

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 private foundations) ▶ Do not enter social security numbers on this form as it may be made public ▶ Information about Form 990 and its instructions is at www.irs.gov/form990	OMB No 1545-0047 2015 Open to Public Inspection
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A For the 2015 calendar year, or tax year beginning 01-01-2015 , and ending 12-31-2015			
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization Memorial Hospital of South Bend Inc		D Employer identification number 35-0868132
	% JEFFREY COSTELLO		E Telephone number (574) 647-3549
	Doing business as		
	Number and street (or P.O. box if mail is not delivered to street address) 615 N MICHIGAN STREET		Room/suite
	City or town, state or province, country, and ZIP or foreign postal code SOUTH BEND, IN 46601		G Gross receipts \$ 529,485,707
	F Name and address of principal officer Kreg Gruber 615 N MICHIGAN STREET SOUTH BEND, IN 46601		H(a) Is this a group return for subordinates? ☐ Yes ☒ No H(b) Are all subordinates 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		H(c) Group exemption number ▶	
J Website: ▶ www.qualityoflife.org		L Year of formation 1923	M State of legal domicile IF
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶			

Part I Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities MEMORIAL IS COMMITTED TO IMPROVING THE QUALITY OF LIFE OF THE PEOPLE IN OUR COMMUNITY
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets
	3 Number of voting members of the governing body (Part VI, line 1a) 3 16
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4 12
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a) 5 3,654
	6 Total number of volunteers (estimate if necessary) 6 441
	7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 749,493
	b Net unrelated business taxable income from Form 990-T, line 34 7b 267,32
Revenue	8 Contributions and grants (Part VIII, line 1h) Prior Year Current Year 2,387,487 7,624,701 9 Program service revenue (Part VIII, line 2g) 499,527,555 502,549,673 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 3,383,928 707,304 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 20,196,739 17,853,321 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) 525,495,709 528,735,000
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) 1,086,952 2,609,678 14 Benefits paid to or for members (Part IX, column (A), line 4) 0 0 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) 177,206,268 178,486,751 16a Professional fundraising fees (Part IX, column (A), line 11e) 0 0 b Total fundraising expenses (Part IX, column (D), line 25) ☐ 0 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) 265,035,063 261,667,769 18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) 443,328,283 442,764,204 19 Revenue less expenses Subtract line 18 from line 12 82,167,426 85,970,799
	20 Total assets (Part X, line 16) Beginning of Current Year End of Year 553,998,135 555,878,904 21 Total liabilities (Part X, line 26) 268,255,961 245,545,133 22 Net assets or fund balances Subtract line 21 from line 20 285,742,174 310,333,771

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 2016-11-09 JEFFREY COSTELLO CFO Date Type or print name and title
Paid Preparer Use Only	Print/Type preparer's name Preparer's signature Date Jacob Zehnder Jacob Zehnder Check ☐ if self-employed PTIN P01564049
	Firm's name ▶ ERNST & YOUNG US LLP Firm's EIN ▶
	Firm's address ▶ 155 N WACKER DR CHICAGO, IL 60606 Phone no (312) 879-2702

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission

MEMORIAL IS COMMITTED TO IMPROVING THE QUALITY OF LIFE OF THE PEOPLE IN OUR COMMUNITY

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 \$ 113,820,221 including grants of \$) (Revenue \$ 245,105,066)
 Ancillary Services offers the following services for patients and facilities - Imaging Services - Outpatient Physical, Occupational and Speech Therapy - Infusion Treatments - Radiation Oncology Therapy - Cancer Research - Cardiac Cath Lab - Sleep Lab - Interventional Radiology - Environmental Services - Nutritional Services - Pharmacy Services - Laboratory 2015 Statistics for this service unit include - 513,865 Inpatient procedures - 372,878 Outpatient procedures - 962 Inpatient Caths - 810 Outpatient Caths - 180,689 Outpatient visits - 569,932 Meals

4b (Code) (Expenses \$ 98,898,395 including grants of \$) (Revenue \$ 141,656,761)
 Surgical Services provides the following services - General Surgery - Vascular Surgery - Cardiac Surgery - Orthopedic Surgery - Gynecological Surgery - Trauma Surgery - GI Labs - Pulmonary Services - Pain Center - DaVinci Robotic Surgery 2015 Statistics for this service unit include - 4,207 Inpatient procedures - 201 Open Heart procedures - 8,371 Outpatient procedures

4c (Code) (Expenses \$ 66,446,715 including grants of \$) (Revenue \$ 129,526,551)
 Patient Care Unit Services provides a wide variety of hospital services including - Inpatient rehabilitation CARF accredited - Medical - Post surgical - Orthopedic - Oncology - Intensive and intermediate - Heart and Vascular - Mother and Child - Special Care Obstetrics - Neonatal Intensive Care Level III - Emergency - Trauma Level II - Pediatrics - Pediatric Intensive Care - Pediatric Hematology Oncology - Medical Flight program - Pediatric Intensive Care Transports 2015 Statistics for this service unit include - 112,694 Patient Days - 9,793 Inpatient ER visits - 44,775 Outpatient ER visits - 2,541 Births - 14,096 Observation stays - 310 Medical flights

4d Other program services (Describe in Schedule O)

(Expenses \$ 107,555,600 including grants of \$ 695,980) (Revenue \$)

4e Total program service expenses ► 386,720,931

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 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? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) 	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	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>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	Yes	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	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>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	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>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
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>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 303		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 3,654		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b	Yes	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No
b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter			
a Gross income from members or shareholders	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		

Part VI Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	16	
b	Enter the number of voting members included in line 1a, above, who are independent	12	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed **IN**

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 ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, address, and telephone number of the person who possesses the organization's books and records
JEFFREY COSTELLO 615 N MICHIGAN STREET SOUTH BEND, IN 46601 (574) 647-3549

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

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

Form **990** (2015)

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,399,978	4,751,135	875,269

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 125

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
SOUTH BEND MEDICAL FOUNDATION, 530 N Lafayette Blvd SOUTH BEND, IN 46601	Lab services	7,399,521
SOUTH BEND EMERGENCY PHYSICIANS, 615 N MICHIGAN SOUTH BEND, IN 46601	PHYSICIAN SERVICES	7,163,407
BALFOUR BEATTY CONSTRUCTION LLC, 3100 MCKINNON STREET 6TH FLOOR DALLAS, TX 75201	Construction	4,929,476
CANCER CARE PARTNERS LLC, 211 N EDDY STREET SOUTH BEND, IN 46617	ONCOLOGY	2,713,904
MICHIANA ANESTHESIA CARE PC, 416 E MONROE STREET SUITE 200 SOUTH BEND, IN 46601	ANESTHESIA	2,560,794

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 60

Part VIII **Statement of Revenue**

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514		
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a _____	7,624,707					
	b	Membership dues	1b _____						
	c	Fundraising events	1c _____						
	d	Related organizations	1d 5,742,757						
	e	Government grants (contributions)	1e 1,881,950						
	f	All other contributions, gifts, grants, and similar amounts not included above	1f _____						
	g	Noncash contributions included in lines 1a-1f \$	_____						
	h	Total. Add lines 1a-1f ▶							
Program Service Revenue	2a	NET PATIENT REVENUE	Business Code 622110	500,889,626	500,889,626				
	b	AFFILIATE RENTAL REVENUE	532000	1,466,785	1,446,337	20,448			
	c	AMBULANCE SUPPLY	621910	118,641	118,641				
	d	CASH DISCOUNTS	561499	32,668	32,668				
	e	MEDICAL EDUCATION	611710	41,951	41,951				
	f	All other program service revenue							
	g	Total. Add lines 2a-2f ▶			502,549,671				
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		792,817			792,817	
4		Income from investment of tax-exempt bond proceeds . . ▶		18,830			18,830		
5		Royalties ▶		56,050			56,050		
6a		Gross rents	(i) Real	(ii) Personal	1,435,057			1,435,057	
			1,760,020						
			b Less rental expenses	324,963					
			c Rental income or (loss)	1,435,057					0
d		Net rental income or (loss) ▶							
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other	-104,343			-104,343	
			3,744	10,919					
			b Less cost or other basis and sales expenses						119,006
			c Gain or (loss)	3,744					-108,087
d		Net gain or (loss) ▶							
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a	260,058	-46,677			-46,677	
			b Less direct expenses	b 306,735					
			c Net income or (loss) from fundraising events . . ▶						
9a		Gross income from gaming activities See Part IV, line 19	a		0				
			b Less direct expenses	b					
			c Net income or (loss) from gaming activities . . . ▶						
10a		Gross sales of inventory, less returns and allowances	a		0				
			b Less cost of goods sold	b					
			c Net income or (loss) from sales of inventory . . ▶						
Miscellaneous Revenue		Business Code							
11a	TEAM PHARMACY	561499	5,846,745	5,846,745					
b	HLC ATHLETIC CLB	713940	1,955,860	1,915,176			40,684		
c	MRI PARTNERSHIP	561499	1,174,958	1,174,958					
d	All other revenue		7,431,328	4,801,828	729,045		1,900,455		
e	Total. Add lines 11a-11d ▶			16,408,891					
12	Total revenue. See Instructions ▶			528,735,003	516,267,930	749,493	4,092,873		

Part IX Statement of Functional Expenses

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

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



Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	2,609,678	2,609,678		
2	Grants and other assistance to domestic individuals. See Part IV, line 22	0			
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,021,240		1,021,240	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	139,875,919	114,698,254	25,177,665	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,184,653	5,071,415	1,113,238	
9	Other employee benefits	21,621,496	17,729,627	3,891,869	
10	Payroll taxes	9,783,449	8,022,428	1,761,021	
11	Fees for services (non-employees)				
a	Management	920,062	754,451	165,611	
b	Legal	94,851		94,851	
c	Accounting	253,704		253,704	
d	Lobbying	32,927	27,000	5,927	
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	320,727		320,727	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	44,595,124	36,568,003	8,027,121	
12	Advertising and promotion	73,866	60,570	13,296	
13	Office expenses	3,779,840	3,099,469	680,371	
14	Information technology	68,700	56,334	12,366	
15	Royalties	0			
16	Occupancy	8,046,396	6,598,045	1,448,351	
17	Travel	828,685	679,522	149,163	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	64,882	53,203	11,679	
20	Interest	4,770,044	3,911,436	858,608	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	28,911,844	23,707,712	5,204,132	
23	Insurance	3,321,730	2,723,819	597,911	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	MEDICAL SUPPLIES	86,382,718	86,382,718	0	0
b	BAD DEBT EXPENSE	36,368,656	36,368,656	0	0
c	CORPORATE FEE	25,686,125	21,062,623	4,623,502	0
d	HOSPITAL ASSESSMENT FEE	13,752,884	13,752,884	0	0
e	All other expenses	3,394,004	2,783,084	610,920	
25	Total functional expenses. Add lines 1 through 24e	442,764,204	386,720,931	56,043,273	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		19,625	1	20,637
	2	Savings and temporary cash investments		28,328,827	2	45,380,509
	3	Pledges and grants receivable, net		428,383	3	623,347
	4	Accounts receivable, net		80,595,970	4	103,575,140
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	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	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		14,162,033	8	15,145,029
	9	Prepaid expenses and deferred charges		1,559,378	9	1,132,560
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 735,782,103	336,700,282	10c	339,010,801
	b	Less: accumulated depreciation	10b 396,771,302			
	11	Investments—publicly traded securities		53,593,180	11	24,400,164
	12	Investments—other securities. See Part IV, line 11		0	12	0
	13	Investments—program-related. See Part IV, line 11		510,558	13	460,516
	14	Intangible assets		1,171,474	14	1,171,474
	15	Other assets. See Part IV, line 11		36,928,425	15	24,958,727
	16	Total assets. Add lines 1 through 15 (must equal line 34)		553,998,135	16	555,878,904
Liabilities	17	Accounts payable and accrued expenses		54,623,766	17	45,864,135
	18	Grants payable		0	18	0
	19	Deferred revenue		23,795	19	26,264
	20	Tax-exempt bond liabilities		171,318,330	20	166,282,700
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	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	22	0
	23	Secured mortgages and notes payable to unrelated third parties		1,014,251	23	858,212
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	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		41,275,819	25	32,513,820
	26	Total liabilities. Add lines 17 through 25		268,255,961	26	245,545,131
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		276,614,507	27	303,445,019
	28	Temporarily restricted net assets		9,127,667	28	6,888,754
	29	Permanently restricted net assets		0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		285,742,174	33	310,333,773
	34	Total liabilities and net assets/fund balances		553,998,135	34	555,878,904

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	528,735,003
2	Total expenses (must equal Part IX, column (A), line 25)	2	442,764,204
3	Revenue less expenses Subtract line 2 from line 1	3	85,970,799
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	285,742,174
5	Net unrealized gains (losses) on investments	5	6,974,063
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-68,353,263
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	310,333,773

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
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 ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	Yes	
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
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	Yes	

Additional Data

Software ID:
Software Version:
EIN: 35-0868132
Name: Memorial Hospital of South Bend 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			
Robert Yount MD Trustee THRU 3/2015	2 0 40 0	X						0	867,826	35,723
Gerard Duprat MD Trustee/Employed Physician	2 0 40 0	X						0	758,853	36,342
Kreg Gruber PRESIDENT	20 0 22 0	X		X				168,656	393,532	172,637
Carlton Lyons MD Trustee	2 0 0 0	X						4,083	0	0
Charles Miller Secretary THRU 3/2015	2 0 0 0	X		X				2,902	0	0
Etta K Nevel MD Trustee THRU 3/2015	2 0 2 0	X						3,851	0	0
Steven Cramer Trustee THRU 3/2015	2 0 0 0	X						500	0	0
Tracy Graham Treasurer	2 0 0 0	X		X				2,110	0	0
John Mathis MD Trustee THRU 3/2015	2 0 0 0	X						245	0	0
Mana Slager Trustee	2 0 0 0	X						426	0	0

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			
Perry Watson III Vice Chair	2 0 0 0	X		X				2,110	0	0
Thomas Bunsh PhD Chair	2 0 0 0	X		X				1,913	0	0
Ray Gans Trustee THRU 3/2015	2 0 2 0	X						500	0	0
Peter Baranay Secretary	2 0 2 0	X		X				0	0	0
STEPHEN M HUFFMAN PRESIDENT THRU 6/2015	40 0 2 0	X		X				332,572	0	22,740
KAREN BARNETT Trustee	2 0 0 0	X						477	0	0
TIM DURHAM Trustee	2 0 0 0	X						0	0	0
HUGH HEDMAN MD TRUSTEE	2 0 0 0	X						0	0	0
BRYAN BOYER Trustee/Employed Physician	2 0 40 0	X						0	876,155	34,380
MARK HARMAN Trustee	2 0 0 0	X						0	0	0

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 compensatio from the organization and related organization
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
THOMAS HAUCH MD Trustee	2 0 0 0	X						0	0	
PHILLIP KAVANAGH DO Trustee	2 0 0 0	X						0	0	
BRAD TOOTHAKER Trustee	2 0 0 0	X						0	0	
Jeffrey P Costello CFO/Asst Treasurer	2 0 46 0			X				0	598,975	180,371
Cheryl Wibbens-Lesh MD Asst. Secr./VP	40 0 2 0			X				377,217	0	39,190
PHILLIP NEWBOLD CEO	2 0 46 0			X				0	1,255,794	186,040
Keith Sherry MD Director	40 0 0 0					X		330,154	0	35,100
Thomas Sutula MD Employed Physician	40 0 0 0					X		279,492	0	35,800
Dale A Patterson Employed Physician	40 0 0 0					X		353,771	0	33,230
LINDA A MANSFIELD EMPLOYED PHYSICIAN	40 0 0 0					X		270,370	0	32,410

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			
ROBERT J RILEY MD Employed Physician	40 0 0 0					X		268,629	0	31,260

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Memorial Hospital of South Bend Inc

Employer identification number
35-0868132

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 (Form 990 or 990-EZ))

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b

☐

Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c

☐

Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d

☐

Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f

Enter the number of supported organizations

g

Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii)EIN	(iii) Type of organization (described on lines 1- 9 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any unusual grants.)						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years.If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						► ☐

Section C. Computation of Public Support Percentage		
14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	
15 Public support percentage for 2014 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2015.If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization		► ☐
b 33 1/3% support test—2014.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 stop here . The organization qualifies as a publicly supported organization		► ☐
17a 10%-facts-and-circumstances test—2015.If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here . Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		► ☐
b 10%-facts-and-circumstances test—2014.If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		► ☐
18 Private foundation.If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		► ☐

Part III

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► ☐						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2015. 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—2014. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► ☐		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐		

Part IV Supporting Organizations

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.	1	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.	3a	
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.	4b	
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).	5a	
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part II of Schedule L (Form 990).	8	
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .	9a	
b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .	9b	
c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .	9c	
10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer b below.	10a	
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)	10b	
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.	11c	

Part IV

Supporting Organizations (continued)

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally-Integrated Supporting Organizations

	Yes	No
1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions) a ☐ The organization satisfied the Activities Test. Complete line 2 below. b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below. c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E ☐

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1	
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI) _____		
2	Acquisition indebtedness applicable to non-exempt use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		Current Year	
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions) ☐		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2015			
a			
b			
c			
d From 2013.			
e From 2014.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2015 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2015, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2015 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2016. Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b			
c Excess from 2013.			
d From 2014.			
e From 2015.			

Part VI **Supplemental Information.**

Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Return Reference

Explanation

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Memorial Hospital of South Bend Inc	Employer identification number 35-0868132
---	--

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 For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
2				
3				
4				
5				
6				

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

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

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a)2012	(b)2013	(c)2014	(d)2015	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

1

During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

a

Volunteers?

b

Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?

c

Media advertisements?

d

Mailings to members, legislators, or the public?

e

Publications, or published or broadcast statements?

f

Grants to other organizations for lobbying purposes?

g

Direct contact with legislators, their staffs, government officials, or a legislative body?

h

Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?

i

Other activities?

j

Total. Add lines 1c through 1i.

2a

Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?

b

If "Yes," enter the amount of any tax incurred under section 4912.

c

If "Yes," enter the amount of any tax incurred by organization managers under section 4912.

d

If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?

(a)

Yes

No

(b)

Amount

No

No

No

No

No

No

No

No

Yes

32,927

No

32,927

No

No

Part III-A

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

1

Were substantially all (90% or more) dues received nondeductible by members?

2

Did the organization make only in-house lobbying expenditures of \$2,000 or less?

3

Did the organization agree to carry over lobbying and political expenditures from the prior year?

Yes

No

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."

1

Dues, assessments and similar amounts from members.

2

Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).

a

Current year

b

Carryover from last year

c

Total

3

Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues.

4

If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?

5

Taxable amount of lobbying and political expenditures (see instructions).

1

2a

2b

2c

3

4

5

Part IV

Supplemental Information

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

Return Reference	Explanation
Lobbying Detail	SCHEDULE C, PART IV MEMORIAL HOSPITAL PAID DUES TO THE FOLLOWING ORGANIZATIONS FOR WHICH THE AMOUNT OR PERCENTAGE LISTED WAS ATTRIBUTED TO LOBBYING: AAFP (AMERICAN ACADEMY OF FAMILY PHYSICIANS) 9.5%, ASA (AMERICAN SOCIETY OF ANESTHESIOLOGISTS) 20%, INDIANA HOSPITAL ASSOCIATION 22.12%, ISMA (INDIANA STATE MEDICAL ASSOCIATION) 24%, SOCIETY OF TEACHERS OF FAMILY MEDICINE 10%, TRAUMA CENTER ASSOCIATION OF AMERICA 30%. When unable to ascertain allocation of dues attributed to Lobbying, a conservative estimate of 25% is applied.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization
Memorial Hospital of South Bend Inc

Employer identification number
35-0868132

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate value of contributions to (during year)	
3	Aggregate value of grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No	

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

1

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

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

☐ Protection of natural habitat

☐ Preservation of open space

☐ Preservation of an historically important land area

☐ Preservation of a certified historic structure

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

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

1a

If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenue included on Form 990, Part VIII, line 1

► \$

(ii)

Assets included in Form 990, Part X

► \$

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenue included on Form 990, Part VIII, line 1

► \$

b

Assets included in Form 990, Part X

► \$

Part III

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

(continued)

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements.

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided 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	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	29,619,029	27,642,755	24,661,171	22,198,822	21,769,701
b Contributions	4,093,832	2,833,644	2,180,336	1,501,904	2,155,236
c Net investment earnings, gains, and losses	-1,367,472	-142,883	1,785,965	1,884,305	-543,657
d Grants or scholarships	5,789,367	714,487	984,717	923,860	1,182,458
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	26,556,022	29,619,029	27,642,755	24,661,171	22,198,822

2

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

a

Board designated or quasi-endowment ▶ 73 340 %

b

Permanent endowment ▶ 0 720 %

c

Temporarily restricted endowment ▶ 25 940 %

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

3a

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

(i) unrelated organizations

(ii) related organizations

3a(i)

☐ Yes

☐ No

3a(ii)

☐ Yes

☐ No

b

If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?

3b

☐ Yes

☐ No

4

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

Part VI

Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a)Cost or other basis (investment)	(b)Cost or other basis (other)	Accumulated (c)depreciation	(d)Book value
1a Land		22,038,068		22,038,068
b Buildings		403,923,357	163,623,130	240,300,227
c Leasehold improvements		851,999	850,545	1,454
d Equipment		285,458,465	228,637,412	56,821,053
e Other		23,510,214	3,660,215	19,849,999
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶				339,010,801

Schedule D (Form 990) 2015

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return
Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.
Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 1	MHF BOOKED A PLEDGE OF \$500,000 IN 2014 THAT WAS INCLUDED ON ITS AUDITED FINANCIAL STATEMENTS, AND WHICH MHF UNBOOKED IN 2015 BASED ON INFORMATION RECEIVED FROM MHF IN 2015. FOR MORE ACCURATE REPORTING, MHF DID NOT INCLUDE THE PLEDGE ON ITS 2014 FORM 990, WHICH RESULTED IN A DIFFERENCE FROM ITS AUDITED FINANCIAL STATEMENTS IN 2014 AND 2015 OF \$500,000. PART V, LINE 4 The Board has discretion to utilize each year the incomes, revenues, and profits arising and accruing from the endowments in defraying costs associated with the trust and the remainder for support, betterment, improvement, upkeep, expansion, and replacement of Beacon Health System, Inc. and its corporate affiliates. Term endowments, which are the Temporarily restricted net assets, are used as designated by the donor. The permanent endowment provides income to be used for health care educational purposes and patient care.

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

Return Reference	Explanation

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" on Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a

Attach to Form 990 or Form 990-EZ

Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Memorial Hospital of South Bend Inc

Employer identification number
35-0868132

Part I Fundraising Activities

Complete if the organization answered "Yes" on Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☐ Mail solicitations

e ☐ Solicitation of non-government grants

b ☐ Internet and email solicitations

f ☐ Solicitation of government grants

c ☐ Phone solicitations

g ☐ Special fundraising events

d ☐ In-person solicitations
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events.

Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a)Event #1	(b)Event #2	(c)Other events	(d)
		MARATHON (event type)	 (event type)	0 (total number)	Total events (add col (a) through col (c))
Revenue	1 Gross receipts	260,058			260,058
	2 Less Contributions				
	3 Gross income (line 1 minus line 2)	260,058			260,058
Direct Expenses	4 Cash prizes	8,849			8,849
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	288			288
	8 Entertainment				
	9 Other direct expenses	297,598			297,598
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				306,735
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				-46,677

Part III Gaming.

Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a)Bingo	(b)Pull tabs/Instant bingo/progressive bingo	(c)Other gaming	(d)
					Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes _____ % ☐ No	☐ Yes _____ % ☐ No	☐ Yes _____ % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Subtract line 7 from line 1, column (d) ▶				

9 Enter the state(s) in which the organization conducts gaming activities _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

11

Does the organization conduct gaming activities with nonmembers?

☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity conducted in

a	The organization's facility	13a	%
b	An outside facility	13b	%

14

Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$

c

If "Yes," enter name and address of the third party

Name ▶

Address ▶

16

Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$

Part IV

Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation
Part II Event #1	Memorial Hospital of South Bend conducts an annual Sunburst Marathon that recognizes no contributions All contributions are directed to and recorded by the Memorial Health Foundation Memorial Hospital facilitates the Marathon by collecting registration payments and organizing the event It is common for the event to be run at a net loss as all net income is sent to the Memorial Health Foundation

SCHEDULE H
(Form 990)

Department of the
Treasury
Internal Revenue
Service

Hospitals

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

▶ Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization Memorial Hospital of South Bend Inc	Employer identification number 35-0868132
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Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			3,062,921		3,062,921	0.750 %
b Medicaid (from Worksheet 3, column a)			85,278,933	83,256,948	2,021,985	0.500 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			88,341,854	83,256,948	5,084,906	1.250 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			11,722,782	1,931,138	9,791,644	2.410 %
f Health professions education (from Worksheet 5)			8,039,898	1,550,503	6,489,395	1.590 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			71,626	63,568	8,058	0.0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			19,834,306	3,545,209	16,289,097	4.000 %
k Total. Add lines 7d and 7j			108,176,160	86,802,157	21,374,003	5.250 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		2,493		2,493	
7	Community health improvement advocacy		38,234	14,007	24,227	
8	Workforce development					
9	Other		1,595		1,595	
10	Total		42,322	14,007	28,315	

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

Yes

No

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

9,888,638

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4,944,319

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

Enter total revenue received from Medicare (including DSH and IME).

5

83,195,631

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

105,912,563

7

Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-22,716,932

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.
☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

No

b

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

9b

No

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

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

	Other (Describe)	ER-other	ER-24 hours	Research facility	Critical access hospital	Teaching hospital	Children's hospital	General medical & surgical	Licensed hospital	Facility reporting group
See Additional Data Table										

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)
MEMORIAL HOSPITAL OF SOUTH BEND INC

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	No
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 If "Yes," indicate what the CHNA report describes (check all that apply) a ☐ A definition of the community served by the hospital facility b ☐ Demographics of the community c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community d ☐ How data was obtained e ☐ The significant health needs of the community f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs h ☐ The process for consulting with persons representing the community's interests i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs j ☐ Other (describe in Section C)	3	Yes
4 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	Yes
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	Yes
7 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) a ☐ Hospital facility's website (list url) <u>www.qualityoflife.org</u> b ☐ Other website (list url) _____ c ☐ Made a paper copy available for public inspection without charge at the hospital facility d ☐ Other (describe in Section C)	7	Yes
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	Yes
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? a If "Yes" (list url) <u>www.BeaconHealthSystem.org/community-wellness</u> b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10	Yes
10b		No
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	No
b If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" on line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy (FAP)

MEMORIAL HOSPITAL OF SOUTH BEND INC	
Name of hospital facility or letter of facility reporting group	
Did the hospital facility have in place during the tax year a written financial assistance policy that	
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP
a	☐ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 % and FPG family income limit for eligibility for discounted care of 350 %
b	☐ Income level other than FPG (describe in Section C)
c	☐ Asset level
d	☐ Medical indigency
e	☐ Insurance status
f	☐ Underinsurance discount
g	☐ Residency
h	☐ Other (describe in Section C)
14	Explained the basis for calculating amounts charged to patients?
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)
a	☐ Described the information the hospital facility may require an individual to provide as part of his or her application
b	☐ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application
c	☐ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications
e	☐ Other (describe in Section C)
16	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)
a	☐ The FAP was widely available on a website (list url) qualityoflife org/assist/
b	☐ The FAP application form was widely available on a website (list url) qualityoflife org/assist/
c	☐ A plain language summary of the FAP was widely available on a website (list url) qualityoflife org/assist/
d	☐ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)
e	☐ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)
f	☐ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)
g	☐ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility
h	☐ Notified members of the community who are most likely to require financial assistance about availability of the FAP
i	☐ Other (describe in Section C)
Billing and Collections	
17	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment?
18	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP
a	☐ Reporting to credit agency(ies)
b	☐ Selling an individual's debt to another party
c	☐ Actions that require a legal or judicial process
d	☐ Other similar actions (describe in Section C)
e	☐ None of these actions or other similar actions were permitted

Part V

Facility Information (continued)

MEMORIAL HOSPITAL OF SOUTH BEND INC

Name of hospital facility or letter of facility reporting group			Yes	No
19	Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a ☐ Reporting to credit agency(ies) b ☐ Selling an individual's debt to another party c ☐ Actions that require a legal or judicial process d ☐ Other similar actions (describe in Section C) 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply) 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 individuals regarding the individuals' bills d ☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy e ☐ Other (describe in Section C) f ☐ None of these efforts were made	19		No
Policy Relating to Emergency Medical Care				
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? 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 Section C) d ☐ Other (describe in Section C)	21	Yes	
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	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 Section C) 23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C	23		No
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C	24		No

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

Section C. Supplemental Information for Part V, Section B.

Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation

Part V Facility Information (continued)**Section D. 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? **6**

Name and address	Type of Facility (describe)
1 MEMORIAL SLEEP DISORDER CENTER 53990 CARMICHAEL DRIVE SOUTH BEND, IN 46601	OUTPATIENT CLINIC PROVIDING SLEEP RELATED DIAGNOSIS AND TREATMENT
2 MEMORIAL HEALTH PLEX 111 W JEFFERSON ST SOUTH BEND, IN 46601	OUTPATIENT REHABILITATION FACILITY AND FITNESS FACILITY
3 MEMORIAL BREAST CARE CENTER 100 NAVARRE PLACE SOUTH BEND, IN 46601	OUTPATIENT DIAGNOSIS AND TREATMENT
4 MEMORIAL CHILDREN'S THERAPY CENTER 100 NAVARRE PLACE SOUTH BEND, IN 46601	OUTPATIENT DIAGNOSIS AND TREATMENT
5 MEMORIAL RADIOLOGY 100 NAVARRE PLACE SOUTH BEND, IN 46601	OUTPATIENT DIAGNOSIS AND TREATMENT
6 MEMORIAL LIGHTHOUSE PHYSICAL THERAPY 6913 N MAIN STREET GRANGER, IN 46530	OUTPATIENT DIAGNOSIS AND TREATMENT
7	
8	
9	
10	

Part VI **Supplemental Information**

Provide the following information

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Supplemental Information	

Schedule H (Form 990) 2015

Additional Data

Software ID:
Software Version:
EIN: 35-0868132
Name: Memorial Hospital of South Bend Inc

Form 990 Schedule H, Part V Section A. Hospital Facilities

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, primary website address, and state license number

	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	MEMORIAL HOSPITAL OF SOUTH BEND INC 615 N MICHIGAN STREET SOUTH BEND, IN 46545 WWW.QUALITYOFLIFE.ORG 15-005053-1	X	X	X		X	X			

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Memorial Hospital of South Bend Inc

35-0868132

☒ Yes ☐ No[illegible]

3 Enter total number of other organizations listed in the line 1 table **2**

Part III

Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22
Part III can be duplicated if additional space is needed

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
GRANT MONITORING PROCEDURES	Sch I, PART I, QUESTION 2 Donations and grants given to organizations that improve the health and well-being of our community are monitored through Outcome Measurement Reports that are provided to Memorial by the various organizations. These reports inform us of how the donations and grants were used.

Additional Data

Software ID:
Software Version:
EIN: 35-0868132
Name: Memorial Hospital of South Bend Inc

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTHEAST NEIGHBORHOOD REVITALIZATION ORGANIZATION 803 LINCOLNWAY WEST SOUTH BEND, IN 46616	35-2118149	501(C)(3)	50,000				CONTRIBUTION
COMMUNITY HEALTH PARTNERS OF SOUTH BEND 1010 N Bendix Drive SOUTH BEND, IN 46628	26-3051440	501(C)(3)	131,212				Contribution
THE CENTER FOR THE HOMELESS 813 South Michigan SOUTH BEND, IN 46601	35-1768544	501(C)(3)	69,100				PEDS PROGRAM

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
RONALD MCDONAL HOUSE CHARITIES PO Box 1274 South Bend, IN 46628	35-1831691	501(c)(3)	5,100				Sponsorship
ENFOCUS INC 506 W South St South Bend, IN 46601	45-5638209	501(C)(3)	100,500				Contribution
RIVERBEND CANCER SERVICES 919 E JEFFERSON BLVD SOUTH BEND, IN 46617	35-0872359	501(C)(3)	20,500				Contribution

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
YMCA OF MICHIANA INC 1201 Northside Blvd South Bend, IN 46615	35-0868216	501(C)(3)	10,000				Contribution
FRIENDS OF THE ST JOSEPH CNTY JUVENILE JUSTICE CEN 1000 S Michigan St South Bend, IN 46601	35-2097175	501(C)(3)	50,000				Contribution
SAINT ADALBERTS PARISH 2505 Grace St South Bend, IN 46619	35-1095958	501(C)(3)	31,945				Contribution

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SOUTH BEND ALUMNI ASSOCIATION 215 S ST Joseph St South Bend, IN 46601	35-1674506	501(C)(3)	15,000				Contribution
CHAMBER OF COMMERCE OF ST JOE COUNTY 401 East Colfax South Bend, IN 46634	35-0153330	501(C)(6)	30,000				Contribution
COUNCIL ON AGING OF ELKHART COUNTY 230 East Jackson Elkhart, IN 46516	51-0178910	501(C)(3)	10,000				Contribution

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Dr Weldy's Associates Inc 114 N Elkhart St Wakarusa, IN 46573	99-9999999			8,861	Book Value	Medical Supplies	Medical Supply Donation
St Luke Foundation for Haiti 3999 Great Harvest Ct Dumfries, VA 22025	27-4377746	501(C)(3)		33,429	Book Value	Medical Supplies	Medical Supplies Donation
UNITED WAY OF ELKHART COUNTY INC PO Box 3048 Elkhart, IN 46515	35-0953433	501(C)(3)	50,250				Sponsorship

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
INDIANA HEALTH CENTERS INC 8003 CASTLEWAY DR INDIANAPOLIS, IN 46250	31-1003977	501(C)(3)	25,000				Sponsorship
Beacon Medical Group INC 615 N MICHIGAN STREET SOUTH BEND, IN 46601	35-1536132	501(C)(3)	1,913,698				CONTRIBUTION

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Memorial Hospital of South Bend Inc

Employer identification number
35-0868132

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☒ Travel for companions ☐ Payments for business use of personal residence ☒ Tax indemnification and gross-up payments ☒ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ 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.	1b Yes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2 Yes	
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. ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b Yes	
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
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), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	No
b Any related organization?	5b	No
If "Yes," on line 5a or 5b, describe in Part III.		
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	No
b Any related organization?	6b	No
If "Yes," on line 6a or 6b, describe in Part III.		
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7 Yes	
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8	No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that 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 in column(B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	MEMORIAL HOSPITAL OF SOUTH BEND, INC. REIMBURSES DIRECTORS FOR THE TAX EFFECT OF THE 1099 REPORTABLE BENEFITS OF COMPLIMENTARY USE OF MEMORIALS HEALTH AND LIFESTYLE CENTER AND SPOUSAL TRAVEL. BEACON HEALTH SYSTEM ALSO REIMBURSES FOR DIRECT EXPENSES RELATED TO ANY TRAVEL ON THE ORGANIZATIONS BEHALF 1 EMPLOYEE (KREG GRUBER). PART I, LINE 3 MEMORIAL HOSPITAL OF SOUTH BEND, INC. USES A RELATED ORGANIZATION'S (BEACON HEALTH SYSTEM, INC.) COMPENSATION REVIEW PROCESS. THIS REVIEW PROCESS INCLUDES AN EXTENSIVE EXAMINATION USING COMPARABLE MARKET DATA THAT IS THEN REVIEWED BY AN INDEPENDENT CONSULTANT HIRED BY, AND REPORTING TO, THE BOARD OF DIRECTORS. RECOMMENDATIONS ARE PRESENTED TO THE BOARD FOR DELIBERATION AND FINAL DECISION. PART I, LINE 4B - EXECUTIVE RETENTION PLAN. BEACON HEALTH SYSTEM IMPLEMENTED AN EXECUTIVE RETENTION PLAN TO ATTRACT AND RETAIN KEY EMPLOYEES BY PROVIDING ADDITIONAL DEFERRED COMPENSATION. THE CHIEF EXECUTIVE OFFICER WILL PARTICIPATE IN THE PLAN AND WILL SELECT OTHER PARTICIPANTS PURSUANT TO THE GUIDELINES SET BY THE EMPLOYER'S BOARD OF DIRECTORS. THE EMPLOYER MAY MAKE CONTRIBUTIONS UNDER THE PLAN AND HAS SOLE DISCRETION OVER WHETHER TO MAKE A CONTRIBUTION. VESTING OCCURS ON JANUARY 1 OF THE FIFTH YEAR FOR WHICH SUCH CONTRIBUTIONS ARE MADE FOR PARTICIPANTS WHO HAVE BEEN CONTINUOUSLY EMPLOYED. THE PLAN ALSO ALLOWS VESTING TO OCCUR IF THE PARTICIPANT ATTAINS THE AGE OF 62. THE FOLLOWING INDIVIDUALS RECEIVED VESTED PAYMENTS IN 2015, REFLECTED IN COLUMN (B)(III): PHIL NEWBOLD, \$140,103; IN MARCH 2015, THE FOLLOWING INDIVIDUALS RECEIVED DEFERRED PAYMENTS IN 2015 THAT WILL VEST IN FUTURE YEARS, WHICH ARE REFLECTED IN COLUMN C: PHIL NEWBOLD, \$142,540; JEFFREY COSTELLO, \$77,377; KREG GRUBER, \$72,770. BEACON HEALTH SYSTEM IMPLEMENTED AN EXECUTIVE LONGEVITY BONUS PLAN FOR THE PURPOSE OF PROVIDING A LONGEVITY BONUS FOR ITS DESIGNATED EXECUTIVES. THIS UNFUNDED PLAN WAS EFFECTIVE APRIL 1, 2014. THE PARTICIPANTS MUST REMAIN IN AN ACTIVE EMPLOYMENT STATUS WITH BEACON FOR A PERIOD OF 5 CONSECUTIVE YEARS FROM THE EFFECTIVE DATE TO BE ELIGIBLE TO RECEIVE THE FULL LONGEVITY BONUS AMOUNT AT WHICH TIME VESTING IS 100%. VESTING PRIOR TO THE 5 YEARS IS AT 0%. THE MAXIMUM BONUS AWARD AT 100% VESTING IS \$325,000. THE FOLLOWING INDIVIDUALS RECEIVED DEFERRED PAYMENTS IN 2015 THAT WILL VEST IN FUTURE YEARS, WHICH ARE REFLECTED IN COLUMN C: JEFFREY COSTELLO, \$65,000; KREG GRUBER, \$65,000. PART I, LINE 7 - COMPENSATION CONTINGENT ON NET EARNINGS. THE RELATED ORGANIZATION, BEACON HEALTH SYSTEM, HAS THREE INCENTIVE PLANS (EMPLOYEE, MANAGEMENT AND EXECUTIVE) WHICH HAVE A NET OPERATING INCOME TO BUDGET MEASUREMENT FOR THE PAYOUT THRESHOLD. THE EMPLOYEE PLAN SHARES THE EXCESS OVER BUDGET NET OPERATING INCOME WITH THE NON-MANAGEMENT EMPLOYEES FOR BEACON HEALTH SYSTEM, INC. AND THE AFFILIATED ENTITIES. THE EMPLOYEE INCENTIVE HAS A MAXIMUM CAP OF \$4,500,000. THE PAYOUT AND AMOUNT OF THE PAYOUT FOR THE EMPLOYEE INCENTIVE PLAN IS MADE AT THE DISCRETION OF THE BOARD. THE MANAGEMENT INCENTIVE PLAN PAYS A SLIDING PERCENTAGE OF BASE COMPENSATION IF THE NET OPERATING INCOME IS EQUAL TO OR GREATER THAN 80% OF THE BUDGETED NET OPERATING INCOME. THE SLIDING SCALE CAPS WHEN OPERATING INCOME REACHES 120% OF THE BUDGETED OPERATING INCOME. THE PAYOUT OF THE MANAGEMENT INCENTIVE PLAN IS MADE AT THE DISCRETION OF THE BOARD. EXECUTIVES ARE COVERED UNDER THE BEACON HEALTH SYSTEM EXECUTIVE SHORT-TERM INCENTIVE PLAN (ESTIP). THE ESTIP PLAN PAYS A SLIDING PERCENTAGE OF BASE COMPENSATION IF THE NET OPERATING INCOME IS EQUAL TO OR GREATER THAN 80% OF THE BUDGETED NET INCOME. THE SLIDING SCALE CAPS WHEN OPERATING INCOME REACHES 120% OF THE BUDGETED OPERATING INCOME. THE PAYOUT OF THE ESTIP IS MADE AT THE DISCRETION OF THE BOARD.

Additional Data

Software ID:
Software Version:
EIN: 35-0868132
Name: Memorial Hospital of South Bend Inc

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1Jeffrey P Costello CFO/Asst Treasurer	(i)	0	0	0	0	0	0	0
	(ii)	432,410	137,200	29,365	160,505	-	-	0
						19,868	779,348	
1Robert Yount MD Trustee THRU 3/2015	(i)	0	0	0	0	0	0	0
	(ii)	832,248	26,988	8,590	10,600	-	-	0
						25,123	903,549	
2Keith Sherry MDDirector	(i)	329,055	0	1,099	10,893	24,214	365,261	0
	(ii)	0	0	0	0	-	-	0
						0	0	
3Gerard Duprat MD Trustee/Employed Physician	(i)	0	0	0	0	0	0	0
	(ii)	620,831	126,988	11,034	10,600	-	-	0
						25,742	795,195	
4Kreg GruberPRESIDENT	(i)	125,095	38,775	4,786	44,511	7,280	220,447	0
	(ii)	291,889	90,475	11,168	103,859	-	-	0
						16,987	514,378	
5Cheryl Wibbens-Lesh MD Asst Secr /VP	(i)	332,985	41,642	2,590	12,503	26,695	416,415	0
	(ii)	0	0	0	0	-	-	0
						0	0	
6Thomas Sutula MD Employed Physician	(i)	252,968	24,544	1,980	15,056	20,750	315,298	0
	(ii)	0	0	0	0	-	-	0
						0	0	
7Dale A Patterson Employed Physician	(i)	326,130	26,988	653	10,600	22,638	387,009	0
	(ii)	0	0	0	0	-	-	0
						0	0	
8LINDA A MANSFIELD EMPLOYED PHYSICIAN	(i)	245,730	23,933	707	10,600	21,815	302,785	0
	(ii)	0	0	0	0	-	-	0
						0	0	
9STEPHEN M HUFFMAN PRESIDENT THRU 6/2015	(i)	134,376	117,240	80,956	11,237	11,508	355,317	0
	(ii)	0	0	0	0	-	-	0
						0	0	
10PHILLIP NEWBOLDCEO	(i)	0	0	0	0	0	0	0
	(ii)	767,590	295,000	193,204	165,268	-	-	140,103
						20,773	1,441,835	
11ROBERT J RILEY MD Employed Physician	(i)	243,731	23,608	1,290	15,537	15,726	299,892	0
	(ii)	0	0	0	0	-	-	0
						0	0	
12BRYAN BOYER Trustee/Employed Physician	(i)	0	0	0	0	0	0	0
	(ii)	853,417	21,788	950	11,041	-	-	0
						23,340	910,536	

Schedule K
(Form 990)

Department of the Treasury

Internal Revenue Service

Name of the organization

Memorial Hospital of South Bend Inc

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.

▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Employer identification number

35-0868132

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 HOSPITAL AUTHORITY OF SAINT JOSEPH COUNTY	35-6311914	79061BCP8	03-16-2006	38,580,000	REFUND BONDS ISSUED 12/12/2000		X		X		X
B HOSPITAL AUTHORITY OF SAINT JOSEPH COUNTY	35-6311914	79062WAA6	05-21-2013	45,523,353	REFUND BONDS ISSUED 05/10/2007		X		X		X
C INDIANA FINANCE AUTHORITY	35-1602316	45471ALS9	05-21-2013	96,069,836	REFUND BOND ISSD 2/3/98 & 10/22/08		X		X		X
D INDIANA FINANCE AUTHORITY	35-1602316	999999999	04-29-2013	7,492,187	URGENT CARE HELICOPTER		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	920,000		0		10,935,387		1,092,394	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	45,510,172		45,523,353		96,069,836		7,492,187	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	467,934		511,271		764,791		66,925	
8	Credit enhancement from proceeds	775,830		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	0		0		0		7,425,262	
11	Other spent proceeds	44,266,408		45,012,081		95,305,045		0	
12	Other unspent proceeds	0		0		0		0	
13	Year of substantial completion	2000		2009		2003		2013	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X		X			X
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		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		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?						X		X		X

Part III Private Business Use (Continued)

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

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		X
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X		X		X		X
b Exception to rebate?		X		X		X		X
c No rebate due?	X		X		X		X	
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X			X		X		X
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b Name of provider	WELLS FARGO BANK NA		0		0		0	
c Term of hedge	2170 %							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
PART II, LINE 3, COLUMN A	THE DIFFERENCE BETWEEN THE TOTAL PROCEEDS OF THE ISSUE AND THE ISSUE PRICE IS INVESTMENT EARNINGS

Return Reference	Explanation
PART III, COLUMN A	COLUMN A IS NOT COMPLETED BECAUSE SUCH BONDS WERE ISSUED AFTER 12/31/2002 TO REFUND BONDS ISSUED BEFORE 01/01/2003

Return Reference	Explanation
PART III, LINE 4-6, COLUMN B - D	0% of bonds were for private business use

Return Reference	Explanation
PART IV, LINE 2C, COLUMN A - D	A COMPLIANCE REPORT DATED March 7, 2016, SHOWED THAT NO REBATE WOULD BE DUE B - D REBATE REPORT DATED April 21, 2016, SHOWED THAT NO REBATE WOULD BE DUE

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As Filed Data -

DLN: 93493315032116

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Memorial Hospital of South Bend Inc

Employer identification number
35-0868132

990 Schedule O, Supplemental Information

Return Reference	Explanation
CORE FORM, PART I, LINE 6	VOLUNTEERS MEMORIAL HOSPITAL OF SOUTH BEND HAS A DEPARTMENT CALLED AMBASSADOR AND CUSTOMER SERVICES IT IS THE RESPONSIBILITY OF THIS DEPARTMENT TO RECRUIT, ORIENT, PROCESS AND PLACE NEW AMBASSADORS IN APPROXIMATELY 30 SERVICE AREAS OF THE HOSPITAL IT IS ALSO THE RESPONSIBILITY OF THE DEPARTMENT TO FOLLOW UP, SCHEDULE AND RECOGNIZE AMBASSADORS SOME OF THE AREAS OF SERVICE INCLUDE A MAJOR SURGERY WAITING ROOM, PATIENT ESCORTS, FLOWER DELIVERY, MAIL DELIVERY, LIVING HISTORY PROGRAM, EMERGENCY DEPARTMENT VOLUNTEERS AND COOKIE BAKERS IN 2015, MEMORIAL HAD 441 VOLUNTEERS IN THIS PROGRAM WHO SERVED 38,567 HOURS CORE FORM, PART III, LINE 4D OTHER PROGRAM SERVICES OTHER PROGRAM SERVICES INCLUDE PSYCHIATRIC DEPARTMENTS, SOCIAL SERVICES, COMMUNITY OUTREACH PROGRAMS, TITHING, GRANTS, AND SUPPORTING SERVICES SUCH AS ADMINISTRATION, FINANCE, PAYROLL, PATIENT ACCOUNTING, LAUNDRY SERVICES, HEALTH AND LIFESTYLE CENTER, AND MEDICAL RECORDS DUE TO THE NON-REVENUE GENERATING OR COMMUNITY INVESTMENT NATURE OF MANY OF THE PROGRAMS, THEY OPERATE AT A LOSS SEE SCHEDULE H FOR DETAILS ON THE HOSPITALS TITHING AND COMMUNITY OUTREACH REPRESENTED IN OTHER PROGRAM SERVICES CORE FORM, PART VI, SECTION A, QUESTION 6 MEMBERS OF THE ORGANIZATION - BEACON HEALTH SYSTEM, INC IS THE SOLE CORPORATE MEMBER OF MEMORIAL HOSPITAL OF SOUTH BEND, INC CORE FORM, PART VI, SECTION A, QUESTION 7A ELECTION OF BOARD MEMBERS THE CORPORATE MEMBER SHALL APPOINT THE BOARD OF DIRECTORS OF MEMORIAL HOSPITAL OF SOUTH BEND AND SHALL HAVE SUCH POWERS OF ADVANCE APPROVAL REGARDING CORPORATE ACTIONS AS ARE DELINEATED IN THE BY-LAWS OF MEMORIAL HOSPITAL OF SOUTH BEND CORE FORM, PART VI, SECTION A, QUESTION 7B DECISIONS OF THE BOARD OF DIRECTORS DECISIONS OF THE BOARD OF DIRECTORS MUST BE APPROVED BY THE CORPORATE MEMBER CORE FORM, PART VI, SECTION B, LINE 11B FORM 990 REVIEW PROCESS THE ORGANIZATION INCORPORATES NUMEROUS PARTIES IN THE PRODUCTION AND REVIEW OF THE FORM 990 AND ASSOCIATED SCHEDULES SENIOR ACCOUNTING STAFF AND MANAGEMENT COMPLETE THE FORM 990 AND SCHEDULES SOME FORMS AND SCHEDULES ARE REVIEWED BY THE CONTROLLER SUBSEQUENT TO THOSE STEPS, THE ORGANIZATION ENGAGED ERNST & YOUNG TO REVIEW THE COMPLETED FORM 990 AND APPROPRIATE SCHEDULES PRIOR TO FILING THE RETURN, THE CFO, THE COMPENSATION COMMITTEE OF THE ORGANIZATION AND THE CEO CONDUCT A GENERAL OVERVIEW OF THE FORM 990, INCLUDING APPLICABLE COMPENSATION SCHEDULES IN ADDITION, EACH BOARD MEMBER RECEIVES NOTIFICATION OF THE IRS FORM 990 PLACEMENT ON THE ORGANIZATION'S BOARD PORTALS WHICH ALLOWS FOR BOARD MEMBER REVIEW PRIOR TO FILING THE RETURN CORE FORM, PART VI, SECTION B, LINE 12C CONFLICT OF INTEREST DISCLOSURE THERE ARE THREE SEPARATE FORMS THAT ARE SENT OUT THROUGH THE INTERNAL AUDIT DEPARTMENT TO KEY EMPLOYEES OR BOARD MEMBERS REGARDING CONFLICT OF INTEREST THEY ARE AS FOLLOWS 1 THE FIRST IS A CONFLICT OF INTEREST STATEMENT THAT IS SENT TO SENIOR LEVEL ADMINISTRATION, MANAGEMENT, AND SELECT STAFF SUCH AS PURCHASING DEPARTMENT EMPLOYEES THE PURPOSE OF THE STATEMENT IS TO REQUIRE THESE EMPLOYEES TO DISCLOSE ANY POTENTIAL CONFLICT OF INTERESTS THEY MAY HAVE THE STATEMENTS ARE SENT IN JANUARY OF EACH YEAR FOR THE PREVIOUS YEAR ACTIVITIES AND WE PURSUE THE REPLIES TO GET A 100% RESPONSE RATE IN THE CURRENT YEAR WE SENT OUT OVER 425 STATEMENTS AND ARE WORKING TO ACHIEVE A 100% RESPONSE RATE EACH RESPONSE IS REVIEWED BY THE DIRECTOR OF INTERNAL AUDIT AND THE RESULTS ARE REPORTED TO THE CEO OF BEACON HEALTH SYSTEM, THE AUDIT COMMITTEE CHAIRMAN, AS WELL AS THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS 2 THE SECOND STATEMENT IS THE BOARD DUALITY OF INTEREST STATEMENT THAT IS SENT TO CURRENT BOARD MEMBERS, FORMER BOARD MEMBERS FROM THE LAST FIVE YEARS, AND OTHER KEY EMPLOYEES THE DUALITY OF INTEREST STATEMENT IS SENT USING A WEB BASED SURVEY TOOL PROVIDED BY ERNST & YOUNG THE REPLIES ARE REVIEWED BY THE DIRECTOR OF INTERNAL AUDIT THE RESULTS OF THE SURVEYS ARE SUMMARIZED USING THE WEB BASED TOOL, AND ARE REVIEWED BY ERNST & YOUNG IN COMPLETING THE 990 THE RESULTS ARE REPORTED TO THE CEO OF BEACON HEALTH SYSTEM, THE AUDIT COMMITTEE CHAIRMAN, AND THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS 3 THE THIRD STATEMENT IS ENTITLED "CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS" THE STATEMENT REQUIRES AN ACKNOWLEDGEMENT FORM TO BE SIGNED BY BEACON HEALTH SYSTEMS KEY FINANCIAL EMPLOYEES THAT BEACONS FINANCIAL INFORMATION IS TO THE BEST OF THEIR KNOWLEDGE TRUE AND ACCURATE THIS STATEMENT WAS SENT OUT IN EARLY JANUARY 2016 AND THE SIGNED ACKNOWLEDGEMENTS ARE KEPT BY THE DIRECTOR OF INTERNAL AUDIT IN 2016, 22 DESIGNATED EMPLOYEES WERE REQUESTED TO SIGN THE FORM AND WE HAD A 100% COMPLIANCE RATE ANY POTENTIAL CONFLICTS OF INTERESTS ARE REVIEWED BY INDEPENDENT PARTIES BOTH INTERNAL AND EXTERNAL TO THE ORGANIZATION, AND IF NECESSARY, CORRECTIVE ACTION WOULD BE TAKEN TO RESOLVE A TRUE CONFLICT THE INDIVIDUAL WITH THE POTENTIAL CONFLICT OF INTEREST WOULD BE EXCLUDED FROM ALL REVIEW PROCEEDINGS CORE FORM, PART VI, SECTION B, LINE 15A & 15B COMPENSATION DETERMINATION PROCESS MEMORIAL HOSPITAL OF SOUTH BEND'S PARENT, BEACON HEALTH SYSTEM, INC HAS AN EXTENSIVE EXAMINATION THAT IS CONDUCTED, FOR VICE PRESIDENT AND HIGHER, USING COMPARABLE MARKET DATA THAT IS THEN REVIEWED BY AN INDEPENDENT CONSULTANT HIRED BY, AND REPORTING TO, THE BOARD OF DIRECTORS HUMAN RESOURCES CONDUCTS THE ANALYSIS AND MAKES RECOMMENDATIONS TO THE CEO WHO THEN MAKES THE RECOMMENDATIONS FOR ALL OTHER EXECUTIVES/OFFICERS TO THE BOARD FOR APPROVAL THE INDEPENDENT CONSULTING GROUP SEPARATELY MAKES THE RECOMMENDATIONS REGARDING THE CEO'S COMPENSATION TO THE BOARD FOR APPROVAL RECOMMENDATIONS ARE PRESENTED TO THE COMPENSATION COMMITTEE OF THE BEACON HEALTH SYSTEM, INC BOARD FOR DELIBERATION AND FINAL DECISION DELIBERATION AND FINAL DECISION ARE PERFORMED BY THE INDEPENDENT MEMBERS OF THE BOARD CORE FORM, PART VI, SECTION C, LINE 19 AVAILABILITY OF ORGANIZATIONAL DOCUMENTS THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT MADE AVAILABLE TO THE PUBLIC THE FINANCIAL STATEMENTS ARE DISTRIBUTED QUARTERLY TO THE ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) WEBSITE AS PART OF THE CONTINUING DISCLOSURES FOR THE BEACON HEALTH SYSTEM, INC BONDS
PART XI, LINE 9	Other Changes in the net assets of Fund Balances Write off Inter company, Beacon Medical Group, Inc (69,263,923) Write off Inter company, Memorial Health Foundation, Inc 12,058 Write off Inter company, Elkhart General Hospital, Inc 17,738,065 Write off Inter company, Beacon Health System, Inc (10,233,525) Write off Inter company, Beacon Health Ventures, Inc (4,367,025) Change in interest in recipient org (2,238,913) TOTAL (68,353,263)

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION FEES - PHYSICIANS TOTAL FEES 16461486
FORM 990 PART IX LINE 11G	DESCRIPTION OTHER PURCHASED SERVICES TOTAL FEES 10775788

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION LAB FEES TOTAL FEES 6625842
FORM 990 PART IX LINE 11G	DESCRIPTION SERVICE CONTRACTS TOTAL FEES 4499104

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION COLLECTION EXPENSE TOTAL FEES 3108349
FORM 990 PART IX LINE 11G	DESCRIPTION REPAIRS PARTS AND MAINT TOTAL FEES 1641950

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION TRANSCRIPTION, RADIOLOGY FEES TOTAL FEES 838460
FORM 990 PART IX LINE 11G	DESCRIPTION CONSULTING TOTAL FEES 644145

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Memorial Hospital of South Bend Inc

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Employer identification number

35-0868132

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)Beacon Medical Group Inc 615 N Michigan Street South Bend, IN 46601 35-1536132	PHY PRACTICES	IN	501(C)(3)	9	BHS	Yes	
(2)Memorial Health Foundation Inc 615 N Michigan Street South Bend, IN 46601 35-1536129	Financial Sup	IN	501(C)(3)	7	BHS	Yes	
(3)Elkhart General Hospital Inc 600 East Boulevard Elkhart, IN 46514 35-0877574	Hospital	IN	501(C)(3)	3	BHS	Yes	
(4)MEMORIAL ENDOWMENT FUND FOR MEM HOS PO BOX 1602 SOUTH BEND, IN 46634 35-6068581	ENDOWMENT	IN	501(C)(3)	11D III-O	MHSB	Yes	
(5)BEACON HEALTH SYSTEM Inc 615 N MICHIGAN STREET SOUTH BEND, IN 46601 45-3864076	Parent Org	IN	501(C)(3)	11A I	NA		No

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) BEACON HEALTH VENTURES INC 615 N Michigan Street South Bend, IN 46601 35-1901068	Home Medical	IN	NA	C					
(2) BEACON HEALTH VENTURES MICHIGAN INC 615 N MICHIGAN ST SOUTH BEND, IN 46601 20-8259773	HOME MEDICAL	MI	NA	C					

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

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

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

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
1a		No
1b	Yes	
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k	Yes	
1l	Yes	
1m	Yes	
1n		No
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	
1s	Yes	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

[illegible]

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 35-0868132

Name: Memorial Hospital of South Bend Inc

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

(a) Name of related organization		(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(1)	Beacon Health Ventures Inc	P	4,060,507	ACTUAL CHARGES
(1)	Beacon Health Ventures Inc	Q	6,271,001	ACTUAL CHARGES
(2)	Beacon Health Ventures Inc	R	909,193	ACTUAL CHARGES
(3)	Elkhart General Hospital Inc	Q	30,602,880	ACTUAL CHARGES
(4)	Elkhart General Hospital Inc	R	46,500,000	CASH TRANSFER
(5)	Elkhart General Hospital Inc	P	1,845,888	ACTUAL CHARGES
(6)	Elkhart General Hospital Inc	C	17,738,065	ACTUAL CHARGES
(7)	Memorial Health Foundation Inc	C	5,742,757	ACTUAL CHARGES
(8)	Memorial Health Foundation Inc	Q	59,384	ACTUAL CHARGES
(9)	Memorial Health Foundation Inc	R	73,489	ACTUAL CHARGES
(10)	Beacon Medical Group Inc	J	1,515,729	WRITEOFFINTERCO
(11)	Beacon Medical Group Inc	B	69,263,922	WRITEOFFINTERCO
(12)	Beacon Medical Group Inc	Q	50,000,000	CASH TRANSFER
(13)	Beacon Medical Group Inc	P	46,713,264	WRITEOFFINTERCO
(14)	Beacon Medical Group Inc	S	64,499,519	WRITEOFFINTERCO