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

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...
2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

Table with 6 columns: (a) Region, (b) Number of offices in the region, (c) Number of employees, agents, and independent contractors in region, (d) Activities conducted in region (by type), (e) If activity listed in (d) is a program service, describe specific type of service(s) in region, (f) Total expenditures for and investments in region. Includes rows for Central America & the Caribbean and sub-totals.

**Part II** **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1</b> <b>(a)</b> Name of organization	<b>(b)</b> IRS code section and EIN (if applicable)	<b>(c)</b> Region	<b>(d)</b> Purpose of grant	<b>(e)</b> Amount of cash grant	<b>(f)</b> Manner of cash disbursement	<b>(g)</b> Amount of non-cash assistance	<b>(h)</b> Description of non-cash assistance	<b>(i)</b> Method of valuation (book, FMV, appraisal, other)

- 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 IV Foreign Forms**

- 1 Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*  Yes  No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*  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



SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2012

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number 59-1917016

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? 1b If "Yes," was it a written policy? 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy... 3a Did the organization use Federal Poverty Guidelines (FPG) as a factor... 3b Did the organization use FPG as a factor... 4 Did the organization's financial assistance policy... 5a Did the organization budget amounts... 5b If "Yes," did the organization's financial assistance expenses... 5c If "Yes" to line 5b... 6a Did the organization prepare a community benefit report... 6b If "Yes," did the organization make it available to the public?

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (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. Rows include Financial Assistance and Means-Tested Government Programs and Other Benefits.

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
<b>1</b> Physical improvements and housing						
<b>2</b> Economic development						
<b>3</b> Community support			393,656			0.090 %
<b>4</b> Environmental improvements						
<b>5</b> Leadership development and training for community members						
<b>6</b> Coalition building						
<b>7</b> Community health improvement advocacy						
<b>8</b> Workforce development						
<b>9</b> Other						
<b>10 Total</b>			393,656			0.090 %

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

**Section A. Bad Debt Expense**

		Yes	No
<b>1</b> Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	<b>1</b>		No
<b>2</b> Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	<b>2</b>		
			80,603,147
<b>3</b> Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	<b>3</b>		
			13,382,016
<b>4</b> Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

**Section B. Medicare**

<b>5</b> Enter total revenue received from Medicare (including DSH and IME).	<b>5</b>		79,366,677
<b>6</b> Enter Medicare allowable costs of care relating to payments on line 5.	<b>6</b>		85,046,690
<b>7</b> Subtract line 6 from line 5. This is the surplus (or shortfall).	<b>7</b>		-5,680,013
<b>8</b> 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**

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

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

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

**Part V Facility Information**

**Section A. Hospital Facilities**

(List in order of size from largest to smallest—see instructions)

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

1

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	TALLAHASSEE MEMORIAL HOSPITAL 1300 MICCOSUKEE ROAD TALLAHASSEE, FL 32309 WWW.TMH.ORG	X	X		X			X			

**Part V Facility Information** (continued)**Section B. Facility Policies and Practices**

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A.)

TALLAHASSEE MEMORIAL HEALTHCARE INC

Name of hospital facility or facility reporting group \_\_\_\_\_

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) \_\_\_\_\_

		Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
<b>1</b>	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	<b>1</b> Yes	
<b>a</b>	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b>	<input checked="" type="checkbox"/> Demographics of the community		
<b>c</b>	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b>	<input checked="" type="checkbox"/> How data was obtained		
<b>e</b>	<input checked="" type="checkbox"/> The health needs of the community		
<b>f</b>	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b>	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b>	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b>	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>2</b>	Indicate the tax year the hospital facility last conducted a CHNA <u>20 12</u>		
<b>3</b>	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	<b>3</b> Yes	
<b>4</b>	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	<b>4</b>	No
<b>5</b>	Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	<b>5</b> Yes	
<b>a</b>	<input checked="" type="checkbox"/> Hospital facility's website		
<b>b</b>	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>c</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>6</b>	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
<b>a</b>	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b>	<input type="checkbox"/> Execution of the implementation strategy		
<b>c</b>	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b>	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b>	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b>	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b>	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b>	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>7</b>	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	<b>7</b>	No
<b>8a</b>	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	<b>8a</b>	No
<b>b</b>	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	<b>8b</b>	
<b>c</b>	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

**Part V Facility Information** (continued)

<b>Financial Assistance Policy</b>		<b>Yes</b>	<b>No</b>
<b>9</b>	Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	<b>9</b> Yes	
<b>10</b>	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	<b>10</b> Yes	
<b>11</b>	Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used	<b>11</b> Yes	
<b>12</b>	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)	<b>12</b> Yes	
<b>a</b>	<input checked="" type="checkbox"/> Income level		
<b>b</b>	<input checked="" type="checkbox"/> Asset level		
<b>c</b>	<input type="checkbox"/> Medical indigency		
<b>d</b>	<input checked="" type="checkbox"/> Insurance status		
<b>e</b>	<input checked="" type="checkbox"/> Uninsured discount		
<b>f</b>	<input checked="" type="checkbox"/> Medicaid/Medicare		
<b>g</b>	<input type="checkbox"/> State regulation		
<b>h</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>13</b>	Explained the method for applying for financial assistance? . . . . .	<b>13</b> Yes	
<b>14</b>	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	<b>14</b> Yes	
<b>a</b>	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
<b>b</b>	<input type="checkbox"/> The policy was attached to billing invoices		
<b>c</b>	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
<b>d</b>	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
<b>e</b>	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
<b>f</b>	<input checked="" type="checkbox"/> The policy was available upon request		
<b>g</b>	<input type="checkbox"/> Other (describe in Part VI)		

<b>Billing and Collections</b>			
<b>15</b>	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	<b>15</b> Yes	
<b>16</b>	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP		
<b>a</b>	<input type="checkbox"/> Reporting to credit agency		
<b>b</b>	<input type="checkbox"/> Lawsuits		
<b>c</b>	<input type="checkbox"/> Liens on residences		
<b>d</b>	<input type="checkbox"/> Body attachments		
<b>e</b>	<input type="checkbox"/> Other similar actions (describe in Part VI)		
<b>17</b>	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged	<b>17</b>	No
<b>a</b>	<input type="checkbox"/> Reporting to credit agency		
<b>b</b>	<input type="checkbox"/> Lawsuits		
<b>c</b>	<input type="checkbox"/> Liens on residences		
<b>d</b>	<input type="checkbox"/> Body attachments		
<b>e</b>	<input type="checkbox"/> Other similar actions (describe in Part VI)		

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

**18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- a**  Notified individuals of the financial assistance policy on admission
- b**  Notified individuals of the financial assistance policy prior to discharge
- c**  Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d**  Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e**  Other (describe in Part VI)

**Policy Relating to Emergency Medical Care**

**19** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .

If "No," indicate why

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility's policy was not in writing
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>19</b>	Yes	

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

**20** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a**  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b**  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c**  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d**  Other (describe in Part VI)

**21** During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . .

If "Yes," explain in Part VI

**22** During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? . . . . .

If "Yes," explain in Part VI

<b>21</b>		No
<b>22</b>		No

**Part V Facility Information** *(continued)***Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

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

\_\_\_\_\_

Name and address	Type of Facility (describe)
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 descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 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
- 8 Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

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 \$80,603,147 FOR THE YEAR ENDED SEPTEMBER 30, 2013 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
BAD DEBT EXPENSE	PART III, SECTION A, LINE 1	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 2 (BAD DEBT EXPENSE METHODOLOGY) THE COSTING METHODOLOGY USED IN DETERMINING THE AMOUNTS REPORTED ON LINES 2 AND 3 ARE BASED ON ACTUAL CHARGES WRITTEN OFF (AMOUNTS THAT ARE DEEMED TO BE UNCOLLECTIBLE) PART III, SECTION A, LINE 4 (BAD DEBT EXPENSE FOOTNOTE) THE BAD DEBT EXPENSE FOOTNOTE DISCLOSURE CAN BE FOUND ON PAGE 8 OF THE ATTACHED FINANCIAL STATEMENTS FOR TALLAHASSEE MEMORIAL HEALTHCARE, INC

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
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 PART V, SECTION B, LINE 5 (CHNA MADE WIDELY AVAILABLE) A COPY OF THE ORGANIZATION'S CHNA AND IMPLEMENTATION PLAN CAN BE FOUND AT <a href="http://www.tmh.org/workfiles/communityHealthNeedsAssessment.pdf">http //www tmh org/workfiles/communityHealthNeedsAssessment pdf</a> PART V, SECTION B, LINE 7 (ADDRESSING THE NEEDS IDENTIFIED IN THE CHNA) THE FIRST CHNA AND IMPLEMENTATION PLAN FOR THE ORGANIZATION WAS ADOPTED SEPTEMBER 30, 2013 AS A RESULT, THE ORGANIZATION HAS NOT YET HAD THE OPPORTUNITY TO BEGIN ADDRESSING THE NEEDS IDENTIFIED IN THE CHNA

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI, LINE 2	<p>TALLAHASSEE MEMORIAL HEALTHCARE, INC ("TMH") COMPLETED ITS FIRST SCHEDULE H COMMUNITY HEALTH NEEDS ASSESSMENT IN 2013 YOU MAY FIND THE COMPREHENSIVE RESULTS AT WWW.TMH.ORG TO SUMMARIZE THAT REPORT, TMH USED A VARIETY OF ASSESSMENT TOOLS TO DETERMINE THE NEEDS OF ITS COMMUNITY AMONG THOSE ASSESSMENT TOOLS ARE - LEON COUNTY MAPP REPORT, 2012 -JEFFERSON COUNTY MAPP REPORT, 2012 -GADSDEN COUNTY MAPP REPORT, 2012 -WAKULLA COUNTY MAPP REPORT, 2012 -REGIONAL FOCUS GROUPS CONDUCTED BY TALLAHASSEE MEMORIAL, 2012 -COUNTY HEALTH STATUS SUMMARY FROM FLORIDA CHARTS (COMMUNITY HEALTH ASSESSMENT RESOURCE TOOL SET)</p> <p>HTTP://WWW.FLORIDACHARTS.COM/CHARTS/SPECREPORT.ASPX?REPID=1341 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, PROSTATE CANCER AGE-ADJUSTED INCIDENCE RATE, HIV CASES REPORTED, AIDS CASES REPORTED, HIV/AIDS AGE-ADJUSTED DEATH RATE, CHLAMYDIA CASES REPORTED, GONORRHEA CASES REPORTED, INFECTIOUS SYPHILIS CASES REPORTED, LOW BIRTH RATE BIRTHS (BIRTHS &lt; 2500 GRAMS), MULTIPLE BIRTHS, INFANT DEATH RATE, POST NEONATAL 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 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 HOSPITALIZATION RATE, HEART FAILURE AGE-ADJUSTED DEATH RATE, ADULTS WITH DIAGNOSED HYPERTENSION, BREAST CANCER AGE-ADJUSTED DEATH RATE, PROSTATE CANCER AGE-ADJUSTED DEATH RATE, PROSTATE CANCER AGE-ADJUSTED INCIDENCE RATE, CERVICAL CANCER AGE-ADJUSTED INCIDENCE RATE, DIABETES AGE-ADJUSTED DEATH RATE, 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, LOW BIRTH WEIGHT BIRTHS (BIRTHS &lt; 2500 GRAMS), MULTIPLE BIRTHS, BIRTHS TO TEENS 15-19, REPEAT BIRTHS TO MOTHERS 15-19, INFANT DEATH RATE, NEONATAL DEATH RATE, AND POST NEONATAL DEATH RATE. WAKULLA COUNTY RANKED IN THE BOTTOM STATE QUARTILE FOR THE FOLLOWING HEALTH INDICATORS: ADULTS WHO ARE OBESE, ADULTS WHO ARE CURRENT SMOKERS, STROKE AGE-ADJUSTED HOSPITALIZATION RATE, 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, AND ADULTS WITH DIAGNOSED DIABETES. JEFFERSON COUNTY RANKED IN THE BOTTOM STATE QUARTILE FOR THE FOLLOWING HEALTH INDICATORS: ADULTS WHO ARE OBESE, STROKE AGE-ADJUSTED DEATH RATE, HEART FAILURE AGE-ADJUSTED DEATH RATE, ADULTS WITH DIAGNOSED HYPERTENSION, ADULTS WHO HAVE DIAGNOSED HIGH BLOOD CHOLESTEROL, BREAST CANCER AGE-ADJUSTED DEATH RATE, PROSTATE CANCER AGE-ADJUSTED INCIDENCE RATE, MELANOMA AGE-ADJUSTED DEATH RATE, MELANOMA AGE-ADJUSTED INCIDENCE RATE, CHLAMYDIA CASES REPORTED, GONORRHEA CASES REPORTED, LOW BIRTH WEIGHT BIRTHS (BIRTHS &lt; 2500 GRAMS), PREMATURE BIRTHS (BIRTHS &lt; 37 WEEKS GESTATION), AND KINDERGARTEN CHILDREN FULLY IMMUNIZED. 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, MEDIAN INCOME, RESIDENTS BELOW 100% POVERTY, 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, LUNG CANCER AGE-ADJUSTED INCIDENCE RATE, WOMEN 40 YEARS OF AGE AND OVER WHO RECEIVED A MAMMOGRAM IN THE PAST YEAR, CERVICAL CANCER AGE-ADJUSTED DEATH RATE, MELANOMA AGE-ADJUSTED INCIDENCE RATE, CHRONIC LOWER RESPIRATORY DISEASES AGE-ADJUSTED DEATH RATE, VACCINE PREVENTABLE DISEASES, PREMATURE BIRTHS (BIRTHS &lt; 37 WEEKS GESTATION), BIRTHS TO TEENS 15-19, AND KINDERGARTEN CHILDREN FULLY IMMUNIZED. 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 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 COST 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>
INFORMATION REGARDING PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI, LINE 3	<p>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 <a href="http://www.tmh.org/billingandinsurancefinancialassistance">HTTP://WWW.TMH.ORG/BILLINGANDINSURANCEFINANCIALASSISTANCE</a>. 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 ADREIMA, 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-EMERGENCY SETTING, A FINANCIAL APPLICATION IS COMPLETED AND A MEETING WITH A FINANCIAL COUNSELOR MAY BE SCHEDULED AS NEEDED. 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 ADREIMA. ADREIMA, THROUGH A STATE OF FLORIDA 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-EMERGENCY 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% OF TMH'S GROSS REVENUES ARE PROVIDED TO COMPENSATE 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.</p>

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI, LINE 4	<p>TMH IS LOCATED IN THE CAPITAL CITY OF TALLAHASSEE, FLORIDA, IN THE HEART OF THE STATE'S PANHANDLE WITH A POPULATION OF MORE THAN 186,971 IN TALLAHASSEE ALONE, TMH SERVES A TOTAL OF 17 COUNTIES WITH A POPULATION BASE OF 696,664 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. TALLAHASSEE MEMORIAL 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, HOWEVER, IT TOO IS CONSIDERED A MEDICALLY UNDERSERVED AREA FOR PRIMARY CARE BY THE HRSA, 2014. LEON COUNTY'S POPULATION OF AGES 20-34 IS 30% COMPARED TO THE STATE'S PERCENTAGE OF 19%, AGED 20-34 YEARS OF AGE ONLY 9% OF LEON COUNTY'S POPULATION IS OVER AGE 65, COMPARED TO 17% OF THE STATE OF FLORIDA (OVER 65). 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 16 OF THESE 17 COUNTIES AS MEDICALLY UNDERSERVED AREAS (MUA), THIS HAS INCREASED FROM 41% OF THE COUNTIES IN THE PREVIOUS REPORT, TO 94% OF THE 17 COUNTIES IN THIS REPORT. ALMOST 25% OF THE POPULATION LIVES AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL. BASED ON ESTIMATES FROM TRUVEN HEALTH, THE PERCENTAGE OF UNINSURED ARE AS FOLLOWS: LEON - 28%, GADSDEN - 32%, WAKULLA - 12%, JEFFERSON - 21%, CALHOUN - 29%, FRANKLIN - 24%, JACKSON - 21%, LIBERTY - 26%, MADISON - 22%, AND TAYLOR 19%. THE PERCENTAGE OF UNINSURED FOR THE COUNTIES IN GEORGIA ARE: BROOKS - 20%, COLQUITT - 24%, DECATUR - 28%, GRADY - 27%, MITCHELL - 23%, SEMINOLE - 20%, AND THOMAS 26%. BASED ON DATA FROM TRUVEN HEALTH, THE PERCENTAGE OF COVERED LIVES THAT ARE ON MEDICAID ARE AS FOLLOWS: LEON - 10%, GADSDEN - 17%, WAKULLA - 10%, JEFFERSON - 12%, CALHOUN - 14%, FRANKLIN - 14%, JACKSON - 14%, LIBERTY - 14%, MADISON - 15%, AND TAYLOR - 15%. THE PERCENTAGE OF COVERED LIVES WHICH ARE ON MEDICAID FOR THE COUNTIES IN GEORGIA ARE: BROOKS - 17%, COLQUITT - 20%, DECATUR - 21%, GRADY - 17%, MITCHELL - 19%, SEMINOLE - 19%, AND THOMAS - 16%. HEALTH BARRIERS ARE NUMEROUS AND HARD TO OVERCOME, BUT TMH IS TACKLING THESE BARRIERS AND STRIVING TO IMPROVE HEALTHCARE.</p>
COMMUNITY BUILDING ACTIVITIES	PART II	<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 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 2013, TMH CONTRIBUTED \$13,860,719 IN SUBSIDIZED HEALTH SERVICES IN OUR SERVICE AREA. A FEW OF THE SUBSIDIZED SERVICES PROVIDED INCLUDE THE FOLLOWING -DIABETES CENTER. THE DIABETES CENTER WAS ESTABLISHED AT THE DIRECTION OF LOCAL ENDOCRINOLOGISTS TO IMPROVE THE EDUCATIONAL EXPERIENCE OF PATIENTS. GADSDEN COUNTY'S STATISTICS SHOW A HIGHER THAN AVERAGE RATE OF AGE ADJUSTED DEATHS AND HOSPITALIZATIONS 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 2013, THE DIABETES CENTER OPERATED AT A NET LOSS OF \$1,014,709. -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 TMH BIXLER 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 \$1,846,500. -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 2013, THE NET OPERATING LOSS OF THE NEUROSCIENCE CENTER WAS \$407,124. -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, TALLAHASSEE MEMORIAL 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. IN 2011, TMH PHYSICIAN PARTNERS - MARIANNA CARDIOLOGY SPECIALISTS WAS ESTABLISHED IN RESPONSE TO THAT AREA'S GROWING NEED FOR CARDIAC CARE. - THE RURAL COMMUNITY PREVIOUSLY HAD NO FULL TIME CARDIAC CARE. DURING 2013, THESE CLINICS OPERATED AT A LOSS OF \$1,492,537. -TRANSITION CENTER. IN FEBRUARY 2011, TMH OPENED THE TRANSITION CENTER, AN INNOVATIVE FACILITY THAT PROVIDES FOLLOW-UP CARE TO TMH PATIENTS WHO HAVE RECENTLY BEEN DISCHARGED FROM THE HOSPITAL AND MAY BE AT HIGH RISK FOR READMISSION. WHETHER THESE PATIENTS ARE AT RISK OF READMISSION 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 CENTER ACTS AS A SAFETY NET, HELPING THEM TO AVOID A SECOND HOSPITAL STAY. CREATED IN PARTNERSHIP WITH CAPITAL HEALTH PLAN, THE TRANSITION CENTER IS A PLACE WHERE HEALTHCARE PROFESSIONALS CAN CONNECT PATIENTS TO ANY CARE THEY MAY NEED FOLLOWING THEIR TIME IN THE HOSPITAL, WHETHER THIS MEANS FILLING PRESCRIPTIONS, ARRANGING PHYSICAL THERAPY OR OTHER REHABILITATION SERVICES, OR GETTING IN TOUCH WITH CASE MANAGEMENT OR SOCIAL WORK FOR INTERVENTION. BY THE END OF THE YEAR, THE TRANSITION CENTER HAD TREATED MORE THAN 600 PATIENTS, REDUCING EMERGENCY ROOM VISITS AND HOSPITAL READMISSIONS FOR THE IDENTIFIED, HIGH-RISK POPULATION BY AN ASTOUNDING 61 PERCENT. DURING 2013, THE TRANSITION CENTER OPERATED AT A LOSS OF \$554,694. EDUCATING FUTURE HEALTH CARE PROVIDERS. TMH CONTRIBUTES MILLIONS OF DOLLARS EACH YEAR TO THE CLINICAL EDUCATION OF HEALTHCARE PROFESSIONALS. THIS INCLUDES TRAINING FOR FLORIDA STATE UNIVERSITY COLLEGE OF MEDICINE STUDENTS, FLORIDA A&amp;M PHARMACY STUDENTS, HANDS-ON EXPERIENCE FOR NURSES FROM MANY DIFFERENT NURSING SCHOOLS THROUGHOUT NORTH FLORIDA AND SOUTH GEORGIA, 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 EDUCATION PARTNERSHIP CAMPUS ON A PORTION OF THE APPROXIMATELY 40 ACRES OF UNDEVELOPED LAND IT CONTROLS BEHIND THE HOSPITAL. IN AUGUST 2011, 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-FOOT, THREE-STORY EDUCATIONAL CENTER INCLUDES SIX CLASSROOMS, 13 LABORATORIES, A MULTI-PURPOSE LIBRARY AND LEARNING COMMONS, SIX SIMULATION CENTERS, PLUS ADDITIONAL SPACE FOR EXPANSION 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 HEALTHCARE 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 MEDICINE RESIDENCY PROGRAM HAS PRODUCED 332 GRADUATES SINCE ITS INCEPTION IN 1973. OF THOSE, 139 HAVE CHOSEN TO REMAIN IN TMH'S SERVICE AREA HELPING TO ENSURE ACCESS TO PRIMARY HEALTHCARE OF RESIDENTS OF THE BIG BEND. IN THE FALL OF 2011, TMH AND THE FLORIDA STATE UNIVERSITY COLLEGE OF MEDICINE ESTABLISHED A JOINT INTERNAL MEDICINE RESIDENCY PROGRAM FOR THE BIG BEND REGION. THE INTERNAL MEDICINE RESIDENCY PROGRAM CURRENTLY HAS 22 RESIDENTS, BUT WILL BUILD TO A COMPLEMENT OF 24 RESIDENTS WITHIN A THREE-YEAR PERIOD. DURING 2013, BOTH RESIDENCY PROGRAMS OPERATED AT A NET LOSS OF \$9,098,237. NURSING EDUCATION AND ADVANCEMENT ARE A KEY FOCUS. THE PROFESSIONAL DEVELOPMENT MODEL MANAGED BY THE PRACTICE COUNCIL PROVIDES NURSES WITH THE OPPORTUNITY TO EXCEL IN THEIR PROFESSIONAL PRACTICE AND TO ENHANCE PROFESSIONAL RELATIONSHIPS BETWEEN NURSES AND OTHER HEALTHCARE PROVIDERS. DURING 2013, TMH COLLEAGUES CONTRIBUTED THEIR 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 NURSING. 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 FACULTY MEMBER, WHO ASSISTS IN THE DEVELOPMENT OF NURSING UNIT-BASED RESEARCH AND EVIDENCED-BASED PRACTICE PROJECTS. THE COLLEAGUES OF TMH SERVE AS MENTORS AND EDUCATORS TO HUNDREDS OF COLLEGE AND HIGH SCHOOL STUDENTS MAJORING OR CONSIDERING CAREERS IN HEALTHCARE. TMH CURRENTLY HAS 70 AFFILIATION AGREES.</p>
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)

**Compensation Information**

OMB No 1545-0047

**2012**

**Open to Public Inspection**

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.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
TALLAHASSEE MEMORIAL HEALTHCARE INC

Employer identification number

59-1917016

**Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input checked="" type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**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 of the expenses described above? If "No," complete Part III to explain

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

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

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

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?  
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

**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

- a** The organization?
- b** Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

**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

- a** The organization?
- b** Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

**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

**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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

	Yes	No
<b>1b</b>	Yes	
<b>2</b>	Yes	
<b>4a</b>		No
<b>4b</b>		No
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>	Yes	
<b>8</b>		No
<b>9</b>		

**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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

**Part III Supplemental Information**

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

Identifier	Return Reference	Explanation
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
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.

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

**Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
G MARK O'BRYANT	(i) (ii)	700,003 0	164,475 0	22,293 0	176,539 0	8,693 0	1,072,003 0	0 0
WILLIAM GIUDICE	(i) (ii)	387,368 0	54,908 0	11,048 0	15,000 0	8,693 0	477,016 0	0 0
STEVEN ADRIAANSE	(i) (ii)	254,701 0	27,737 0	1,788 0	15,000 0	7,687 0	306,914 0	0 0
WARREN JONES	(i) (ii)	166,293 0	20,390 0	5,508 0	11,545 0	907 0	204,643 0	0 0
BARBARA MACARTHUR	(i) (ii)	100,665 0	25,527 0	96,394 0	13,383 0	504 0	236,473 0	0 0
CYNTHIA BLAIR	(i) (ii)	188,457 0	23,038 0	2,110 0	12,816 0	1,005 0	227,426 0	0 0
PAULA S FORTUNAS	(i) (ii)	184,490 0	20,000 0	3,198 0	12,573 0	4,292 0	224,553 0	0 0
JASON H MOORE	(i) (ii)	373,690	42,492	2,202	15,000	9,669	443,053	
DONALD LINDSEY	(i) (ii)	197,763 0	23,176 0	1,264 0	9,133 0	9,654 0	240,990 0	0 0
DEAN WATSON MD	(i) (ii)	315,018 0	45,740 0	6,262 0	15,000 0	9,669 0	391,689 0	0 0
TIM BROESEKER MD	(i) (ii)	398,167 0	269,959 0	3,746 0	0 0	8,469 0	680,341 0	0 0
JOSHUA SIMMONS MD	(i) (ii)	162,573 0	419,858 0	162 0	15,000 0	3,666 0	601,259 0	0 0
MARCUS S WILLETT MD	(i) (ii)	154,886 0	403,374 0	162 0	15,000 0	8,709 0	582,131 0	0 0
MICHAEL A GLAZE MD	(i) (ii)	170,295 0	377,927 0	162 0	15,000 0	7,214 0	570,598 0	0 0
WILLIAM MILLER MD	(i) (ii)	167,352 0	350,871 0	1,345 0	15,000 0	478 0	535,046 0	0 0

**Schedule K  
(Form 990)**

OMB No 1545-0047

**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 Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

**2012**

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 CENTER 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 escrows	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
14 Were the bonds issued as part of a current refunding issue?		X		
15 Were the bonds issued as part of an advance refunding issue?		X		
16 Has the final allocation of proceeds been made?	X			
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X			

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property?		X						
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?		X						
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
<b>4</b> 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 00000%		%		%		%	
<b>5</b> 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 00000%		%		%		%	
<b>6</b> Total of lines 4 and 5	0 00000%		%		%		%	
<b>7</b> Does the bond issue meet the private security or payment test?		X						
<b>8a</b> Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	0 00000%		%		%		%	
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X						
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X							

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T?		X						
<b>2</b> If "No" to line 1, did the following apply?								
<b>a</b> Rebate not due yet?		X						
<b>b</b> Exception to rebate?	X							
<b>c</b> No rebate due?		X						
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
<b>3</b> Is the bond issue a variable rate issue?		X						
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
<b>b</b> Name of provider	0							
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintegrated?								
<b>e</b> Was a hedge terminated?								

**Part IV Arbitrage (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
<b>b</b> Name of provider	0							
<b>c</b> Term of GIC								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>6</b> Were any gross proceeds invested beyond an available temporary period?		X						
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148?	X							

**Part V Procedures To Undertake Corrective Action**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

**Part VI Supplemental Information.** 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

2012

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b. Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

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

Table with 4 main columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

Table with 9 main columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 5 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose 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 \$222,620 TALLAHASSEE NEUROLOGICAL CLINIC (THE "CLINIC") AMOUNT REPORTED REPRESENTS THE AGGREGATE REPORTING OF TWO SEPERATE TRANSACTION FLOWS THE CLINIC PAID TMH \$211,542 IN RENTAL PAYMENTS DURING THE FISCAL YEAR, WHILE TMH PAID THE CLINIC \$11,076 IN MEDICAL DIRECTOR FEES 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
(1) Moore Bass Consulting Inc	SIMILAR DIRECTOR/PARTNER	366,800	CONSULTING SERVICES		No
(2) Southern Medical Group	SIMILAR DIRECTOR/PARTNER	14,065,260	PROF SRV PYMTS		No
(3) Tallahassee Neurological Clinic	SIMILAR DIRECTOR/PARTNER	222,620	PROPERTY RENTAL/PROF SRV PYMTS		No
(4) Terry Sherraden	FAMILY MEMBER OF DIRECTOR	292,080	EMPLOYMENT		No
(5) Tim Fortunas	FAMILY MEMBER OF OFFICER	33,680	EMPLOYMENT		No
(6) Patricia Faye Jones	FAMILY MEMBER OF OFFICER	121,340	EMPLOYMENT		No
(7) Vivian Moore	FAMILY MEMBER OF OFFICER	104,820	EMPLOYMENT		No

**SCHEDULE M**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

# Noncash Contributions

OMB No 1545-0047

## 2012

**Open to Public Inspection**

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**  
▶ **Attach to Form 990.**

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 noncash 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 ▶ ( <u>Books, Toys, Piano, Etc</u> )	X	119	37,052	Actual Cost
26 Other ▶ ( <u>Employee Rec Events</u> )	X	4	5,000	Actual Cost
27 Other ▶ ( <u>Recliners, Walkers, Etc</u> )	X	8	3,283	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 . . . . .

**29**

	Yes	No
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? . . . . .		No
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?	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .		No
b If "Yes," describe in Part II		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II		

**Part III** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier

Return Reference

Explanation

Schedule M (Form 990) (2012)

**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

**2012**

**Open to Public Inspection**

Name of the organization  
TALLAHASSEE MEMORIAL HEALTHCARE INC

**Employer identification number**

59-1917016

Identifier	Return Reference	Explanation
DESCRIPTION OF FAMILY OR BUSINESS RELATIONSHIPS	FORM 990, PART VI, SECTION A, LINE 2	
FORM 990 REVIEW PROCESS	FORM 990, PART VI, SECTION B, LINE 11	INFORMATION RELATED TO TMH'S FORM 990 FILING IS GATHERED BY FINANCE STAFF AND PROVIDED TO PRICEWATERHOUSECOOPERS LLP FOR REVIEW AND RETURN PREPARATION THE 2012 FORM 990 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013 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
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	OUR GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND CONSOLIDATED FINANCIAL STATEMENTS 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
DETAIL OF OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 9	CHANGE IN ADD'L MIN PENSION LIABILITY \$77,156,656 CHANGE IN FMV OF DERIVATIVE INSTRUMENT (26,157) ADDITIONAL DEPRECIATION (18,331) ----- TOTAL \$77,112,168

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2012**

**Open to Public Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**  
▶ **Attach to Form 990.** ▶ **See separate instructions.**

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" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) MEDICUS SELECT LLC 1300 MICCOSUKEE ROAD TALLAHASSEE, FL 32308 45-2980304	LEASED LABOR	FL	0	571,006	TMH

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
<b>(1)</b> TALLAHASSEE MEMORIAL HEALTH VENTURES INC 1300 MICCOSUKEE ROAD TALLAHASSEE, FL 32308 59-2717050	HOLDING COMPA	FL	TMH	C CORP	0	10,719,388	100 000 %	Yes	
<b>(2)</b> PRIME MERIDIAN HEALTH VENTURES INC 1309 THOMASVILLE ROAD TALLAHASSEE, FL 32303 59-2668613	DIAGNOSTIC IM	FL	TMHV	C CORP				Yes	
<b>(3)</b> TALLAHASSEE MEMORIAL TELEPHONE COMPANY 1309 THOMASVILLE ROAD TALLAHASSEE, FL 32303 59-3395937	TELEPHONE COM	FL	TMHV	C CORP				Yes	
<b>(4)</b> PREMIER HEALTH & FITNESS CENTER INC 3521 MACLAY BOULEVARD TALLAHASSEE, FL 32312 59-2471569	FITNESS CENTE	FL	TMHV	C CORP				Yes	

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
<b>1a</b>	Yes	
<b>1b</b>		No
<b>1c</b>	Yes	
<b>1d</b>		No
<b>1e</b>		No
<b>1f</b>		No
<b>1g</b>		No
<b>1h</b>		No
<b>1i</b>		No
<b>1j</b>	Yes	
<b>1k</b>	Yes	
<b>1l</b>		No
<b>1m</b>		No
<b>1n</b>		No
<b>1o</b>	Yes	
<b>1p</b>		No
<b>1q</b>	Yes	
<b>1r</b>		No
<b>1s</b>		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-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			



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

**Part VII Supplemental Information**

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

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

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Southeast Community Health Services	a	26,000	FMV
Southeast Community Health Services	j	593,000	FMV
Southeast Community Health Services	n,p	49,000	FMV
Tallahassee Memorial Foundation	c	607,529	FMV
Tallahassee Memorial Foundation	n,p	790,000	FMV
Tallahassee Memorial Health Ventures Inc	a,l	1,402,000	FMV
Tallahassee Memorial Health Ventures Inc	j	259,000	FMV

# TY 2012 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.  
 \$162,743 \$534,553,926 THIS ORGANIZATION HAS MADE THE  
 LOBBYING ELECTION UNDER I.R.C. SECTION 501(H) FOR THE TAX  
 YEAR ENDED SEPTEMBER 30, 2013. THIS ELECTION HAS NOT BEEN  
 REVOKED BEFORE THE START OF THE ORGANIZATION'S TAX YEAR  
 THAT BEGAN IN 2012. -----

DIRECT OTHER LOBBYING EXEMPT PURPOSE NAME OF NON-ELECTING ORGANIZATION EXPENDITURES EXPENDITURES

\_\_\_\_\_ SOUTHEAST COMMUNITY HEALTH SRVS, INC.  
 \$NONE \$ 260,227 TALLAHASSEE MEMORIAL HEALTHCARE FND  
 NONE 1,699,228 ----- \$NONE \$1,959,455  
 TOTALS \$162,743 \$536,513,381 =====  
 =====

# **Tallahassee Memorial Hospital**

(A division of Tallahassee Memorial HealthCare, Inc.)

**Financial Statements and Supplemental Data  
September 30, 2013 and 2012**

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Index**  
**September 30, 2013 and 2012**

---

	<b>Page(s)</b>
<b>Report of Independent Certified Public Accountants</b>	1
<b>Financial Statements</b>	
Balance Sheets	2
Statements of Operations	3
Statements of Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements	6–26
<b>Supplemental Data</b>	
<b>Report of Independent Certified Public Accountants on Supplemental Data</b>	27
Gross Patient Service Revenue	28
Provision for Contractual Adjustments, Charity, Uncollectible Accounts and Other	29
Other Revenue	30
Patient Service Expenses	31
General Operating Expenses	32
Other Revenues and Expenses, Net	33



## Report of Independent Certified Public Accountants

To the Board of Directors of  
Tallahassee Memorial HealthCare, Inc

We have audited the accompanying financial statements of Tallahassee Memorial Hospital (a division of Tallahassee Memorial HealthCare, Inc ), which comprise the balance sheets as of September 30, 2013 and 2012, and the related statements of operations, changes in net assets and cash flows for the years then ended

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tallahassee Memorial Hospital (a division of Tallahassee Memorial HealthCare, Inc ) at September 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PricewaterhouseCoopers LLP*

December 12, 2013

*PricewaterhouseCoopers LLP, 401 East Las Olas Blvd., Fort Lauderdale, FL 33301  
T: (954) 764-7111, F: (954) 525-4453, www.pwc.com/us*



## Report of Independent Certified Public Accountants on Supplemental Data

To the Board of Directors of  
Tallahassee Memorial HealthCare, Inc

We have audited the financial statements of Tallahassee Memorial Hospital (a division of Tallahassee Memorial Healthcare, Inc ) as of September 30, 2013 and 2012 and for the years then ended and our report thereon appears on page 1 of this document. Those audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental data as identified in the Index is presented for purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

December 12, 2013

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Balance Sheets**  
**September 30, 2013 and 2012**

	2013	2012
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 154,587,147	\$ 157,456,550
Short-term investments	1,551,703	1,546,439
Assets limited as to use	13,321,732	14,024,309
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$71,066,000 and \$57,298,000 as of September 30, 2013 and 2012, respectively	69,081,421	53,985,988
Inventories	8,196,708	7,980,634
Due from Medicare	-	2,936,552
Other current assets	6,983,456	10,445,445
Total current assets	<u>253,722,167</u>	<u>248,375,917</u>
Assets limited as to use		
Held by trustee	29,539,642	30,276,447
Less amount required to meet current obligations	<u>(13,321,732)</u>	<u>(14,024,309)</u>
Total assets limited as to use	<u>16,217,910</u>	<u>16,252,138</u>
Long-term investments	27,300	27,300
Property, plant and equipment, net	261,759,105	241,269,468
Due from TMH, Inc	5,769,896	5,771,897
Other assets	8,855,556	10,718,307
Total assets	<u>\$ 546,351,934</u>	<u>\$ 522,415,027</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 44,344,284	\$ 45,720,902
Due to Medicare	487,281	-
Current portion of long-term debt	5,843,511	5,872,645
Current portion of pension liability	18,479,940	16,642,774
Other current liabilities	9,197,104	9,127,796
Total current liabilities	<u>78,352,120</u>	<u>77,364,117</u>
Long-term debt, net of current portion	128,142,048	133,808,911
Long-term pension liability	66,076,264	145,520,492
Other liabilities	23,475,813	24,169,804
Total liabilities	<u>296,046,245</u>	<u>380,863,324</u>
Commitments and contingencies		
Net assets, unrestricted	<u>250,305,689</u>	<u>141,551,703</u>
Total liabilities and net assets	<u>\$ 546,351,934</u>	<u>\$ 522,415,027</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, 2013 and 2012**

	2013	2012
<b>Unrestricted revenues, gains and other support</b>		
Net patient service revenue (net of contractual allowances and discounts)	\$ 584,577,988	\$ 556,125,419
Provision for bad debts	<u>(80,603,147)</u>	<u>(75,310,027)</u>
Net patient service revenue less provision for bad debts	503,974,841	480,815,392
Other revenue	<u>3,711,033</u>	<u>8,842,181</u>
Total revenues, gains and other support	<u>507,685,874</u>	<u>489,657,573</u>
<b>Expenses</b>		
Salaries, wages and benefits	250,628,054	241,128,904
Supplies and other	161,502,188	151,686,461
Professional fees	33,679,388	30,129,629
Depreciation and amortization	21,578,664	19,788,495
Interest	<u>8,848,124</u>	<u>9,054,292</u>
Total expenses	<u>476,236,418</u>	<u>451,787,781</u>
Operating income	31,449,456	37,869,792
Other revenues and expenses, net	<u>(338,887)</u>	<u>2,365,920</u>
Excess of revenues over expenses	31,110,569	40,235,712
Net assets released from restrictions used for purchase of equipment	486,761	212,136
Change in pension liability	<u>77,156,656</u>	<u>2,762,538</u>
Increase in unrestricted net assets	<u>\$ 108,753,986</u>	<u>\$ 43,210,386</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, 2013 and 2012**

---

	2013	2012
<b>Unrestricted net assets</b>		
Excess of revenues over expenses	\$ 31,110,569	\$ 40,235,712
Net assets released from restrictions used for purchase of equipment	486,761	212,136
Change in pension liability	77,156,656	2,762,538
Increase in unrestricted net assets	<u>108,753,986</u>	<u>43,210,386</u>
<b>Temporarily restricted net assets</b>		
Contributions	486,761	212,136
Net assets released from restrictions used for purchase of equipment	<u>(486,761)</u>	<u>(212,136)</u>
Increase in temporarily restricted net assets	<u>-</u>	<u>-</u>
Increase in net assets	108,753,986	43,210,386
<b>Net assets</b>		
Beginning of year	<u>141,551,703</u>	<u>98,341,317</u>
End of year	<u>\$ 250,305,689</u>	<u>\$ 141,551,703</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, 2013 and 2012**

	2013	2012
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 108,753,986	\$ 43,210,386
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	21,578,664	19,788,495
Depreciation on office space rental property	1,155,376	1,101,647
Amortization of bond discount and bond issue costs	264,530	264,530
Net realized and unrealized gains on trading securities	(139,978)	(318,551)
Change in fair value of derivative	26,157	(2,093,485)
Provision for bad debts	80,603,147	75,310,027
Change in pension liability	(77,607,062)	2,067,096
Gain on sale of equipment	(108,862)	(54,559)
Restricted contributions	(486,761)	(212,136)
(Increase) decrease in		
Patient accounts receivable	(95,698,580)	(80,191,036)
Inventories	(216,074)	(1,077,965)
Due from Medicare	2,936,552	(2,211,351)
Other current assets	3,461,989	(3,359,960)
Other assets	-	(3,654,396)
Increase (decrease) in		
Accounts payable and accrued expenses	(1,376,618)	3,078,153
Due to Medicare	487,281	-
Other current liabilities	69,309	(2,472,542)
Other liabilities	(720,149)	(9,243,961)
Net cash provided by operating activities	<u>42,982,907</u>	<u>39,930,392</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(43,107,154)	(34,898,471)
Proceeds from disposals of equipment	119,217	54,559
Investments		
Purchases of investments	(5,264)	(4,217)
Assets limited as to use		
Purchases of investments	(3,804,025)	(6,045,004)
Proceeds from sales and maturities of investments	4,680,807	6,170,162
Decrease in notes receivable and deposits	<u>1,707,948</u>	<u>81,842</u>
Net cash used in investing activities	<u>(40,408,471)</u>	<u>(34,641,129)</u>
<b>Cash flows from financing activities</b>		
Payments on capital lease obligations	(782,601)	(1,057,992)
Payments on long-term debt	(5,150,000)	(4,845,000)
Decrease in due from TMH, Inc	2,001	191,639
Restricted contributions	<u>486,761</u>	<u>212,136</u>
Net cash used in financing activities	<u>(5,443,839)</u>	<u>(5,499,217)</u>
Net decrease in cash and cash equivalents	(2,869,403)	(209,954)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>157,456,550</u>	<u>157,666,504</u>
End of year	<u>\$ 154,587,147</u>	<u>\$ 157,456,550</u>
<b>Supplemental disclosures of cash flow information</b>		
Purchases of building and equipment under capital lease obligations	\$ 126,878	\$ 3,367,358
Interest paid on debt obligations	8,674,400	8,859,300

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, 2013 and 2012

---

#### 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, 2013 and 2012, 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, 2013 and 2012, 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 and contractual allowances, 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 maturities of three months or less when purchased.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**Investments**

Short-term and long-term investments consist primarily of certificates of 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:

	<b>Estimated Useful Lives</b>
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, 2013 and 2012**

---

**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. Debt issuance costs of approximately \$3,574,000, net of accumulated amortization of approximately \$2,390,000 and \$2,235,000 at September 30, 2013 and 2012, respectively, remain to be amortized over future periods and are included in other assets in the accompanying 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, 2013 and 2012 are as follows:

	<b>2013</b>	<b>2012</b>
Gross patient service revenue	\$ 1,771,525,330	\$ 1,631,937,645
Contractual adjustments and other deductions	<u>(1,186,947,342)</u>	<u>(1,075,812,226)</u>
Net patient service revenue	<u>\$ 584,577,988</u>	<u>\$ 556,125,419</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 81% of the Hospital's net patient accounts receivable at September 30, 2013 and 2012 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.

**Interest Expense**

Cash payments for interest were approximately \$8,674,000 and \$8,859,000 for the years ended September 30, 2013 and 2012, respectively.

**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 net assets released from restrictions used for purchases of equipment and the change in pension liability.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**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, 2013 and 2012 was a liability of approximately \$2,492,000 and \$2,466,000, 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.

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) and a gain of approximately \$(26,000) and \$2,093,000 in other revenues and expenses, net, in the accompanying statements of operations for the years ended September 30, 2013 and 2012, respectively. The (losses) gains are unrealized and represent the amount the Hospital would be required to pay for the Basis Rate Swap at the end of the fiscal year.

The Hospital received funds related to the Basis Rate Swap of approximately \$41,000 and \$47,000 for the years ended September 30, 2013 and 2012, 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 approximately \$2,279,000 and \$3,409,000 at September 30, 2013 and 2012, 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.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**Fair Value Measurements**

The Hospital accounts for fair value in accordance with 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

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.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

The following tables present the financial instruments carried at fair value as of September 30, 2013 and 2012, by caption on the balance sheets by the ASC 820 valuation hierarchy defined above

<b>September 30, 2013</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total Fair Value</b>
<b>Assets</b>				
Cash, investments and assets limited as to use				
Cash and cash equivalents	\$ 175,982,682	\$ -	\$ -	\$ 175,982,682
U S government and agency obligations	-	6,552,096	-	6,552,096
Mutual funds	-	656,119	-	656,119
Equities	1,900,762	-	-	1,900,762
Corporate obligations	-	614,133	-	614,133
Total cash, investments and assets limited as to use	<u>177,883,444</u>	<u>7,822,348</u>	<u>-</u>	<u>185,705,792</u>
Total assets at fair value	<u>\$ 177,883,444</u>	<u>\$ 7,822,348</u>	<u>\$ -</u>	<u>\$ 185,705,792</u>
<b>Liabilities</b>				
Basis rate swap payable				
	\$ -	\$ 2,492,076	\$ -	\$ 2,492,076
Total liabilities at fair value	<u>\$ -</u>	<u>\$ 2,492,076</u>	<u>\$ -</u>	<u>\$ 2,492,076</u>

<b>September 30, 2012</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total Fair Value</b>
<b>Assets</b>				
Cash, investments and assets limited as to use				
Cash and cash equivalents	\$ 179,368,613	\$ -	\$ -	\$ 179,368,613
U S government and agency obligations	-	7,101,989	-	7,101,989
Mutual funds	-	498,268	-	498,268
Equities	1,686,368	-	-	1,686,368
Corporate obligations	-	651,498	-	651,498
Total cash, investments and assets limited as to use	<u>181,054,981</u>	<u>8,251,755</u>	<u>-</u>	<u>189,306,736</u>
Total assets at fair value	<u>\$ 181,054,981</u>	<u>\$ 8,251,755</u>	<u>\$ -</u>	<u>\$ 189,306,736</u>
<b>Liabilities</b>				
Basis rate swap payable				
	\$ -	\$ 2,465,919	\$ -	\$ 2,465,919
Total liabilities at fair value	<u>\$ -</u>	<u>\$ 2,465,919</u>	<u>\$ -</u>	<u>\$ 2,465,919</u>

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.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

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, 2013 and 2012 was as follows:

	<b>2013</b>	<b>2012</b>
Medicare	24%	20%
Medicaid	11%	17%
Managed Care	25%	25%
Blue Cross	17%	16%
Other	23%	22%
	<u>100%</u>	<u>100%</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**Recent Accounting Pronouncements**

In October 2012, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2012-05, *Statement of Cash Flows*, which addresses how cash receipts arising from the sale of certain donated financial assets, such as securities, should be classified in the statement of cash flows for not-for-profit entities. As the classification of cash receipts from these kinds of assets have not been consistently classified, the amendments in this update seek to eliminate the current diversity of options available by determining the classification of proceeds based on any potential donor restrictions of the cash received for long-term purposes. The provisions of this amendment are effective for annual periods beginning after June 15, 2013. The Hospital does not expect a material impact to its financial statements upon adoption.

**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, however, final settlement has not been issued by Medicare for fiscal year 2007. Medicare audits have begun but are incomplete for fiscal years 2010 and 2011. Approximately 38% and 34% of net patient service revenue for the years ended September 30, 2013 and 2012, 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. Beginning on July 1, 2013, inpatient admissions are paid upon a prospectively determined rate based upon diagnostic categories adjusted for severity. The Hospital's Medicaid cost reports have been audited by the fiscal intermediary through September 30, 2008, however, the revised audited per diem rates have not been issued by Medicaid. Approximately 4% and 3% of net patient service revenue for each of the years ended September 30, 2013 and 2012, respectively, is related to services provided to Medicaid patients.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

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 direct and in-direct costs estimated by the Hospital related to charity care were approximately \$ 20,070,000 and \$19,478,000 as of September 30, 2013 and 2012, respectively. The costs were estimated using the best information available to management using the cost to charge ratio. There were no funds received related to offsetting or subsidizing charity care.

**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.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**5. Investments and Assets Limited as to Use**

The composition of assets limited as to use at September 30, 2013 and 2012 is set forth in the following table

	<b>2013</b>	<b>2012</b>
<b>Held by trustee under indenture agreements</b>		
Cash, cash equivalents and short-term investments	\$ 16,996,651	\$ 16,817,156
U S government and agency obligations	6,149,977	6,211,345
	<u>23,146,628</u>	<u>23,028,501</u>
<b>Held by trustee for self-insurance funding arrangements</b>		
Cash, cash equivalents and short-term investments	567,739	139,025
U S government and agency obligations	374,818	863,344
Mutual funds	656,119	498,268
Equities	1,900,762	1,686,368
Corporate obligations	614,133	651,498
	<u>4,113,571</u>	<u>3,838,503</u>
<b>Held by trustee as swap collateral</b>		
Cash	<u>2,279,443</u>	<u>3,409,443</u>
	<u>\$ 29,539,642</u>	<u>\$ 30,276,447</u>

Short-term and long-term investments, stated at fair value, at September 30, 2013 and 2012 include

	<b>2013</b>	<b>2012</b>
Private equities	\$ 27,300	\$ 27,300
Certificates of deposit	1,551,703	1,546,439
	<u>1,579,003</u>	<u>1,573,739</u>
Less Long-term investments	<u>(27,300)</u>	<u>(27,300)</u>
Short-term investments	<u>\$ 1,551,703</u>	<u>\$ 1,546,439</u>

Investment income for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended September 30, 2013 and 2012

	<b>2013</b>	<b>2012</b>
<b>Income</b>		
Interest income	\$ 306,703	\$ 412,359
Unrealized gains on trading securities	139,978	318,551
	<u>\$ 446,681</u>	<u>\$ 730,910</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**6. Property, Plant and Equipment**

Property, plant and equipment as of September 30, 2013 and 2012 is summarized as follows

	<b>2013</b>	<b>2012</b>
Land	\$ 15,063,683	\$ 15,071,139
Buildings	290,208,225	268,530,133
Equipment	208,733,460	188,955,221
Leasehold improvements	4,190,287	3,607,739
	<u>518,195,655</u>	<u>476,164,232</u>
Less Accumulated depreciation	<u>(262,949,728)</u>	<u>(242,638,964)</u>
	255,245,927	233,525,268
Construction in progress	<u>6,513,178</u>	<u>7,744,200</u>
Property, plant and equipment, net	<u>\$ 261,759,105</u>	<u>\$ 241,269,468</u>

Depreciation and amortization expense for the years ended September 30, 2013 and 2012 was approximately \$21,579,000 and \$19,788,000, respectively. Depreciation expense on office space rental property for the years ended September 30, 2013 and 2012 was approximately \$1,155,000 and \$1,102,000, respectively, and was included in other revenues and expenses, net in the accompanying statements of operations. Construction in progress at September 30, 2013 consisted of facility renovations and various information technology projects. Estimated costs to complete are approximately \$6,991,000.

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 2042. 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.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

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, 2013 and 2012 was approximately \$3,552,000 and \$3,431,000, respectively. As of September 30, 2013, future minimum rental payments required under noncancelable operating leases are

<b>Years Ending</b>	
2014	\$ 452,896
2015	386,959
2016	258,048
2017	42,208
2018	6,275
	<u>\$ 1,146,386</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, 2013 and 2012

	<b>2013</b>	<b>2012</b>
Workers' compensation liability	\$ 1,278,095	\$ 1,278,096
Self-insured professional liability	10,263,230	11,103,231
Agency for HealthCare Administration statutory liability	2,750,149	2,776,982
Deferred compensation arrangement	1,927,315	1,456,270
Asset retirement obligation	380,000	380,000
Fair value of interest rate swap	2,492,076	2,465,919
Obligation for supplemental executive retirement benefits	4,384,948	4,709,306
	<u>\$ 23,475,813</u>	<u>\$ 24,169,804</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**8. Long-Term Debt**

A summary of long-term debt and capital lease obligations at September 30, 2013 and 2012 follows

	2013	2012
Health Facilities Revenue Refunding Bonds, Series 1992B, interest of 6% at September 30, 2013 and 2012, final maturity December 2015	\$ 8,880,000	\$ 11,510,000
Health Facilities Revenue Refunding Bonds, Series 1994, interest of 6 25% at September 30, 2013 and 2012, final maturity December 2013	2,685,000	5,205,000
Health Facilities Revenue Bonds, Series 2000, interest of 6 25% to 6 375% at September 30, 2013 and 2012, final maturity December 2030	100,100,000	100,100,000
Healthcare Facilities Subordinated Revenue Bonds, Series 2008, interest of 9 3% at September 30, 2013 and 2012, final maturity June 2028	600,000	600,000
Capital lease obligations	<u>22,627,043</u>	<u>23,282,767</u>
	134,892,043	140,697,767
Less Net amortized bond discount	<u>(906,484)</u>	<u>(1,016,211)</u>
Total long-term debt	133,985,559	139,681,556
Less Current portion	<u>(5,843,511)</u>	<u>(5,872,645)</u>
Long-term portion	<u>\$ 128,142,048</u>	<u>\$ 133,808,911</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 Series 2008 Bonds are privately placed and contain an interest rate of 9 3%.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

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 Series 1992B and 1994 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, 2013 and 2012

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

Years Ending	Long-Term Debt	Capital Lease Obligations
2014	\$ 5,475,000	\$ 1,731,594
2015	3,680,000	1,667,027
2016	3,900,000	1,694,532
2017	4,140,000	1,736,173
2018	4,395,000	1,750,678
Thereafter	<u>90,675,000</u>	<u>32,603,055</u>
	<u>\$ 112,265,000</u>	41,183,059
Less Amount representing interest under capital lease obligations		<u>(18,556,016)</u>
		<u>\$ 22,627,043</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, 2013 and 2012

	2013	2012
Equipment and buildings	\$ 27,649,698	\$ 27,592,550
Less Accumulated depreciation	<u>(7,138,663)</u>	<u>(5,572,844)</u>
	<u>\$ 20,511,035</u>	<u>\$ 22,019,706</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, 2013 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

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

an independent actuary to assist in the computation of an accrual for self-insurance of professional liability coverage. The actuarial computations were based upon an evaluation of past incidents. A liability of approximately \$18,609,000 and \$19,380,000 has been recorded at September 30, 2013 and 2012, 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, 2013, 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 \$857,500, respectively, at September 30, 2013 and 2012. 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 for in-force (not expired) policies is effectively transferred to the Captive. Effective from 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 in excess of each insured's retention. Effective August 1, 2006, the Captive entered into a three year reinsurance contract with limits of \$14,000,000 per claim and \$21,000,000 annual aggregate in excess of \$6,000,000 per claim in excess of each insured's retention. 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 has been recorded at September 30, 2013 and 2012.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

The combined liability for professional liability and workers' compensation self-insurance at September 30, 2013 and 2012 was as follows

	2013	2012
Other current liabilities	\$ 9,197,104	\$ 9,127,840
Other liabilities	11,541,325	12,381,327
	<u>\$ 20,738,429</u>	<u>\$ 21,509,167</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.

The Hospital accounts for the Plan in accordance with 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 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 ASC 715. For pension plans, the benefit obligation is the projected benefit obligation, for other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

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

	<b>2013</b>	<b>2012</b>
Accumulated benefit obligation	<u>\$ 395,716,067</u>	<u>\$ 446,186,963</u>
<b>Change in projected benefit obligation</b>		
Projected benefit obligation, beginning of year	\$ 446,186,963	\$ 396,481,690
Interest cost	16,348,286	17,697,306
Actuarial (gain) loss	(50,513,328)	47,518,098
Benefits paid	<u>(16,305,854)</u>	<u>(15,510,131)</u>
Projected benefit obligation, end of year	<u>\$ 395,716,067</u>	<u>\$ 446,186,963</u>
<b>Change in plan assets</b>		
Plan assets at fair value, beginning of year	\$ 284,023,697	\$ 236,385,520
Employer contributions	13,435,413	13,523,176
Actual return on plan assets	30,006,607	49,625,132
Benefits paid	<u>(16,305,854)</u>	<u>(15,510,131)</u>
Plan assets at fair value, end of year	<u>\$ 311,159,863</u>	<u>\$ 284,023,697</u>
Funded status	<u>\$ (84,556,204)</u>	<u>\$ (162,163,266)</u>
	<b>2013</b>	<b>2012</b>
<b>Amounts recognized in unrestricted net assets</b>		
Net loss	<u>\$ 111,589,341</u>	<u>\$ 188,746,069</u>
Total amount recognized	<u>\$ 111,589,341</u>	<u>\$ 188,746,069</u>
<b>Changes recognized in unrestricted net assets</b>		
Net actuarial (gain) loss		
Net actuarial (gain) loss from liabilities	\$ (50,513,328)	\$ 47,518,098
Net actuarial gain from assets	<u>(7,400,688)</u>	<u>(30,165,465)</u>
Total net actuarial (gain) loss	<u>(57,914,016)</u>	<u>17,352,633</u>
Amortization of actuarial loss	<u>(19,242,640)</u>	<u>(20,115,171)</u>
Net change in unrestricted net assets	<u>\$ (77,156,656)</u>	<u>\$ (2,762,538)</u>
Net periodic pension benefit cost	<u>\$ 12,985,079</u>	<u>\$ 18,361,911</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

	2013	2012
<b>Weighted average assumptions for benefit obligations at September 30</b>		
Discount rate	4.67%	3.73%
Rate of increase in future compensation levels	N/A	N/A
<b>Weighted average assumptions for net periodic benefit costs at September 30</b>		
Discount rate	3.73%	4.55%
Expected return on plan assets	8.00%	8.25%
Rate of compensation increase	N/A	N/A
<b>Components of net periodic pension cost</b>		
Interest cost	\$ 16,348,286	\$ 17,697,306
Expected return on plan assets	(22,605,847)	(19,450,566)
Amortization of loss	19,242,640	20,115,171
Net periodic pension expense	<u>\$ 12,985,079</u>	<u>\$ 18,361,911</u>

The Plan assets are administered by a trustee and are invested in the following percentages in various instruments at September 30, 2013 and 2012

	2013	2012
Mutual funds and short-term investments	5%	6%
Equity securities	76%	68%
Debt securities	19%	26%
	<u>100%</u>	<u>100%</u>

The fair value of the Plan's assets at September 30, 2013 and 2012 are as follows

September 30, 2013	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	\$ 14,818,997	\$ -	\$ -	\$ 14,818,997
Corporate bonds and notes	-	34,594,803	-	34,594,803
U S government and agency obligations	-	25,110,410	-	25,110,410
Common stocks	236,635,653	-	-	236,635,653
Total investments	<u>\$ 251,454,650</u>	<u>\$ 59,705,213</u>	<u>\$ -</u>	<u>\$ 311,159,863</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

September 30, 2012	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	\$ 15,711,509	\$ -	\$ -	\$ 15,711,509
Corporate bonds and notes	-	38,859,391	-	38,859,391
U S government and agency obligations	-	34,910,066	-	34,910,066
Common stocks	194,542,731	-	-	194,542,731
Total investments	<u>\$ 210,254,240</u>	<u>\$ 73,769,457</u>	<u>\$ -</u>	<u>\$ 284,023,697</u>

Future benefit payments for years ending September 30 are as follows

2014	\$ 16,850,875
2015	17,664,561
2016	18,337,811
2017	19,150,950
2018	20,081,944
2019 – 2024	136,426,411
	<u>\$ 228,512,552</u>

The Hospital expects to contribute approximately \$14,400,000 to the Plan for the year ending September 30, 2014. Estimated amounts to be amortized out of unrestricted net assets for the year ending September 30, 2014 are approximately \$10,002,000 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.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**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, 2013 and 2012 was approximately \$8,134,000 and \$7,353,000, 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, 2013 and 2012 were approximately \$511,000 and \$315,000, 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"), Tallahassee Memorial HealthCare Foundation, Inc. (the "Foundation") and Medicus, LLC ("Medicus"). 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. Medicus is a disregarded entity that leases labor to the Hospital.

During the years ended September 30, 2013 and 2012, the Hospital charged rent amounting to approximately \$1,402,000 annually to TMHV. The Hospital charged interest during the years ended September 30, 2013 and 2012 of approximately \$26,000 annually to SECHS relating to the financing of capital acquisitions in prior years. For the years ended September 30, 2013 and 2012, the Hospital received contributions of approximately \$751,000 and \$516,000, respectively, from the Foundation. For the years ended September 30, 2013 and 2012, the Hospital paid for leased space of approximately \$593,000 and \$580,000, respectively, to SECHS and approximately \$259,000 and \$254,000, respectively, to TMHV. For the years ended September 30, 2013 and 2012, Medicus provided TMH with approximately \$8,353,000 and \$6,595,000, respectively, in leased labor. At September 30, 2013 and 2012, the Hospital had outstanding receivables from TMH, Inc. of approximately \$1,417,000 and other receivables from subsidiaries of TMH, Inc. of approximately \$4,353,000 and \$4,355,000, 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, 2013 and 2012 are as follows:

	<b>2013</b>	<b>2012</b>
Patient care services	\$ 354,672,814	\$ 334,904,352
General and administrative	121,563,604	116,883,429
Total healthcare services	<u>\$ 476,236,418</u>	<u>\$ 451,787,781</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Notes to Financial Statements**  
**September 30, 2013 and 2012**

---

**13. Financial Instruments**

The carrying amount of the Hospital's financial instruments (including cash and cash equivalents, short-term investments, and assets limited as to use) approximates fair value because of their relatively short maturities. Long-term investments consist of marketable equity securities and are reported in the balance sheets at fair value based on quoted market prices.

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, 2013 and 2012 are as follows:

	2013	2012
Carrying value	\$ 111,358,516	\$ 116,398,789
Estimated fair value	112,446,855	117,852,455

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, 2013, future minimum payments required under noncancelable maintenance agreements were as follows:

2014	\$ 2,201,666
2015	2,143,346
2016	2,061,698
	<u>\$ 6,406,710</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, 2013, 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

We have audited the financial statements of Tallahassee Memorial Hospital (a division of Tallahassee Memorial Healthcare, Inc ) as of September 30, 2013 and 2012 and for the years then ended and our report thereon appears on page 1 of this document. Those audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental data as identified in the Index is presented for purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

December 12, 2013

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Gross Patient Service Revenue**  
**Year Ended September 30, 2013**  
**(With Comparative Totals for the Year Ended September 30, 2012)**

	Inpatient	Outpatient	Extended Care	Behavioral Health Care	Non-Patient	Total 2013	Total 2012
Medical-surgical Nursing	\$ 128,966,713	\$ 11,507,616	\$ 80,618	\$ 4,170	\$ -	\$ 140,559,117	\$ 125,891,761
Neurology ICU	8,788,833	-	-	-	-	8,788,833	7,753,306
Coronary Care	7,113,599	-	-	-	-	7,113,599	6,521,934
Hemodialysis	2,077,931	587,375	-	24,120	-	2,689,426	2,506,207
Respiratory Services	43,121,746	10,196,298	2,488,230	239,984	-	56,046,258	52,912,560
Labor & Delivery	19,516,812	4,407,759	-	1,002	-	23,925,573	20,715,748
Operating Room	125,691,041	93,772,118	23,893	35,829	-	219,522,861	203,474,096
Endoscopy Clinic	4,903,248	12,976,284	38,952	-	-	17,918,484	16,951,989
Recovery Room	10,462,770	12,285,431	1,785	19,134	-	22,769,120	22,387,248
Emergency Room	22,910,721	76,500,300	-	828,645	-	100,239,666	93,779,809
Ambulance Service	1,691	313,012	-	-	-	314,703	247,074
Central Service	31,012,952	6,946,568	1,215,387	11,630	-	39,186,537	33,701,012
Laboratory	122,968,580	75,719,426	2,370,615	5,979,399	666,994	207,705,014	188,865,154
Laboratory-POB	49,368	6,958,752	-	90	8,414	7,016,624	7,441,309
Blood	5,761,336	1,409,840	52,762	1,490	4,242	7,229,670	9,882,678
Neurodiagnostics/EEG	1,854,544	624,921	-	16,064	-	2,495,529	2,473,055
Radiology-diagnostic	151,797,025	193,882,648	492,431	219,023	44,599	346,435,726	324,437,760
Radiation Therapy	1,127,630	39,220,246	14,590	-	-	40,362,466	41,542,641
Nuclear Medicine	5,203,731	9,413,667	16,523	-	-	14,633,921	14,602,960
Pharmacy	77,363,670	49,998,131	3,840,426	913,095	61,433	132,176,755	124,645,699
Anesthesiology	53,703,065	39,011,029	23,334	35,404	-	92,772,832	77,552,389
Physical Therapy	7,419,849	13,240,698	7,551,245	1,458	650	28,213,900	25,983,005
Home Health Care	-	2,124,848	-	-	-	2,124,848	2,193,159
Newborn Nursery	12,361,715	-	-	-	-	12,361,715	11,337,966
Intensive Care	14,457,111	-	-	-	-	14,457,111	12,716,916
Neonatal ICU	14,257,499	-	-	-	-	14,257,499	10,963,478
EKG	22,258,606	24,033,669	46,862	49,247	13,702	46,402,086	40,573,333
Diabetes Center	-	1,629,286	-	-	-	1,629,286	1,706,659
Neuro Science Center	101,006	557,244	-	-	-	658,250	556,307
Wound Healing Program	40,225	4,593,437	-	-	-	4,633,662	5,430,120
Emergency Room Physicians	-	30,683,213	-	-	-	30,683,213	27,750,907
Extended Care Facility	-	-	7,314,348	-	-	7,314,348	6,574,964
Psychiatric Center Routine	-	-	-	13,697,729	-	13,697,729	11,992,123
Psychiatric Center Other	202	5,316,847	-	5,942,537	-	11,259,586	11,794,368
Residency ProgramS	-	8,662,894	-	-	-	8,662,894	7,735,882
Women's Resource	990	558,094	-	-	1,470	560,554	419,589
Physician Practice & Rural Clinics	-	74,294,766	-	-	-	74,294,766	66,592,732
Palliative Care	-	405,005	-	-	-	405,005	257,050
Sleep Center	-	10,006,144	-	-	-	10,006,144	9,072,698
<b>Total</b>	<b>\$ 895,294,209</b>	<b>\$ 821,837,566</b>	<b>\$ 25,572,001</b>	<b>\$ 28,020,050</b>	<b>\$ 801,504</b>	<b>\$ 1,771,525,330</b>	<b>\$ 1,631,937,645</b>

# Tallahassee Memorial Hospital

(A division of Tallahassee Memorial HealthCare, Inc.)

## Provision for Contractual Adjustments, Charity, Uncollectible Accounts and Other

Year Ended September 30, 2013

(With Comparative Totals for the Year Ended September 30, 2012)

	Hospital	Extended Care Facility	Family Practice Residency Program	Behavioral Health Center	Total 2013	Total 2012
Provision for Uncollectible Accounts	\$ 77,536,542	\$ 543,403	\$ 515,056	\$ 2,008,146	\$ 80,603,147	\$ 75,310,027
Medicare Adjustments	347,142,508	5,731,739	205,485	3,136,291	356,216,023	321,706,866
Medicaid Adjustments	131,739,301	683,848	1,539,391	2,080,925	136,043,465	118,092,160
HMO/Medicaid Adjustments	48,709,524	57,127	287,295	879,105	49,933,051	49,805,818
Division of Children's Medical Services	614,584	-	-	98,725	713,309	593,893
Vocational Rehabilitation	2,885,373	26,374	-	-	2,911,747	2,905,376
Workers' Compensation	4,265,235	90,036	713	7,623	4,363,607	4,176,512
Medical Center Approved Charity	55,941,033	3,240,412	223,705	1,118,215	60,523,365	55,943,842
Employee Discounts	80,836	175	2,769	2,242	86,022	91,718
Patient Adjustments	10,011,425	204,543	276,307	554,562	11,046,837	10,740,333
Health Maintenance Organizations	497,589,117	8,030,821	1,200,315	6,659,667	513,479,920	463,280,603
Florida State Hospital	1,412,335	-	-	-	1,412,335	1,165,066
Other Governmental Programs	19,486,440	-	99,243	583,710	20,169,393	19,820,868
Other Contractual Adjustments	21,723,920	74,652	1,094,638	4,012,791	26,906,001	25,511,635
Absorbed Employee Health Claims	3,142,267	-	-	-	3,142,267	1,977,536
<b>Total</b>	<b>\$ 1,222,280,440</b>	<b>\$ 18,683,130</b>	<b>\$ 5,444,917</b>	<b>\$ 21,142,002</b>	<b>\$ 1,267,550,489</b>	<b>\$ 1,151,122,253</b>

# Tallahassee Memorial Hospital

(A division of Tallahassee Memorial HealthCare, Inc.)

## Other Revenue

Year Ended September 30, 2013

(With Comparative Totals for the Year Ended September 30, 2012)

	Hospital	Extended Care Facility	Family Practice Residency Program	Behavioral Health Center	Total 2013	Total 2012
Parking Deck	\$ 547,927	\$ -	\$ -	\$ -	\$ 547,927	\$ 533,886
Contractual Late Fees	82,088	-	-	-	82,088	140,939
Services to Other Organizations	36,520	-	19,500	184,866	240,886	328,906
Lifeline Services	265,300	-	-	-	265,300	277,222
Adult Day Care Services	241,435	-	-	-	241,435	335,231
Alzheimer/Parkinsons Grant	222,801	-	-	-	222,801	238,107
Medicare and Medicaid Meaningful Use	-	-	-	-	-	4,630,638
Domestic Security Preparedness	11,571	-	-	-	11,571	27,731
Trauma Center	507,443	-	-	-	507,443	536,366
Lower Income Pool Grant	305,522	-	352,307	-	657,829	957,643
Other Grants	67,516	-	-	-	67,516	134,020
Foundation Donations	542,696	2,634	6,000	628	551,958	485,588
Miscellaneous	229,400	1,050	71,118	12,711	314,279	215,904
Other revenue	<u>\$ 3,060,219</u>	<u>\$ 3,684</u>	<u>\$ 448,925</u>	<u>\$ 198,205</u>	<u>\$ 3,711,033</u>	<u>\$ 8,842,181</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)

**Patient Service Expenses**

**Year Ended September 30, 2013**

**(With Comparative Totals for the Year Ended September 30, 2012)**

	<b>Salaries</b>	<b>Other</b>	<b>Total 2013</b>	<b>Total 2012</b>
Medical-surgical Nursing	\$ 29,537,163	\$ 9,534,392	\$ 39,071,555	\$ 37,310,619
Neurology ICU	1,715,162	602,209	2,317,371	2,384,742
Coronary Care	1,593,921	552,759	2,146,680	2,291,615
Hemodialysis	575,017	364,920	939,937	892,909
Wound Healing Program	599,415	1,090,774	1,690,189	2,015,894
Respiratory Services	3,503,055	1,964,928	5,467,983	5,474,860
Labor and Delivery	3,735,573	2,116,712	5,852,285	5,739,175
Operating Room	9,107,083	36,057,892	45,164,975	44,073,280
Surgery Center	1,794,427	3,619,066	5,413,493	5,511,480
Recovery Room	952,537	366,409	1,318,946	1,388,728
Emergency Room	17,836,327	7,777,258	25,613,585	23,406,982
Diabetes Center	920,677	1,062,651	1,983,328	1,651,278
Alzheimer/Parkinsons Clinic	67,914	69,289	137,203	179,403
Ambulance Service	242,854	125,121	367,975	367,208
Central Service	496,884	4,459,227	4,956,111	5,121,674
A Womens' Place	115,714	352,484	468,198	418,393
Intravenous Therapy	1,074,214	1,435,773	2,509,987	2,455,231
Laboratory	4,469,694	9,031,052	13,500,746	12,001,987
Blood	-	4,817,465	4,817,465	4,789,720
Neurodiagnostics/EEG	391,329	136,070	527,399	530,950
Radiology-diagnostic	6,434,881	26,476,879	32,911,760	29,504,509
Radiation Therapy	1,979,656	2,117,841	4,097,497	4,267,098
Nuclear Medicine	323,347	1,065,267	1,388,614	1,755,110
Pharmacy	5,654,917	23,023,244	28,678,161	26,552,847
Anesthesiology	671,437	1,748,106	2,419,543	2,152,160
Physical Therapy	3,810,694	1,556,063	5,366,757	5,507,765
Home Health Care	1,709,475	782,186	2,491,661	2,398,803
Family Care/Newborn Nursery	818,264	846,779	1,665,043	3,320,896
Neonatal ICU	2,303,815	963,109	3,266,924	2,954,307
Intensive Care	3,280,320	1,096,457	4,376,777	4,385,685
Cardiovascular/EKG	2,230,624	2,440,737	4,671,361	4,105,496
Extended Care Facility	4,857,724	2,561,994	7,419,718	7,248,991
Behavioral Health Center/Routine	9,171,898	3,027,732	12,199,630	10,864,882
Behavioral Health Center/Other	402,810	183,676	586,486	1,431,410
Family Practice Program	8,598,352	3,748,573	12,346,925	10,474,732
Sleep Center	623,505	456,244	1,079,749	1,028,465
Rural Family Practice Clinics	23,123,411	28,519,793	51,643,204	45,307,239
Palliative Care	282,811	46,457	329,268	292,112
Absorbed employee health claims	-	(2,199,587)	(2,199,587)	(1,384,275)
	<u>\$ 155,006,901</u>	<u>\$ 183,998,001</u>	<u>\$ 339,004,902</u>	<u>\$ 320,174,360</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**General Operating Expenses**  
**Year Ended September 30, 2013**  
**(With Comparative Totals for the Year Ended September 30, 2012)**

---

	Salaries	Other	Total 2013	Total 2012
Dietary	\$ 1,871,580	\$ 2,858,425	\$ 4,730,005	\$ 4,749,641
Plant Engineering	3,367,139	9,355,157	12,722,296	14,351,732
Housekeeping	2,810,217	2,818,117	5,628,334	5,593,065
Laundry	888,422	961,447	1,849,869	1,901,750
Nursing-administration	6,257,243	3,297,867	9,555,110	10,568,910
Medical Records	1,967,809	2,160,006	4,127,815	3,535,673
Data Processing	8,108,218	8,948,491	17,056,709	14,907,443
Purchasing	965,575	(55,224)	910,351	1,389,753
Admitting	2,483,500	1,433,121	3,916,621	3,845,873
Patient Accounts	3,034,707	4,161,256	7,195,963	6,602,546
Social Services	1,884,469	961,497	2,845,966	2,937,037
Finance/Administrative Office	8,152,081	9,425,800	17,577,881	17,103,387
Fund Development	644,682	144,963	789,645	832,415
Neuro Science Center	303,180	312,408	615,588	613,887
Adult Day Care	127,185	133,579	260,764	309,595
Indigent care assessment	-	5,041,875	5,041,875	5,318,832
Insurance	-	4,381,900	4,381,900	155,450
Employee health and welfare	3,026,361	5,514,355	8,540,716	8,646,906
Absorbed employee health claims	-	(942,680)	(942,680)	(593,261)
	<u>\$ 45,892,368</u>	<u>\$ 60,912,360</u>	<u>\$ 106,804,728</u>	<u>\$ 102,770,634</u>

**Tallahassee Memorial Hospital**  
(A division of Tallahassee Memorial HealthCare, Inc.)  
**Other Revenues and Expenses, Net**  
**Years Ended September 30, 2013 and 2012**

---

	<b>2013</b>	<b>2012</b>
Investment income	\$ 446,681	\$ 730,910
Loss on disposal of assets	108,862	54,559
Change in fair value of derivatives	(26,157)	2,093,485
Loss on office space rentals	(2,089,606)	(1,732,406)
Other rental income	1,277,467	1,231,180
Miscellaneous	(56,134)	(11,808)
	<u>                    </u>	<u>                    </u>
Other revenues and expenses, net	<u>\$ (338,887)</u>	<u>\$ 2,365,920</u>