

PUBLIC INSPECTION COPY

CHANGE OF ACCOUNTING PERIOD

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form **990**

Department of the Treasury
Internal Revenue Service

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.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

2018

Open to Public Inspection

A For the **2018** calendar year, or tax year beginning **OCT 1, 2018** and ending **DEC 31, 2018**

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Doing business as INDIAN RIVER MEDICAL CENTER

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
1000 36TH ST

City or town, state or province, country, and ZIP or foreign postal code
VERO BEACH, FL 32960

F Name and address of principal officer: GREG ROSENCRANCE
SAME AS C ABOVE

D Employer identification number

59-2496294

E Telephone number

772-567-4311

G Gross receipts \$ 80,863,145.

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)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.INDIANRIVERMEDICALCENTER.COM

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1984 **M** State of legal domicile: FL

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O		
	2	Check this box <input type="checkbox"/> 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	14
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	2679
	6	Total number of volunteers (estimate if necessary)	6	522
		7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a
7b		Net unrelated business taxable income from Form 990-T, line 38	7b	27,396.
Revenue	8	Contributions and grants (Part VIII, line 1h)	8,623,355.	649,532.
	9	Program service revenue (Part VIII, line 2g)	311,090,420.	78,996,417.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	832,450.	633,867.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,698,657.	367,645.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	322,244,882.	80,647,461.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	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)	164,341,854.	44,557,926.
	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)	152,562,046.	43,007,090.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	316,903,900.	87,565,016.
	19	Revenue less expenses. Subtract line 18 from line 12	5,340,982.	-6,917,555.
	Net Assets or Fund Balances	20	Total assets (Part X, line 16)	225,918,514.
21		Total liabilities (Part X, line 26)	70,545,199.	73,339,725.
22		Net assets or fund balances. Subtract line 21 from line 20	155,373,315.	141,407,065.

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: *Greg Rosencrance* Date: *11/15/2019*
GREG ROSENCRANCE, PRESIDENT/CEO
Type or print name and title

Paid Preparer Print/Type preparer's name: ZACK FORTSCH Preparer's signature: *Zack Fortsch* Date: 11/14/19 Check if self-employed: ☐ PTIN: 200052725
Firm's name: RSM US LLP Firm's EIN: 42-0714325
Firm's address: 1 S. WACKER DRIVE, STE 800 CHICAGO, IL 60606 Phone no. 312-634-3400

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

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Form 990 (2018)

INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

Page **2****Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒ **X**

- 1**
- Briefly describe the organization's mission:

SEE SCHEDULE O

- 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 \$ 65,547,663. including grants of \$) (Revenue \$ 79,080,347.)

INDIAN RIVER MEDICAL CENTER IS A 286-BED HOSPITAL IN VERO BEACH, FLORIDA. FROM 10/01/18 TO 12/31/2018, THE HOSPITAL ADMITTED 3,910 PATIENTS. SERVICES WERE PROVIDED FOR 14,869 PATIENT DAYS. THE HOSPITAL HAD 522 VOLUNTEERS WHO WORKED 19,380 HOURS DURING THIS PERIOD. OVER 16,380 PEOPLE WERE SEEN THIS YEAR IN THE HOSPITAL'S STATE-OF THE-ART EMERGENCY DEPARTMENT. THE MEDICAL CENTER'S THREE LARGEST PROGRAM SERVICES ARE HEART, CANCER AND ORTHOPEDICS. THE HEART CENTER, AFFILIATED WITH DUKE UNIVERSITY HEALTH SYSTEMS, OPENED IN 2006 AND TREATED OVER 481 PATIENTS DURING THE YEAR. ITS OUTSTANDING SURGICAL OUTCOMES HAVE EARNED IT TOP RECOGNITION FROM THE SOCIETY OF THORACIC SURGEONS, WHO NAMED IT ONE OF THE BEST CARDIAC SURGERY PROGRAMS IN AMERICA. DR. CARY STOWE, MEDICAL DIRECTOR OF CARDIOVASCULAR SURGERY

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

- 4d**
- Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **65,547,663.**Form **990** (2018)

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Part IV Checklist of Required Schedules

		Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	2	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3		X
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? <i>If "Yes," complete Schedule C, Part II</i>	4	X	
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? <i>If "Yes," complete Schedule C, Part III</i>	5		X
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? <i>If "Yes," complete Schedule D, Part I</i>	6		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8		X
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? <i>If "Yes," complete Schedule D, Part IV</i>	9		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10	X	
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? <i>If "Yes," complete Schedule D, Part VI</i>	11a	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b		X
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? <i>If "Yes," complete Schedule D, Part VIII</i>	11c		X
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? <i>If "Yes," complete Schedule D, Part IX</i>	11d	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e	X	
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)? <i>If "Yes," complete Schedule D, Part X</i>	11f	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13		X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b		X
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? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15		X
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? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16		X
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? <i>If "Yes," complete Schedule G, Part I</i>	17		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	
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		X

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Page **4****Part IV Checklist of Required Schedules** (continued)

	Yes	No
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	X
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	X
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	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
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	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
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	X
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	X
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	X
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	X
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	X
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	X
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	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
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	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
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	X
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	X
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	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
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	X
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	X
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	X
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	X

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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	503
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	X

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Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

	Yes	No
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 2679		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		X
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	X	
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)?		X
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?		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
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?		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
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?		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9 Sponsoring organizations maintaining donor advised funds.		
a Did the sponsoring organization make any taxable distributions under section 4966?		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
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?	13a	
Note. See the instructions for additional information the organization must report on Schedule O.		
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	X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	15	X
If "Yes," see instructions and file Form 4720, Schedule N.		
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16	X
If "Yes," complete Form 4720, Schedule O.		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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**

	1a	1b	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		14		
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?			2	X
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?			3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?			5	X
6 Did the organization have members or stockholders?			6	X
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?			7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			8a	X
b Each committee with authority to act on behalf of the governing body?			8b	X
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			9	X

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?	10a	X
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?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
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	12a	X
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X
13 Did the organization have a written whistleblower policy?	13	X
14 Did the organization have a written document retention and destruction policy?	14	X
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	15a	X
b Other officers or key employees of the organization	15b	X
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?	16a	X
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?	16b	X

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► NONE

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 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 ►
 WARREN FULLER, CONTROLLER - 772-567-4311
 1000 36TH ST, VERO BEACH, FL 32960

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Form 990 (2018)

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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			
(1) WAYNE T. HOCKMEYER, PH.D. CHAIRMAN	5.00 2.00	X		X				0.	0.	0.
(2) JOHN PASTOR VICE CHAIRMAN	5.00 2.00	X		X				0.	0.	0.
(3) GERRI SMITH SECRETARY	5.00 2.00	X		X				0.	0.	0.
(4) JACK WEISBAUM TREASURER	5.00 2.00	X		X				0.	0.	0.
(5) HAL BROWN, M.D. CHIEF OF STAFF	5.00 2.00	X						85,950.	0.	0.
(6) JOHN LINDENTHAL, M.D. VICE CHIEF OF STAFF	5.00 2.00	X						74,421.	0.	0.
(7) PRANAY RAMDEV, M.D. MEDICAL STAFF REPRESENTATIVE	5.00 2.00	X						5,700.	0.	0.
(8) MICHAEL J. HAMMES MEMBER	5.00 2.00	X						0.	0.	0.
(9) KATHY HENDRIX MEMBER	5.00 2.00	X						0.	0.	0.
(10) HUGH MCCRYSTAL, M.D. MEMBER	5.00 2.00	X						0.	0.	0.
(11) KEITH MORGAN MEMBER	5.00 2.00	X						0.	0.	0.
(12) JULIETTE LOMAX-HOMIER, M.D. MEMBER	5.00 2.00	X						0.	0.	0.
(13) MATTHEW REISER MEMBER	5.00 2.00	X						0.	0.	0.
(14) ANTHONY C. WOODRUFF MEMBER	5.00 12.00	X						0.	0.	0.
(15) DONALD LAURIE MEMBER	5.00 2.00	X						0.	0.	0.
(16) CHESTER KALETKOWSKI MEMBER	5.00 2.00	X						0.	0.	0.
(17) JEFFREY L. SUSI PRESIDENT/CEO	50.00 4.00			X				943,573.	0.	13,277.

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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 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			
(18) GEORGE EIGHMY SR. VP, CFO	50.00 2.00			X				326,153.	0.	21,716.
(19) VALERIE LARCOMBE SR. VP, CLO	50.00 3.00				X			577,236.	0.	16,675.
(20) LINDA WALTON SR. VP, CNO	50.00				X			282,766.	0.	13,240.
(21) CHARLES MACKETT, M.D. SR. VP CHIEF MEDICAL OFFICER	50.00				X			421,446.	0.	30,441.
(22) RICHARD VANLITH VP STRATEGIC PLAN AND BUS DEV	50.00				X			299,557.	0.	36,562.
(23) TODD BIBENS VP OPERATIONS	50.00				X			283,018.	0.	13,534.
(24) WARREN FULLER VP FINANCE	50.00 2.00				X			213,718.	0.	32,477.
(25) CARY STOWE, M.D. PHYSICIAN	50.00					X		805,349.	0.	13,550.
(26) EDWARD MURPHY PHYSICIAN	50.00					X		746,609.	0.	24,627.
1b Sub-total								5,065,496.	0.	216,099.
c Total from continuation sheets to Part VII, Section A								2,787,356.	0.	46,247.
d Total (add lines 1b and 1c)								7,852,852.	0.	262,346.

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

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- 3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*
- 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? *If "Yes," complete Schedule J for such individual*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

	Yes	No
3		X
4	X	
5		X

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
REPUBLIC HEALTH RESOURCES LLC, 290 E. JOHN CARPENTER FWY, STE. 1200, IRVING, TX 75062	CONTRACT LABOR	3,527,769.
ARUBAH NEUROSCIENCE INSTITUTE PLLC, 9140 SPRING TIME DRIVE, VERO BEACH, FL 32963	PROFESSIONAL SERVICES	1,272,549.
ALVAREZ & MARSAL HEALTHCARE INDUSTRY GRP, 600 MADISON AVENUE, 8TH FLOOR, NEW YORK, FLORIDA LINEN SERVICES LLC	CONSULTING SERVICES	1,161,662.
1407 SW 8TH STREET, POMPAÑO BEACH, FL 33069	LAUNDRY SERVICES	945,736.
MCKESSON TECH RELAYHEALTH AHI PARENT P.O. BOX 98347, CHICAGO, IL 60693	SOFTWARE & CONSULTING	916,331.

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

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SEE PART VII, SECTION A CONTINUATION SHEETS

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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 line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) GEORGE NICHOLS, M.D. PHYSICIAN	50.00					X		1,006,304.	0.	16,184.
(28) THEODORE PERRY PHYSICIAN	50.00					X		877,137.	0.	19,062.
(29) FABIO ROBERTI, M.D. PHYSICIAN	50.00					X		903,915.	0.	11,001.
Total to Part VII, Section A, line 1c								2,787,356.		46,247.

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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	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	649,532.			
	e	Government grants (contributions)	1e				
	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		649,532.			
Program Service Revenue	2 a	NET PATIENT REVENUE	Business Code 621990	78,996,417.	78,996,417.		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		78,996,417.			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		849,551.		
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6 a		Gross rents	(i) Real	(ii) Personal			
		Less: rental expenses					
		Rental income or (loss)					
		Net rental income or (loss)					
7 a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		Less: cost or other basis and sales expenses		215,684.			
		Gain or (loss)		-215,684.			
		Net gain or (loss)		-215,684.			-215,684.
8 a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		Less: direct expenses	b				
		Net income or (loss) from fundraising events					
9 a		Gross income from gaming activities. See Part IV, line 19	a				
		Less: direct expenses	b				
		Net income or (loss) from gaming activities					
10 a		Gross sales of inventory, less returns and allowances	a				
	Less: cost of goods sold	b					
	Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code				
11 a	CAFETERIA	722100	226,538.			226,538.	
b	LABORATORY	621500	57,177.		57,177.		
c							
d	All other revenue	900099	83,930.	83,930.			
e	Total. Add lines 11a-11d		367,645.				
12	Total revenue. See instructions		80,647,461.	79,080,347.	57,177.	860,405.	

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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 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	627,892.		627,892.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	35,969,020.	30,406,293.	5,562,727.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	934,533.	780,853.	153,680.	
9 Other employee benefits	4,973,790.	4,182,075.	791,715.	
10 Payroll taxes	2,052,691.	1,675,315.	377,376.	
11 Fees for services (non-employees):				
a Management	962,992.	720,804.	242,188.	
b Legal	166,144.		166,144.	
c Accounting	178,517.	28,743.	149,774.	
d Lobbying	7,500.		7,500.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	7,380,281.	4,726,487.	2,653,794.	
12 Advertising and promotion	216,436.	3,509.	212,927.	
13 Office expenses	166,498.	18,911.	147,587.	
14 Information technology				
15 Royalties				
16 Occupancy	2,986,920.	1,367,418.	1,619,502.	
17 Travel	8,163.	2,222.	5,941.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	100,819.		100,819.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,495,481.	2,183,151.	1,312,330.	
23 Insurance	1,637,115.	106,625.	1,530,490.	
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	15,403,487.	15,198,149.	205,338.	
b BAD DEBT	3,990,846.	3,628,266.	362,580.	
c OTHER SUPPLIES	562,075.	212,148.	349,927.	
d				
e All other expenses	5,743,816.	306,694.	5,437,122.	
25 Total functional expenses. Add lines 1 through 24e	87,565,016.	65,547,663.	22,017,353.	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)

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Page **11****Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	13,604,567.	1	7,495,879.
	2 Savings and temporary cash investments	16,126,662.	2	16,119,921.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	41,602,884.	4	42,224,482.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	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 instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	5,214,207.	8	5,431,605.
	9 Prepaid expenses and deferred charges	2,784,588.	9	3,106,389.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 334,378,408.		
	b Less: accumulated depreciation	10b 229,506,554.		
	11 Investments - publicly traded securities	106,574,133.	10c	104,871,854.
	12 Investments - other securities. See Part IV, line 11	5,855,549.	11	5,871,878.
	13 Investments - program-related. See Part IV, line 11		12	108,426.
	14 Intangible assets	6,279,375.	13	
	15 Other assets. See Part IV, line 11	27,876,549.	14	6,231,975.
16 Total assets. Add lines 1 through 15 (must equal line 34)	225,918,514.	15	23,284,381.	
Liabilities	17 Accounts payable and accrued expenses	30,551,477.	16	214,746,790.
	18 Grants payable		17	30,860,417.
	19 Deferred revenue		18	
	20 Tax-exempt bond liabilities		19	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		20	
	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		21	
	23 Secured mortgages and notes payable to unrelated third parties	9,646,707.	22	
	24 Unsecured notes and loans payable to unrelated third parties		23	9,185,313.
	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	30,347,015.	24	
	26 Total liabilities. Add lines 17 through 25	70,545,199.	25	33,293,995.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		26	73,339,725.
	27 Unrestricted net assets	155,373,315.	27	141,407,065.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	155,373,315.	33	141,407,065.
	34 Total liabilities and net assets/fund balances	225,918,514.	34	214,746,790.

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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	80,647,461.
2	Total expenses (must equal Part IX, column (A), line 25)	2	87,565,016.
3	Revenue less expenses. Subtract line 2 from line 1	3	-6,917,555.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	155,373,315.
5	Net unrealized gains (losses) on investments	5	
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	-7,048,695.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	141,407,065.

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: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> 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: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	X	
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.	2c	X	
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? _____	3a		X
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 _____	3b		

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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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2017 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2018. 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		
<input type="checkbox"/>		
b 33 1/3% support test - 2017. 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		
<input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2018. 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		
<input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2017. 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		
<input type="checkbox"/>		
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		
<input type="checkbox"/>		

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Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2018. 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 - 2017. 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

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Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d 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? <i>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.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>		
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)? <i>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.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>		
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?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
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))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

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Part IV Supporting Organizations *(continued)*

	Yes	No
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?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

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, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) 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

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>	Yes	No
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? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

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Schedule A (Form 990 or 990-EZ) 2018 INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

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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 (explain in Part VI.) **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):			
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).		

Schedule A (Form 990 or 990-EZ) 2018

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Schedule A (Form 990 or 990-EZ) 2018 INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

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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 2018 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-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

Schedule A (Form 990 or 990-EZ) 2018

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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.)

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Schedule B

(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

- ▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Name of the organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Page **2**

Name of organization	Employer identification number
INDIAN RIVER MEMORIAL HOSPITAL INC	59-2496294

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 649,532.	Person <input checked="checked" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)

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Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Page **3**

Name of organization	Employer identification number
INDIAN RIVER MEMORIAL HOSPITAL INC	59-2496294

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black;"></div>	\$ _____	_____
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_____	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black;"></div>	\$ _____	_____
_____	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black;"></div>	\$ _____	_____

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Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Page **4**

Name of organization

Employer identification number

INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ► \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
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	<div></div>	<div></div>	<div></div>
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
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	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
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	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
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	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
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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.**
 ► **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

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 organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

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 campaign activity expenditures ► \$

3 Volunteer hours for political campaign activities

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-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2018

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Schedule C (Form 990 or 990-EZ) 2018 INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

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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 border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
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) 2015	(b) 2016	(c) 2017	(d) 2018	(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					

Schedule C (Form 990 or 990-EZ) 2018

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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.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ...		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		7,500.
j Total. Add lines 1c through 1i			7,500.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) 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	1	
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	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

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.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

INDIAN RIVER MEDICAL CENTER HAS RETAINED SERVICES OF CONSULTANTS IN

TALLAHASSEE, FLORIDA FOR THE PURPOSE OF MONITORING LEGISLATIVE AND

REGULATORY HEALTHCARE RELATED ISSUES THAT MIGHT AFFECT IT OR THE

COMMUNITY IT SERVES AND COMMUNICATING THE MEDICAL CENTER'S VIEWS ON

THOSE ISSUES TO ELECTED OFFICIALS.

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SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**▶ 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.▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018
Open to Public
Inspection

Name of the organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

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? <input type="checkbox"/> Yes <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> 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) ☐ Preservation of a historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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 Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

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 ▶ \$

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Schedule D (Form 990) 2018

INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

Page **2****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 **d** ☐ Loan or exchange programs
- b** Scholarly research **e** ☐ Other _____
- c** Preservation for future generations

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:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	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 on Part XIII _____

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	3,271,161.	2,365,210.	2,111,662.	1,929,112.	779,112.
b Contributions	20,045.	782,736.	37,136.	75,000.	1,150,000.
c Net investment earnings, gains, and losses	-178,780.	113,215.	231,887.	147,005.	
d Grants or scholarships					
e Other expenditures for facilities and programs	0.	0.	15,475.	39,455.	
f Administrative expenses					
g End of year balance	3,112,426.	3,271,161.	2,365,210.	2,111,662.	1,929,112.

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

- a** Board designated or quasi-endowment ☒ _____ %
- b** Permanent endowment ☒ 66.55 %
- c** Temporarily restricted endowment ☒ 33.45 %

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 _____

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

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

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" on 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)	(c) Accumulated depreciation	(d) Book value
1a Land		1,631,582.		1,631,582.
b Buildings		128,609,781.	68,260,541.	60,349,240.
c Leasehold improvements		15,506,072.	4,206,647.	11,299,425.
d Equipment		187,669,737.	157,039,366.	30,630,371.
e Other		961,236.		961,236.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				104,871,854.

Schedule D (Form 990) 2018

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Schedule D (Form 990) 2018

INDIAN RIVER MEMORIAL HOSPITAL INC

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Page **3**

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM RELATED PARTIES	15,490,564.
(2) INVESTMENTS IN JOINT VENTURE	2,182,172.
(3) INVESTMENT IN HEALTH SYSTEMS OF INDIAN RIVER	5,400,000.
(4) DUE TO AFFILIATES	211,645.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	23,284,381.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) SELF INSURANCE LIABILITY	12,895,828.	
(3) PENSION LIABILITY	16,870,985.	
(4) INDIGENT FUND PAYABLE	641,500.	
(5) ESTIMATED THIRD PARTY PAYOR SETTLEMENT	2,880,403.	
(6) INTEREST RATE SWAP	5,279.	
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	33,293,995.	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

Schedule D (Form 990) 2018

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Schedule D (Form 990) 2018

INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

Page **4**

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 . <i>(This must equal Form 990, Part I, line 12.)</i>	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 . <i>(This must equal Form 990, Part I, line 18.)</i>	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.

PART V, LINE 4:

A PORTION OF THE ENDOWMENT ASSETS ARE HELD BY INDIAN RIVER HOSPITAL

FOUNDATION, INC. (A RELATED ORGANIZATION). THE ENDOWMENT ASSETS ARE HELD

TO SUPPORT THE PROGRAMS OF THE HOSPITAL INCLUDING MAINTENANCE OF THE

CRITICAL CARE UNIT AS WELL AS TO PROVIDE CLINICAL EXCELLENCE AWARDS.

PART X, LINE 2:

IRMH AND ITS SUBSIDIARIES ARE NONPROFIT CORPORATIONS AND HAVE BEEN

RECOGNIZED AS TAX-EXEMPT ORGANIZATIONS BY THE INTERNAL REVENUE SERVICE

(IRS) PURSUANT TO SECTION 501(C)(3) OF THE CODE. INCOME EARNED IN

FURTHERANCE OF THE HOSPITAL'S TAX-EXEMPT PURPOSE IS EXEMPT FROM FEDERAL

AND STATE INCOME TAXES. THE CODE PROVIDES FOR TAXATION OF UNRELATED

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Schedule D (Form 990) 2018

INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

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Part XIII Supplemental Information *(continued)*

BUSINESS INCOME UNDER CERTAIN CIRCUMSTANCES. THE HOSPITAL HAS NO MATERIAL

UNRELATED BUSINESS INCOME; HOWEVER, SUCH STATUS IS SUBJECT TO FINAL

DETERMINATION UPON EXAMINATION OF THE RELATED INCOME TAX RETURNS BY THE

APPROPRIATE TAXING AUTHORITY.

GAAP PRESCRIBES RECOGNITION THRESHOLDS AND MEASUREMENT ATTRIBUTES FOR THE

FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR

EXPECTED TO BE TAKEN IN A TAX RETURN. TAX BENEFITS WILL BE RECOGNIZED ONLY

IF THE TAX POSITION IS MORE LIKELY THAN NOT TO BE SUSTAINED IN A TAX

EXAMINATION, WITH BENEFIT THAT IS GREATER THAN 50% LIKELY OF BEING

REALIZED ON EXAMINATION. FOR TAX POSITIONS NOT MEETING THE MORE LIKELY

THAN NOT TEST, NO TAX BENEFIT WILL BE RECORDED. MANAGEMENT HAS CONCLUDED

THAT THEY ARE UNAWARE OF ANY TAX BENEFITS OR LIABILITIES TO BE RECOGNIZED

AT DECEMBER 31, 2018 AND SEPTEMBER 30, 2017.

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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.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

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	X	
b If "Yes," was it a written policy?	1b	X	
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. <input checked="" type="checkbox"/> 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 free care:	3a	X	
<input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %			
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:	3b	X	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %			
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	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	X	
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		X
6a Did the organization prepare a community benefit report during the tax year?	6a	X	
b If "Yes," did the organization make it available to the public?	6b	X	

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

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			2,574,187.	1,897,274.	676,913.	.81%
b Medicaid (from Worksheet 3, column a)			6,687,575.	3,393,049.	3,294,526.	3.94%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			9,261,762.	5,290,323.	3,971,439.	4.75%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)			91,396.	42,604.	48,792.	.06%
g Subsidized health services (from Worksheet 6)			4,199,697.	2,713,105.	1,486,592.	1.78%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			4,291,093.	2,755,709.	1,535,384.	1.84%
k Total. Add lines 7d and 7j			13,552,855.	8,046,032.	5,506,823.	6.59%

Page 2

Page 3

Schedule H (Form 990) 2018

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Schedule H (Form 990) 2018

INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

Page 4

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)

Name of hospital facility or letter of facility reporting group INDIAN RIVER MEMORIAL HOSPITAL

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		X
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		X
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	3	X	
If "Yes," indicate what the CHNA report describes (check all that apply):			
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility			
b <input checked="" type="checkbox"/> Demographics of the community			
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d <input checked="" type="checkbox"/> How data was obtained			
e <input checked="" type="checkbox"/> The significant health needs of the community			
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs			
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests			
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)			
j <input type="checkbox"/> Other (describe in Section C)			
4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 18</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	X	
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		X
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	X	
7 Did the hospital facility make its CHNA report widely available to the public?	7	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE PART V, PAGE 8</u>			
b <input type="checkbox"/> Other website (list url):			
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility			
d <input type="checkbox"/> Other (describe in Section C)			
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	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 18</u>			
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X	
a If "Yes," (list url): <u>SEE PART V, PAGE 8</u>			
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		
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		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$			

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Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group INDIAN RIVER MEMORIAL HOSPITAL

		Yes	No
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?	13	X	
If "Yes," indicate the eligibility criteria explained in the FAP:			
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %			
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)			
c <input checked="" type="checkbox"/> Asset level			
d <input checked="" type="checkbox"/> Medical indigency			
e <input checked="" type="checkbox"/> Insurance status			
f <input checked="" type="checkbox"/> Underinsurance status			
g <input type="checkbox"/> Residency			
h <input checked="" type="checkbox"/> Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14	X	
15 Explained the method for applying for financial assistance?	15	X	
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 <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application			
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e <input type="checkbox"/> Other (describe in Section C)			
16 Was widely publicized within the community served by the hospital facility?	16	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>			
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>			
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>			
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations			
j <input type="checkbox"/> Other (describe in Section C)			

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Part V Facility Information *(continued)*

Billing and Collections

Name of hospital facility or letter of facility reporting group INDIAN RIVER MEMORIAL HOSPITAL

		Yes	No
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 nonpayment?	17	X	
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 <input type="checkbox"/> Reporting to credit agency(ies)			
b <input type="checkbox"/> Selling an individual's debt to another party			
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d <input type="checkbox"/> Actions that require a legal or judicial process			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
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:	19		X
a <input type="checkbox"/> Reporting to credit agency(ies)			
b <input type="checkbox"/> Selling an individual's debt to another party			
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d <input type="checkbox"/> Actions that require a legal or judicial process			
e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)			
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)			
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)			
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)			
e <input type="checkbox"/> Other (describe in Section C)			
f <input type="checkbox"/> None of these efforts were made			

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:	21	X	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
b <input type="checkbox"/> The hospital facility's policy was not in writing			
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d <input type="checkbox"/> Other (describe in Section C)			

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Part V Facility Information *(continued)*

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

Name of hospital facility or letter of facility reporting group INDIAN RIVER MEMORIAL HOSPITAL

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 a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c** ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d** ☐ The hospital facility used a prospective Medicare or Medicaid method

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.

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.

	Yes	No
23		X
24		X

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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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

INDIAN RIVER MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 5: TO SOLICIT INPUT FROM KEY INFORMANTS, THOSE

INDIVIDUALS WHO HAVE A BROAD INTEREST IN THE HEALTH OF THE COMMUNITY, AN

ONLINE KEY INFORMANT SURVEY WAS IMPLEMENTED AS PART OF THIS PROCESS. A

LIST OF RECOMMENDED PARTICIPANTS WAS PROVIDED BY INDIAN RIVER MEDICAL

CENTER; THIS LIST INCLUDED NAMES AND CONTACT INFORMATION FOR A PHYSICIAN,

A PUBLIC HEALTH REPRESENTATIVE, OTHER HEALTH PROFESSIONALS, SOCIAL SERVICE

PROVIDERS, AND A VARIETY OF OTHER COMMUNITY LEADERS. POTENTIAL

PARTICIPANTS WERE CHOSEN BECAUSE OF THEIR ABILITY TO IDENTIFY PRIMARY

CONCERNS OF THE POPULATIONS WITH WHOM THEY WORK, AS WELL AS OF THE

COMMUNITY OVERALL.

KEY INFORMANTS WERE CONTACTED BY EMAIL, INTRODUCING THE PURPOSE OF THE

SURVEY AND PROVIDING A LINK TO TAKE THE SURVEY ONLINE. IN ALL, 23

COMMUNITY STAKEHOLDERS TOOK PART IN THE ONLINE KEY INFORMANT SURVEY.

UPON COMPLETION OF THE SURVEY, A GROUP OF MORE THAN 30 COMMUNITY

STAKEHOLDERS (REPRESENTING A CROSS-SECTION OF COMMUNITY-BASED AGENCIES AND

ORGANIZATIONS) MET TO EVALUATE, DISCUSS AND PRIORITIZE HEALTH ISSUES FOR

COMMUNITY, BASED ON FINDINGS OF THIS SURVEY. REFER TO PAGE 11 OF THE CHNA

REPORT AT WWW.INDIANRIVERMEDICALCENTER.COM FOR A LIST OF ORGANIZATIONS

THAT PARTICIPATED.

INDIAN RIVER MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 6B: INDIAN RIVER MEMORIAL HOSPITAL INC.'S MOST

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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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

RECENT CHNA WAS CONDUCTED IN COLLABORATION WITH THE FOLLOWING

ORGANIZATIONS THAT ARE NOT HOSPITAL FACILITIES:

INDIAN RIVER COUNTY FIRE AND RESCUE

INDIAN RIVER SHORES EMS

AMERICAN HEART ASSOCIATION

TREASURE COAST COMMUNITY HEALTH

FLORIDA DEPARTMENT OF HEALTH

VISITING NURSE ASSOCIATION OF THE TREASURE COAST

SENIOR RESOURCE ASSOCIATION

INDIAN RIVER HOSPITAL DISTRICT

INDIAN RIVER MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 11: THE HOSPITAL FACILITY IS ADDRESSING THE

SIGNIFICANT NEEDS IDENTIFIED IN ITS MOST RECENTLY CONDUCTED CHNA BY (A)

ADOPTION OF AN IMPLEMENTATION STRATEGY THAT ADDRESSES EACH OF THE

COMMUNITY HEALTH NEEDS IDENTIFIED THROUGH THE CHNA, (B) EXECUTION OF THE

IMPLEMENTATION STRATEGY, (C) PARTICIPATION IN THE DEVELOPMENT OF A

COMMUNITY-WIDE PLAN, (D) PARTICIPATION IN THE EXECUTION OF A

COMMUNITY-WIDE PLAN, (E) ADOPTION OF A BUDGET FOR PROVISION OF SERVICES

THAT ADDRESS THE NEEDS IDENTIFIED IN THE CHNA, (F) PRIORITIZATION OF

HEALTH NEEDS IN ITS COMMUNITY, AND (G) PRIORITIZATION OF SERVICES THAT THE

HOSPITAL FACILITY WILL UNDERTAKE TO MEET HEALTH NEEDS IN ITS COMMUNITY.

THE OTHER NEEDS IDENTIFIED AS PRIORITIES BY THE CHNA WILL BE LED BY OTHER

FACILITIES AND OTHER ORGANIZATIONS IN COLLABORATION WITH OUR HOSPITAL.

PLEASE REFER TO PAGE 2 OF OUR COMMUNITY HEALTH IMPROVEMENT PLAN AT

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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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

WWW.INDIANRIVERMEDICALCENTER.COM.

INDIAN RIVER MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 13H: ALL UNINSURED PATIENTS THAT DO NOT QUALIFY

FOR FREE CARE RECEIVE DISCOUNTED HEALTH SERVICES REGARDLESS OF INCOME OR

ASSETS.

INDIAN RIVER MEMORIAL HOSPITAL

PART V, LINE 16A, FAP WEBSITE:

HTTPS://WWW.INDIANRIVERMEDICALCENTER.COM/FINANCIAL-ASSISTANCE/

INDIAN RIVER MEMORIAL HOSPITAL

PART V, LINE 16B, FAP APPLICATION WEBSITE:

HTTPS://WWW.INDIANRIVERMEDICALCENTER.COM/FINANCIAL-ASSISTANCE/

INDIAN RIVER MEMORIAL HOSPITAL

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

HTTPS://WWW.INDIANRIVERMEDICALCENTER.COM/FINANCIAL-ASSISTANCE/

INDIAN RIVER MEMORIAL HOSPITAL

PART V, SECTION B, LINE 7A: WEBSITE FOR CHNA

HTTPS://WWW.INDIANRIVERMEDICALCENTER.COM/ABOUT/PUBLIC-INFORMATION/

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Part V	Facility Information <i>(continued)</i>
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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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

INDIAN RIVER MEMORIAL HOSPITAL

PART V, SECTION B, LINE 10A: WEBSITE FOR IMPLEMENTATION PLAN

[HTTPS://WWW.INDIANRIVERMEDICALCENTER.COM/ABOUT/PUBLIC-INFORMATION/](https://www.indianrivermedicalcenter.com/about/public-information/)

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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? 32

Name and address	Type of Facility (describe)
1 INDIAN RIVER CARDIOLOGY CENTRAL 3450 11TH COURT, SUITE 102 VERO BEACH, FL 32960-5012	OUTPATIENT CLINIC
2 INDIAN RIVER GASTROENTEROLOGY 3450 11TH COURT, SUITE 206 VERO BEACH, FL 32960-5012	
3 INDIAN RIVER PARTNERS IN WOMEN'S HEAL 1050 37TH PL, SUITE 103 VERO BEACH, FL 32960-6501	
4 INDIAN RIVER ORTHOPEDICS 3450 11TH COURT, SUITE 302A VERO BEACH, FL 32960-5012	OUTPATIENT CLINIC
5 INDIAN RIVER WALK-IN CLINIC POINTE WE 1960 POINTE WEST DRRIVE, SUITE 102 VERO BEACH, FL 32966-1302	
6 INDIAN RIVER UROLOGY 3450 11TH COURT, SUITE 303 VERO BEACH, FL 32960-5012	
7 INDIAN RIVER CARDIOTHORACIC SURGEONS 3450 11TH COURT, SUITE 105 VERO BEACH, FL 32960-5012	OUTPATIENT CLINIC
8 INDIAN RIVER GENERAL SURGERY 3450 11TH COURT, SUITE 204 VERO BEACH, FL 32960-5012	
9 INDIAN RIVER VERO INTERNAL MEDICINE 3450 11TH COURT, SUITE 201 VERO BEACH, FL 32960-5012	
10 INDIAN RIVER SCULLY WELSH CANCER CENT 3555 10TH COURT VERO BEACH, FL 32960-4048	OUTPATIENT CLINIC

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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? 32

Name and address	Type of Facility (describe)
11 INDIAN RIVER CARDIOLOGY CENTRAL 801 WELLNESS WAY, SUITE 203 SEBASTIAN, FL 32958-3783	OUTPATIENT CLINIC
12 INDIAN RIVER WALK-IN CLINIC SEBASTIAN 801 WELLNESS WAY, SUITE 2107 SEBASTIAN, FL 32958-3783	OUTPATIENT CLINIC
13 INDIAN RIVER FAMILY PRACTICE NORTH 801 WELLNESS WAY, SUITE 200 SEBASTIAN, FL 32958-3783	OUTPATIENT CLINIC
14 INDIAN RIVER CARDIOLOGY NORTH 13885 US HIGHWAY 1 SEBASTIAN, FL 32958-3232	OUTPATIENT CLINIC
15 INDIAN RIVER INFECTIOUS DISEASE 3450 11TH COURT, SUITE 203 VERO BEACH, FL 32960-5012	OUTPATIENT CLINIC
16 INDIAN RIVER CARDIOLOGY CENTRAL CE 3607 15TH AVE, SUITE A VERO BEACH, FL 32960-6513	OUTPATIENT CLINIC
17 INDIAN RIVER NEUROLOGY 3450 11TH COURT, SUITE 305B VERO BEACH, FL 32960-5012	OUTPATIENT CLINIC
18 INDIAN RIVER NEUROSURGERY 3450 11TH COURT, SUITE 301 VERO BEACH, FL 32960-5012	OUTPATIENT CLINIC
19 INDIAN RIVER FAMILY PRACTICE 1960 POINTE WEST DRIVE, SUITE 101 VERO BEACH, FL 32966-1302	OUTPATIENT CLINIC
20 INDIAN RIVER RHEUMATOLOGY 3450 11TH COURT, SUITE 305A VERO BEACH, FL 32960-5012	OUTPATIENT CLINIC

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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? 32

Name and address	Type of Facility (describe)
21 INDIAN RIVER ELECTROPHYSIOLOGY	OUTPATIENT CLINIC
3450 11TH COURT, SUITE 104A	
VERO BEACH, FL 32960-5012	
22 INDIAN RIVER PRIMARY CARE SOUTH	OUTPATIENT CLINIC
4165 9TH STREET, SUITE 106	
VERO BEACH, FL 32968-4879	
23 INDIAN RIVER PULMONARY	OUTPATIENT CLINIC
3450 11TH COURT, SUITE 306	
VERO BEACH, FL 32960-5012	
24 INDIAN RIVER INFECTIOUS DISEASE	OUTPATIENT CLINIC
1000 36TH STREET, SUITE 2-201	
VERO BEACH, FL 32960	
25 VERO RADIOLOGY ASSOCIATES	OUTPATIENT CLINIC
3725 11TH CIR.	
VERO BEACH, FL 32960	
26 INDIAN RIVER PREMIER WOMEN'S HEALTH	OUTPATIENT CLINIC
801 WELLNESS WAY, SUITE 109	
SEBASTIAN, FL 32958-3783	
27 INDIAN RIVER BARIATRICS WEIGHT LOSS	OUTPATIENT CLINIC
920 37TH PL, SUITE 104	
VERO BEACH, FL 32960-6595	
28 INDIAN RIVER HEART FAILURE MANAGEMENT	OUTPATIENT CLINIC
3450 11TH COURT, SUITE 104B	
VERO BEACH, FL 32960-5012	
29 INDIAN RIVER MEDICATION MANAGEMENT	OUTPATIENT CLINIC
1960 POINTE WEST DRIVE, SUITE 201	
VERO BEACH, FL 32966-1302	
30 INDIAN RIVER MEDICATION MANAGEMENT	OUTPATIENT CLINIC
801 WELLNESS WAY, SUITE 109	
SEBASTIAN, FL 32958-3783	

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Part V	Facility Information <i>(continued)</i>
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How many non-hospital health care facilities did the organization operate during the tax year? 32

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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.

PART I, LINE 3C:

PATIENTS WITH HOUSEHOLD INCOME BETWEEN 150% AND 400% OF THE FEDERAL

POVERTY GUIDELINES AND HAVE A CATASTROPHIC MEDICAL ILLNESS, WITHOUT OTHER

SUBSTANTIAL FINANCIAL RESOURCES, AND NOT ELIGIBLE FOR MEDICAID OR OTHER

COVERAGE (E.G. INDIAN RIVER COUNTY HOSPITAL DISTRICT COVERAGE FOR

MEDICALLY INDIGENT), WILL BE GRANTED A 82% DISCOUNT. ALL UNINSURED

PATIENTS THAT DO NOT QUALIFY FOR ONE OF THESE PROGRAMS WILL RECEIVE A 58%

DISCOUNT WHICH IS CONSISTENT WITH PAYMENTS NEGOTIATED WITH INSURANCE

COMPANIES.

PART I, LINE 7:

LINE 7A , COL(C) - RATIO OF COST TO CHARGE METHODOLOGY FROM THE MEDICARE

COST REPORT WAS UTILIZED TO CALCULATE COMMUNITY BENEFIT EXPENSE WHICH

INCLUDES ALL SERVICE LINES AND PAYORS.

LINE 7B , COL(C) - RATIO OF COST TO CHARGE METHODOLOGY FROM THE MEDICAID

COST REPORT WAS UTILIZED TO CALCULATE COMMUNITY BENEFIT EXPENSE WHICH

INCLUDES ONLY MEDICAID PATIENTS.

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Part VI Supplemental Information (Continuation)

LINE 7F , COL(C) - RATIO OF COST TO CHARGE METHODOLOGY FROM THE MEDICARE

COST REPORT WAS UTILIZED TO CALCULATE COMMUNITY BENEFIT EXPENSE WHICH

INCLUDES ALL SERVICE LINES AND PAYORS.

LINE 7G , COL(C) - RATIO OF COST TO CHARGE METHODOLOGY FROM THE MEDICARE

COST REPORT WAS UTILIZED TO CALCULATE COMMUNITY BENEFIT EXPENSE WHICH

INCLUDES ALL SERVICE LINES AND PAYORS.

PART I, LINE 7, COLUMN (F):

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25(A),

BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN

THIS COLUMN IS \$ 3,990,846.

PART II, COMMUNITY BUILDING ACTIVITIES:

INDIAN RIVER MEDICAL CENTER PROMOTES COMMUNITY HEALTH THROUGH A BROAD

VARIETY OF APPROACHES THAT INCLUDES A COMMUNITY BASED BOARD OF DIRECTORS

THAT ENSURES ACCESS TO PATIENT CARE THROUGHOUT THE YEAR, FREE OR LOW COST

HEALTH FAIRS TO PROMOTE DISEASE PREVENTION, FREE EDUCATIONAL SESSIONS AND

NEWSLETTERS ON DISEASE PREVENTION, FREE SUPPORT GROUPS, PARTICIPATION ON

NUMEROUS COMMUNITY HEALTHCARE COLLABORATIVE COMMITTEES THAT PROMOTE AND

DEVELOP CARE COORDINATION FOR OUR RESIDENTS. A MAJORITY OF THE

ORGANIZATION'S GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE

ORGANIZATION'S PRIMARY SERVICE AREA WHO ARE NEITHER EMPLOYEES NOR

INDEPENDENT CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF.

THE MEDICAL CENTER MAINTAINS AN ORGANIZED MEDICAL STAFF WHICH PROVIDES

ACCESS TO COMPETENT PROFESSIONAL SERVICES. THE ORGANIZATION PARTNERS WITH

OTHER COMMUNITY GROUPS INCLUDING BUT NOT LIMITED TO VISITING NURSES

Schedule H (Form 990)

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Schedule H (Form 990)

INDIAN RIVER MEMORIAL HOSPITAL INC

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Part VI Supplemental Information (Continuation)

ASSOCIATION, TREASURE COAST COMMUNITY HEALTH CENTER, INDIAN RIVER HEALTH

DEPARTMENT, VNA HOSPICE, WHOLE FAMILY HEALTH CENTER, INDIAN RIVER COUNTY

HOSPITAL DISTRICT, THE PARTNERS PROGRAM, HEALTHY START COALITION AND THE

MENTAL HEALTH ASSOCIATION IN INDIAN RIVER COUNTY.

PART III, LINE 2:

THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF

HISTORICAL AND EXPECTED COLLECTIONS OF ACCOUNTS RECEIVABLE CONSIDERING

BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE, AND OTHER

COLLECTION INDICATORS. ACCOUNTS RECEIVABLE ARE WRITTEN OFF AND CHARGED TO

THE PROVISION FOR BAD DEBTS AFTER COLLECTION EFFORTS HAVE BEEN MADE IN

ACCORDANCE WITH THE HOSPITAL'S POLICIES. BAD DEBTS IS REPORTED NET OF

PAYMENTS AND HEALTH SERVICES DISCOUNTS. RECOVERIES ARE TREATED AS A

REDUCTION TO THE PROVISION FOR PATIENT BAD DEBTS.

FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH

PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLES AND COPAYMENT

BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL),

AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IS RECORDED ON THE BASIS OF HISTORICAL

EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO

PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE.

PART III, LINE 4:

SEE PAGE NUMBER 12 & 13 IN THE ATTACHED FINANCIAL STATEMENTS.

PART III, LINE 8:

THE ORGANIZATION REPORTS MEDICARE REVENUE AND ALLOWABLE COSTS IN PART III,

LINES 5 AND 6 USING THE MEDICARE COST REPORT INFORMATION AND HOSPITAL

FINANCIAL INFORMATION.

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INDIAN RIVER MEMORIAL HOSPITAL INC

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Part VI Supplemental Information (Continuation)

PART III, LINE 9B:

UNDER CURRENT HOSPITAL POLICY, ONCE A PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, NO COLLECTION IS ATTEMPTED ON THE BALANCE RELATED TO THE SERVICES PROVIDED TO THE PATIENT.

PART VI, LINE 2:

INDIAN RIVER MEDICAL CENTER FREQUENTLY EVALUATES THE HEALTHCARE NEEDS OF THE COMMUNITY THROUGH A VARIETY OF METHODS INCLUDING PHONE SURVEYS TO RANDOMLY CHOSEN RESIDENTS, INTERVIEWS WITH COMMUNITY LEADERS AND EXECUTIVES, REVIEWING PRIMARY AND SECONDARY DATA AVAILABLE FROM MULTIPLE SOURCES, AND COMMUNITY FOCUS GROUPS. IN ADDITION, QUANTITATIVE AND QUALITATIVE DATA IS USED TO DETERMINE HISTORICAL TRENDS AND TO PREDICT FUTURE NEEDS BASED ON THOSE TRENDS. BASED ON THE FINDINGS OF THE ASSESSMENTS, INDIAN RIVER MEDICAL CENTER HAS RECENTLY OPENED A HEART FAILURE CLINIC, TWO WALK-IN CLINICS, ASSISTED COMMUNITY PHYSICIANS WITH RECRUITING PHYSICIANS TO IMPROVE ACCESS TO CARE AND A 14-BED SURGICAL INTENSIVE CARE UNIT. AS A RESULT OF HEALTH ASSESSMENT FINDINGS, THE FUTURE WILL INCLUDE EXPANDING CANCER CARE, CHRONIC DISEASE MANAGEMENT, AND DIAGNOSTIC SCREENING.

PART VI, LINE 3:

ALL UNINSURED PATIENTS RECEIVE FINANCIAL COUNSELING SERVICES AFTER THEY RECEIVE THE APPROPRIATE MEDICAL CARE. FINANCIAL COUNSELING INCLUDES EDUCATION ABOUT ALL FINANCIAL ASSISTANCE PROGRAMS INCLUDING FUNDING THROUGH INDIAN RIVER COUNTY HOSPITAL DISTRICT. INDIAN RIVER MEDICAL CENTER PROVIDES RESOURCES TO UNINSURED AND UNDERINSURED PATIENTS TO ASSIST THEM IN COMPLETING A FINANCIAL ASSISTANCE

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INDIAN RIVER MEMORIAL HOSPITAL INC

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Part VI Supplemental Information *(Continuation)*

APPLICATION. OUR FINANCIAL COUNSELORS ATTEMPT TO MAKE DIRECT CONTACT WITH
UNINSURED PATIENTS TO ASSIST THEM WITH THE APPLICATION PROCESS. IF DIRECT
CONTACT IS NOT POSSIBLE, A LETTER IS SENT TO THE PATIENT WITH INSTRUCTIONS
ON HOW TO APPLY FOR FINANCIAL ASSISTANCE. THE FINANCIAL ASSISTANCE
APPLICATION AND POLICY ARE AVAILABLE ON THE INTERNET AS WELL AS IN THE
ADMITTING OFFICE, EMERGENCY ROOM, AND OTHER REGISTRATION SITES. IN
ADDITION, APPLICANTS CAN VISIT OUR FINANCIAL COUNSELORS AT THE MEDICAL
CENTER TO OBTAIN AN APPLICATION OR TO RECEIVE ASSISTANCE WITH COMPLETING
THE APPLICATION. PATIENTS ARE INFORMED ABOUT OUR FINANCIAL ASSISTANCE
PROCESS IN A NUMBER OF WAYS: (1) PATIENT ACCESS SERVICES ATTEMPTS TO
CONTACT SCHEDULED PATIENTS PRIOR TO SERVICES TO EDUCATE PATIENTS REGARDING
EXPECTED CHARGES, PAYMENT/DISCOUNT OPTIONS INCLUDING ELIGIBILITY FOR
MEDICAID AND INDIAN RIVER COUNTY HOSPITAL DISTRICT FUNDING; (2) FINANCIAL
COUNSELORS AND SOCIAL WORKERS ARE AVAILABLE TO DISCUSS FINANCIAL
ASSISTANCE WITH PATIENTS DURING THEIR STAYS AS WELL AS POST DISCHARGE VIA
TELEPHONE AND HOME VISITS; (3) FINANCIAL ASSISTANCE INFORMATION IS WIDELY
DISSEMINATED THROUGHOUT INDIAN RIVER COUNTY THROUGH INDIAN RIVER MEDICAL
CENTER'S WEBSITE, COMMUNITY OUTREACH PROGRAMS INCLUDING ITS RELATIONSHIPS
WITH OTHER MULTIPLE COMMUNITY PROVIDERS AND PARTNERS (E.G. VISITING NURSES
ASSOCIATION; TREASURE COAST COMMUNITY HEALTH CENTER; INDIAN RIVER HEALTH
DEPARTMENT; VNA HOSPICE; WHOLE FAMILY HEALTH CENTER; INDIAN RIVER COUNTY
HOSPITAL DISTRICT; THE PARTNERS PROGRAM; HEALTHY START COALITION AND THE
MENTAL HEALTH ASSOCIATION IN INDIAN RIVER COUNTY).

PART VI, LINE 4:

INDIAN RIVER MEDICAL CENTER SERVES INDIAN RIVER COUNTY AND IS THE HOSPITAL
OF CHOICE WITHIN A 10 MILE RADIUS OF ITS MAIN CAMPUS. THE COUNTY IS
COMPRISED OF 145,000 PEOPLE. IT HAS SEEN STEADY GROWTH SINCE 2009. JUST

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Schedule H (Form 990)

INDIAN RIVER MEMORIAL HOSPITAL INC

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Part VI Supplemental Information *(Continuation)*

OVER 30% OF THE POPULATION IS 65 AND OVER AND 52% ARE BETWEEN AGES 18 TO

64. THE MEDIAN AGE IS 51 WHICH IS SIGNIFICANTLY HIGHER THAN THE NATIONAL

AVERAGE. THE LARGEST EMPLOYERS IN THE COUNTY ARE IN RETAIL, EDUCATION,

AND HEALTHCARE INDUSTRIES. SLIGHTLY MORE THAN 14% OF THE ALL FAMILIES IN

INDIAN RIVER COUNTY LIVE BELOW THE FEDERAL POVERTY LEVEL. 12% OF

RESIDENTS OF DO NOT HAVE A HIGH SCHOOL DIPLOMA.

PART VI, LINE 5:

INDIAN RIVER MEDICAL CENTER IS MISSION BASED AND PROMOTES COMMUNITY HEALTH

THROUGH A BROAD VARIETY OF APPROACHES THAT INCLUDES A COMMUNITY BASED

BOARD OF DIRECTORS WHO ENSURES ACCESS TO PATIENT CARE THROUGHOUT THE YEAR,

FREE OR LOW COST HEALTH FAIRS TO PROMOTE DISEASE PREVENTION, FREE

EDUCATIONAL SESSIONS AND NEWSLETTERS ON DISEASE PREVENTION, FREE SUPPORT

GROUPS, PARTICIPATION ON NUMEROUS COMMUNITY HEALTHCARE COLLABORATIVE

COMMITTEES THAT PROMOTE AND DEVELOP CARE COORDINATION FOR OUR RESIDENTS. A

MAJORITY OF THE ORGANIZATION'S GOVERNING BODY IS COMPRISED OF PERSONS WHO

RESIDE IN THE ORGANIZATION'S PRIMARY SERVICE AREA WHO ARE NEITHER

EMPLOYEES NOR INDEPENDENT CONTRACTORS OF THE ORGANIZATION, NOR FAMILY

MEMBERS THEREOF.

PART VI, LINE 6:

INDIAN RIVER MEMORIAL HOSPITAL, INC. AND ITS AFFILIATES (INDIAN RIVER

HOSPITAL FOUNDATION, INDIAN RIVER HEALTH SERVICES, HEALTH SYSTEMS OF

INDIAN RIVER, AND INDIAN RIVER HOSPITAL AUXILIARY) WORK TOGETHER TO SERVE

AS THE AREA'S LEADING PROVIDER OF COMPREHENSIVE HIGH QUALITY HEALTH AND

MEDICAL SERVICES. THE ORGANIZATION AND ITS AFFILIATES ALSO STRIVE TO

IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES THEY

SERVE.

Schedule H (Form 990)

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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.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

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

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

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

4 During the year, did any person listed 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?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 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?

b Any related organization?

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?

b Any related organization?

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 nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

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

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

Yes No

1b		
2		
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

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Schedule J (Form 990) 2018

INDIAN RIVER MEMORIAL HOSPITAL INC

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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 aren't 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				
(1) JEFFREY L. SUSI PRESIDENT/CEO	(i)	514,999.	0.	428,574.	2,092.	11,185.	956,850.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) GEORGE EIGHMY SR. VP, CFO	(i)	294,992.	30,000.	1,161.	11,000.	10,716.	347,869.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) VALERIE LARCOMBE SR. VP, CLO	(i)	286,448.	0.	290,788.	11,000.	5,675.	593,911.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) LINDA WALTON SR. VP, CNO	(i)	251,863.	30,000.	903.	10,590.	2,650.	296,006.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) CHARLES MACKETT, M.D. SR. VP CHIEF MEDICAL OFFICER	(i)	362,022.	40,000.	19,424.	28,500.	1,941.	451,887.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) RICHARD VANLITH VP STRATEGIC PLAN AND BUS DEV	(i)	234,478.	47,500.	17,579.	28,500.	8,062.	336,119.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) TODD BIBENS VP OPERATIONS	(i)	252,535.	30,000.	483.	11,000.	2,534.	296,552.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) WARREN FULLER VP FINANCE	(i)	166,559.	30,000.	17,159.	21,600.	10,877.	246,195.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) CARY STOWE, M.D. PHYSICIAN	(i)	779,635.	0.	25,714.	11,000.	2,550.	818,899.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) EDWARD MURPHY PHYSICIAN	(i)	726,962.	0.	19,647.	11,000.	13,627.	771,236.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) GEORGE NICHOLS, M.D. PHYSICIAN	(i)	931,840.	48,750.	25,714.	11,000.	5,184.	1,022,488.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) THEODORE PERRY PHYSICIAN	(i)	856,178.	0.	20,959.	11,000.	8,062.	896,199.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) FABIO ROBERTI, M.D. PHYSICIAN	(i)	884,504.	0.	19,411.	11,000.	1.	914,916.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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INDIAN RIVER MEMORIAL HOSPITAL INC

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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.

PART I, LINES 4A-B:

PART I, LINE 4A - SEVERANCE PAYMENT:

JEFFREY L. SUSI RECEIVED A SEVERANCE PAYMENT DURING THE CALENDAR YEAR. THE

PAYMENT IS INCLUDED IN PART VII, COLUMN D AND SCHEDULE J, PART II, COLUMN

B(III). THE TERMS AND CONDITIONS OF THE CONFIDENTIAL SEVERANCE AGREEMENT

ARE AVAILABLE TO THE INTERNAL REVENUE SERVICE UPON REQUEST.

PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN:

COMPENSATION REPORTED IN THE FORM 990, PARTICULARLY RELATING TO EXECUTIVE

RETIREMENT BENEFIT COSTS, MAY BE CONFUSING, ESPECIALLY WHEN MAKING

COMPARISONS FROM ONE ORGANIZATION TO ANOTHER OR EVEN FROM ONE YEAR TO

ANOTHER FOR THE SAME ORGANIZATION. RETIREMENT BENEFIT COSTS MAY VARY WIDELY

DEPENDING ON THE TYPE OF PLAN (DEFINED BENEFIT OR CONTRIBUTION), AND THE

AGE AND TENURE OF THE EXECUTIVE.

THE ORGANIZATION MAINTAINS UNFUNDED SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS

(SERP) - BOTH A DEFINED BENEFIT AND A DEFINED CONTRIBUTION PLAN. (FOR

FURTHER DESCRIPTION OF THE SERP PLANS, SEE THE AUDITED FINANCIAL

STATEMENTS). DUE TO AGE AND TENURE, THE BELOW LISTED INDIVIDUALS WHO

Schedule J (Form 990) 2018

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Schedule J (Form 990) 2018

INDIAN RIVER MEMORIAL HOSPITAL INC

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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.

PARTICIPATE IN THE DEFINED BENEFIT SERP VESTED AND RECEIVED A LUMP SUM

TAXABLE RETIREMENT DISTRIBUTION DURING THE FISCAL YEAR. EACH LUMP SUM IS

REPORTED AS OTHER REPORTABLE INCOME ON SCHEDULE J, PART II, COLUMN

(B)(III).

VALERIE LARCOMBE

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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.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

IRMC SERVES AS THE AREA'S LEADING PROVIDER OF COMPREHENSIVE HIGH

QUALITY HEALTH AND MEDICAL SERVICES, AND IMPROVES THE HEALTH AND

WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

IRMC SERVES AS THE AREA'S LEADING PROVIDER OF COMPREHENSIVE HIGH

QUALITY HEALTH AND MEDICAL SERVICES AND IMPROVES THE HEALTH AND

WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

SERVICES, IS RECOGNIZED AS ONE OF THE TOP 1% OF THORACIC SURGEONS IN

THE UNITED STATES. THE CANCER PROGRAM AFFILIATED WITH DUKE UNIVERSITY

HEALTH SYSTEMS OPENED IN 2012 WITH THE GOAL OF BRINGING WORLD CLASS

CANCER TREATMENT CLOSE TO THE HOME OF PATIENTS WE SERVE. THE

AFFILIATION WITH DUKE ALSO PROVIDES ACCESS TO SECOND OPINIONS FROM

RECOGNIZED EXPERTS WHEN NEEDED. DURING THE YEAR, THE CANCER CENTER

PERFORMED 5,790 PROCEDURES. THE ORTHOPEDIC PROGRAM PROVIDED MAJOR JOINT

REPLACEMENTS TO MORE THAN 170 PATIENTS FROM 10/01/2018 TO 12/31/2018.

FORM 990, PART VI, SECTION A, LINE 7A:

MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY: THE INDIAN

RIVER COUNTY HOSPITAL DISTRICT IS ENTITLED TO DESIGNATE THREE (3) VOTING

MEMBERS OF THE ORGANIZATION'S BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 7B:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2018)

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Schedule O (Form 990 or 990-EZ) (2018)

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Name of the organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS: PURSUANT TO THE

ORGANIZATION'S BYLAWS AND ITS LEASE WITH THE INDIAN RIVER COUNTY HOSPITAL

DISTRICT, CERTAIN BYLAW PROVISIONS AS WELL AS THE ELIMINATION OF CERTAIN

SERVICES AND PROGRAMS REQUIRE APPROVAL BY THE DISTRICT AS LESSOR OF THE

PHYSICAL PLAN. IN ADDITION, THE DISTRICT-APPOINTED TRUSTEES ALSO

PARTICIPATE IN THE ORGANIZATION'S GOVERNANCE IN THE FOLLOWING: 2

DISTRICT-APPOINTED TRUSTEES ARE ON THE NOMINATING COMMITTEE, 1

DISTRICT-APPOINTED TRUSTEE AND 1 DISTRICT-APPOINTED PERSON WHO IS NOT A

TRUSTEE ARE ON THE FINANCE COMMITTEE, AND 1 DISTRICT-APPOINTED TRUSTEE IS

ON THE INVESTMENT COMMITTEE.

FORM 990, PART VI, SECTION B, LINE 11B:

THE FORM 990 IS REVIEWED BY EXPERIENCED MEMBERS OF THE FINANCE DEPARTMENT

AND THE CFO. THE PAID PREPARER (5TH LARGEST ACCOUNTING FIRM) CONDUCTS AN IN

DEPTH REVIEW OF THE FORM.

FORM 990, PART VI, SECTION B, LINE 12C:

CONFLICT OF INTEREST POLICY: THE HOSPITAL HAS A CORPORATE COMPLIANCE

OFFICER WHO ANNUALLY COLLECTS A SIGNED ACKNOWLEDGEMENT FROM EACH PERSON AT

THE LEVEL OF MANAGER AND ABOVE, STATING THAT THE INDIVIDUAL HAS AN

UNDERSTANDING OF, AND IS FULLY IN COMPLIANCE WITH, THE HOSPITAL'S CONFLICT

OF INTEREST POLICY. IF A CONFLICT OF INTEREST IS DISCLOSED, THE COMPLIANCE

OFFICER FOLLOWS UP WITH THE INDIVIDUAL FOR ADDITIONAL INFORMATION. THIS

INFORMATION IS REVIEWED BY THE ORGANIZATION'S COMPLIANCE COMMITTEE. IF A

MEMBER OF THE GOVERNING BODY HAS A POTENTIAL OR ACTUAL CONFLICT OF

INTEREST, THE INDIVIDUAL ABSTAINS FROM VOTING ON RELATED DECISIONS.

FORM 990, PART VI, SECTION B, LINE 15:

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Schedule O (Form 990 or 990-EZ) (2018)

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Name of the organization INDIAN RIVER MEMORIAL HOSPITAL INC	Employer identification number 59-2496294
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PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL: THE ORGANIZATION'S EXECUTIVE COMPENSATION PROGRAM IS ADMINISTERED BY THE EXECUTIVE COMPENSATION SUB-COMMITTEE OF THE COMPLIANCE COMMITTEE (THE "COMPENSATION COMMITTEE") AND CORPORATE COMPLIANCE COMMITTEE OF THE BOARD OF DIRECTORS CONSISTENT WITH APPLICABLE REGULATORY GUIDANCE. THE COMPENSATION COMMITTEE MEETS AS NEEDED TO REVIEW THE EXECUTIVE COMPENSATION PROGRAM AND MAKE RECOMMENDATIONS FOR ANY CHANGES TO THE CORPORATE COMPLIANCE COMMITTEE AND THE BOARD OF DIRECTORS AS APPROPRIATE. THE COMPENSATION COMMITTEE DIRECTLY, AND INDEPENDENT OF EXECUTIVE MANAGEMENT, COMMISSIONS AN ANNUAL REVIEW BY ITS INDEPENDENT CONSULTING FIRM, SULLIVAN COTTER, TO EVALUATE THE ORGANIZATION'S EXECUTIVE COMPENSATION PROGRAM AGAINST THE COMPETITIVE MARKET UTILIZING DATA FROM COMPARABLE LOCAL ORGANIZATIONS, INCLUDING, BUT NOT LIMITED TO FORM 990 DATA AS WELL AS REGIONAL DATA FROM SIMILAR ORGANIZATIONS. THE COMPENSATION REVIEW IS CONDUCTED NOT LESS THAN ANNUALLY AND IS INTENDED TO ENSURE THAT THE COMPENSATION PROGRAM FALLS WITHIN A REASONABLE FAIR MARKET RANGE OF COMPETITIVE PRACTICES FOR COMPARABLE POSITIONS AMONG SIMILARLY SITUATED ORGANIZATIONS.

FOLLOWING THIS REVIEW, THE COMPENSATION COMMITTEE REVIEWS AND RECOMMENDS FOR APPROVAL BY THE BOARD OF DIRECTORS THE GOALS, OBJECTIVES, AND SALARY OF THE CHIEF EXECUTIVE OFFICERS CONSISTENT WITH APPLICABLE REGULATORY GUIDELINES. THE COMPENSATION COMMITTEE ALSO APPROVES THE SALARIES AND BENEFITS FOR VICE-PRESIDENTS AND KEY EMPLOYEES. NOTE: COMPENSATION FOR ALL OTHER EMPLOYEES, INCLUDING DIRECTORS AND MANAGERS, IS REVIEWED AND APPROVED BY THE EXECUTIVE MANAGEMENT COMMITTEE BY UTILIZING COMPARABLE MARKET COMPENSATION DATA PROVIDED BY SULLIVAN COTTER OR OTHER INDEPENDENT COMPENSATION AND BENEFITS FIRM.

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Schedule O (Form 990 or 990-EZ) (2018)

Page **2**

Name of the organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

FORM 990, PART VI, SECTION C, LINE 19:

THE HOSPITAL MAKES ITS GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY

AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

PENSION LIABILITY ADJUSTMENT -5,991,771.

CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS -500,435.

PARTNERSHIP INCOME NOT RECORDED ON BOOKS -556,489.

TOTAL TO FORM 990, PART XI, LINE 9 -7,048,695.

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**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

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.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

INDIAN RIVER MEMORIAL HOSPITAL INC

Employer identification number

59-2496294

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
VERO RADIOLOGY ASSOCIATES LLC - 59-2755370 3725 11TH CIRCLE VERO BEACH, FL 32960	RADIOLOGY SERVICES	FLORIDA	3,068,876.	14,016,438.	INDIAN RIVER MEMORIAL HOSPITAL

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
INDIAN RIVER HOSPITAL FOUNDATION, INC. - 59-0760215, 1000 36TH ST, VERO BEACH, FL 32960	FUND RAISING	FLORIDA	501(C)(3)	LINE 12A, I	IRMH	X	
INDIAN RIVER HEALTH SERVICES, INC - 65-0029298, 1000 36TH ST, VERO BEACH, FL 32960	HEALTHCARE	FLORIDA	501(C)(3)	LINE 12A, I	IRMH	X	
HEALTH SYSTEMS OF INDIAN RIVER, INC - 65-0705680, 1000 36TH ST, VERO BEACH, FL 32960	HEALTHCARE	FLORIDA	501(C)(3)	LINE 12B, II	IRMH	X	
HOSPITAL AUXILIARY OF THE IRMH, INC. - 59-1003707, 1000 36TH ST, VERO BEACH, FL 32960	HEALTHCARE	FLORIDA	501(C)(3)	LINE 12C, III-FI	IRMH	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2018

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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 | 1a | | X |
| b Gift, grant, or capital contribution to related organization(s) | 1b | | X |
| c Gift, grant, or capital contribution from related organization(s) | 1c | X | |
| d Loans or loan guarantees to or for related organization(s) | 1d | X | |
| e Loans or loan guarantees by related organization(s) | 1e | | X |
| | | | |
| f Dividends from related organization(s) | 1f | | X |
| g Sale of assets to related organization(s) | 1g | | X |
| h Purchase of assets from related organization(s) | 1h | | X |
| i Exchange of assets with related organization(s) | 1i | | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | 1j | | X |
| | | | |
| k Lease of facilities, equipment, or other assets from related organization(s) | 1k | X | |
| l Performance of services or membership or fundraising solicitations for related organization(s) | 1l | | X |
| m Performance of services or membership or fundraising solicitations by related organization(s) | 1m | | X |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | 1n | X | |
| o Sharing of paid employees with related organization(s) | 1o | X | |
| | | | |
| p Reimbursement paid to related organization(s) for expenses | 1p | | X |
| q Reimbursement paid by related organization(s) for expenses | 1q | X | |
| | | | |
| r Other transfer of cash or property to related organization(s) | 1r | X | |
| s Other transfer of cash or property from related organization(s) | 1s | | X |

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
(1) INDIAN RIVER HOSPITAL FOUNDATION, INC.	C	649,532.	FMV
(2) HEALTH SYSTEMS OF INDIAN RIVER, INC.	D	39,726,250.	FMV
(3) HEALTH SYSTEMS OF INDIAN RIVER, INC.	K	229,949.	FMV
(4)			
(5)			
(6)			

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Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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]

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Schedule R (Form 990) 2018

INDIAN RIVER MEMORIAL HOSPITAL INC

59-2496294

Page 5

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidated Financial Report
December 31, 2018

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Independent Auditor's Report

Board of Directors
Indian River Memorial Hospital, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Indian River Memorial Hospital, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and September 30, 2018, the related consolidated statements of operations, changes in net assets, and cash flows for the three months ended December 31, 2018, and the year ended September 30, 2018, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indian River Memorial Hospital, Inc. and Subsidiaries as of December 31, 2018 and September 30, 2018, and the results of their operations and their cash flows for the three months ended December 31, 2018, and the year ended September 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating balance sheet and consolidating statement of operations are presented for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of the individual companies, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Fort Lauderdale, Florida
June 28, 2019

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2018 and September 30, 2018

	December 31, 2018	September 30, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 23,634,503	\$ 29,715,275
Assets limited as to use, current	2,299,968	2,299,968
Accounts receivable from patients, net of allowance for uncollectible accounts of \$7,568,000 at December 31, 2018 and \$7,685,000 at September 30, 2018	38,857,392	38,439,225
Other receivables	3,642,935	3,485,660
Inventories	5,431,605	5,214,207
Due from the District	667,792	1,967,122
Prepaid expenses and other assets	3,183,394	2,888,958
Total current assets	77,717,589	84,010,415
Assets limited as to use, net of current portion:		
Board-designated	3,571,910	3,555,531
Under indenture and irrevocable trust agreements—held by trustees	108,426	107,973
Amounts held by Foundation for property, equipment and programs	37,292,247	35,771,454
Total assets limited as to use	40,972,583	39,434,958
Property and equipment, net	146,276,905	148,359,525
Goodwill	5,694,975	5,694,975
Intangible assets, net	537,000	584,400
Other assets, net	2,250,664	2,658,547
Total noncurrent assets	154,759,544	157,297,447
Total assets	\$ 273,449,716	\$ 280,742,820

See notes to consolidated financial statements.

	December 31, 2018	September 30, 2018
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 13,852,467	\$ 13,047,875
Accrued payroll	10,128,498	12,786,135
Other accrued liabilities	7,462,337	4,929,182
Estimated third-party payor settlements	2,880,403	2,363,225
Current portion of long-term debt	4,690,688	4,674,832
Current portion of self-insurance liability for professional liability and workers' compensation claims	2,299,968	2,299,968
Total current liabilities	41,314,361	40,101,217
Pension benefit obligations	16,870,984	10,918,474
Self-insurance liability for professional liability and workers' compensation claims, net of current portion	10,595,859	10,950,250
Long-term debt, net of current portion	29,210,726	30,392,913
Other long-term liabilities	646,779	717,775
Total noncurrent liabilities	57,324,348	52,979,412
Total liabilities	98,638,709	93,080,629
Commitments and contingencies		
Net assets:		
Unrestricted	155,249,855	168,523,376
Temporarily restricted	17,489,859	17,087,567
Permanently restricted	2,071,293	2,051,248
Total net assets	174,811,007	187,662,191
Total liabilities and net assets	\$ 273,449,716	\$ 280,742,820

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidated Statements of Operations

Three Months Ended December 31, 2018 and Year Ended September 30, 2018

	Three Months Ended December 31, 2018	Year Ended September 30, 2018
Unrestricted revenue:		
Patient service revenue, net of contractual allowances and discounts, before provision for bad debts	\$ 76,322,170	\$ 298,049,589
Provision for bad debts	(3,990,846)	(15,436,843)
Net patient service revenue, less provision for bad debts	72,331,324	282,612,746
Other revenue	5,575,498	21,065,200
Total unrestricted revenue	77,906,822	303,677,946
Expenses:		
Salaries and benefits	44,862,206	165,717,173
Professional fees	5,951,873	19,160,431
Supplies	16,057,752	62,591,050
Insurance	1,637,116	7,503,533
Other	11,589,097	32,308,064
Interest	375,791	1,575,874
Depreciation and amortization	3,885,740	15,966,519
Total expenses	84,359,575	304,822,644
Operating loss	(6,452,753)	(1,144,698)
Nonoperating income (loss):		
Investment income, net	(356,080)	768,247
Other, net	(215,684)	63,011
Total nonoperating (loss) income, net	(571,764)	831,258
Deficiency of unrestricted revenue over expenses	(7,024,517)	(313,440)
Net assets released from restrictions, used for purchase of property and equipment	243,210	4,433,190
Pension liability adjustment	(5,991,780)	3,095,791
Change in fair value of interest rate swaps	(500,434)	1,299,517
(Decrease) increase in unrestricted net assets	\$ (13,273,521)	\$ 8,515,058

See notes to consolidated financial statements.

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets

Three Months Ended December 31, 2018 and Year Ended September 30, 2018

	Three Months Ended December 31, 2018	Year Ended September 30, 2018
Unrestricted net assets:		
Deficiency of unrestricted revenue over expenses	\$ (7,024,517)	\$ (313,440)
Net assets released from restrictions, used for purchase of property and equipment	243,210	4,433,190
Pension liability adjustment	(5,991,780)	3,095,791
Change in fair value of interest rate swaps	(500,434)	1,299,517
(Decrease) increase in unrestricted net assets	(13,273,521)	8,515,058
Temporarily restricted net assets:		
Contributions	1,461,547	1,247,102
Investment income	(244,000)	314,598
Change in fair value of beneficial interest in remainder trust	(127,212)	26,241
Net assets released from restrictions	(688,043)	(6,594,343)
Increase (decrease) in temporarily restricted net assets	402,292	(5,006,402)
Permanently restricted net assets:		
Contributions	20,045	10,000
Increase in permanently restricted net assets	20,045	10,000
(Decrease) increase in net assets	(12,851,184)	3,518,656
Net assets:		
Beginning of period	187,662,191	184,143,535
End of period	\$ 174,811,007	\$ 187,662,191

See notes to consolidated financial statements.

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Three Months Ended December 31, 2018 and Year Ended September 30, 2018

	Three Months Ended December 31, 2018	Year Ended September 30, 2018
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (12,851,184)	\$ 3,518,656
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,885,740	15,966,519
Provision for bad debts	3,990,846	15,436,843
Realized and unrealized gains on investments	(865,655)	(865,655)
Unrealized losses (gains) on beneficial interest in remainder trust	127,212	(26,241)
Loss on the sale of property and equipment	-	-
Pension liability adjustment	5,991,780	(3,095,791)
Change in fair value of interest rate swaps	500,434	(1,299,516)
Restricted contributions	(1,481,592)	(1,257,102)
(Increase) decrease in:		
Accounts receivable from patients	(4,409,013)	(17,926,938)
Other receivables	(157,275)	(88,766)
Inventories	(217,398)	(796,677)
Due from the District	1,299,330	(1,281,785)
Prepaid expenses	(294,436)	(429,137)
Other assets	(92,551)	(669,427)
(Decrease) increase in:		
Accounts payable	1,471,004	(2,016,623)
Accrued payroll	(2,657,637)	606,368
Other accrued and long-term liabilities	2,422,889	580,151
Estimated third-party payor settlements	517,178	222,772
Self-insurance liability for professional liability and workers' compensation claims	(354,391)	3,818,315
Net cash (used in) provided by operating activities	(3,174,719)	10,395,966
Cash flows from investing activities:		
Acquisitions of property and equipment	(2,406,533)	(17,324,643)
Proceeds from the sale of property and equipment	-	-
Increase in investments held by Foundation	(917,038)	(1,419,828)
(Increase) decrease in trustee-held funds	(453)	762,219
Increase in Board-designated assets	(16,379)	(51,481)
Net cash paid for acquisitions	-	-
Net cash used in investing activities	(3,340,403)	(18,033,733)
Cash flows from financing activities:		
Proceeds from borrowings on long-term debt	-	5,186,210
Principal payments on long-term debt	(1,181,930)	(4,260,556)
Restricted contributions received for property, equipment and programs	1,616,280	8,997,784
Net cash provided by financing activities	434,350	9,923,438
Net (decrease) increase in cash and cash equivalents	(6,080,772)	2,285,671
Cash and cash equivalents:		
Beginning	29,715,275	27,429,604
Ending	\$ 23,634,503	\$ 29,715,275

(Continued)

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

Three Months Ended December 31, 2018 and Year Ended September 30, 2018

	Three Months Ended December 31, 2018	Year Ended September 30, 2018
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 375,791	\$ 1,575,874
Change in contribution receivable	\$ 603,755	\$ (6,848,786)
Acquisition of property and equipment through accounts payable	\$ 476,515	\$ 1,142,927

See notes to consolidated financial statements.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

The accompanying consolidated financial statements include Indian River Memorial Hospital, Inc. (IRMH) d/b/a Indian River Medical Center (IRMC) and its wholly owned subsidiaries, Health Systems of Indian River (HSIR), Indian River Health Services Corporation (Health Services), Vero Radiology Associates, LLC (VRA) and Indian River Hospital Foundation, Inc. (the Foundation) (collectively referred to as the Hospital).

IRMH was incorporated in December 1984 as a nonprofit corporation under the laws of the state of Florida. IRMH operates a 286-bed short-term acute care hospital located in Vero Beach, Florida.

In February 1989, IRMH purchased the Psychiatric Institute of Vero Beach (PIVB) and transferred its ownership to the Indian River County Hospital District (the District), an affiliated organization that is a special taxing district. In 1994, PIVB changed its name to the Behavioral Health Center (BHC). BHC is a 46-bed acute care unit located proximate to the IRMH campus. BHC is operated as a department of IRMH. Collectively, the aforementioned entities are referred to as the Hospital Facility and include 332 total beds. IRMH is leasing the Hospital Facility from the District. The lease expires in December 2034, and allows for automatic extensions for one or more additional 10-year periods. Upon expiration or termination of the lease, the Hospital facilities revert to the District.

In 1997, IRMH established HSIR to assist in the development of an integrated delivery system. HSIR is a nonprofit corporation under the laws of the state of Florida and is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code (the Code). The Foundation was incorporated in September 1985 as a nonprofit corporation under the laws of the state of Florida. The Foundation was formed primarily to solicit and administer funds for the benefit of IRMH. VRA is a diagnostic and therapeutic center that provides CT scans, MRIs, ultrasounds, mammography, PET scanning, nuclear medicine and X-ray services.

On January 1, 2019, the Hospital and the District affiliated (Affiliation Agreement) the Hospital with Cleveland Clinic Foundation. The affiliation was accomplished by a member substitution where Cleveland Clinic Foundation now appoints the Board of Directors of IRMC. In connection with the Affiliation Agreement, the District lease agreement (see Note 12) and the indigent care agreement with the District (see Note 5) were amended. As part of the terms of the Affiliation Agreement, Cleveland Clinic Foundation is committing to invest at least \$250 million in the Hospital over the next 10 years. The Hospital also subsequently changed their financial reporting year to end on December 31 to match the Cleveland Clinic Foundation.

A summary of the Hospital's significant accounting policies follows:

Principle of consolidation: All significant intercompany balances and transactions have been eliminated in consolidation. The Hospital applies the equity method of accounting for investments with ownership between 20% and 50%, and for investments where it can exercise significant influence.

Net assets: The Hospital's resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into similar categories, as follows:

Unrestricted: Unrestricted net assets are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Temporarily restricted: Temporarily restricted net assets are net assets whose use by the Hospital is subject to donor-imposed stipulations that can be fulfilled by actions of the Hospital pursuant to those stipulations or that expire by the passage of time.

Permanently restricted: Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Hospital. Generally, the donors of these assets permit the Hospital to use all or part of the investment return on these assets. Such assets include the Hospital's permanent endowment funds.

Use of estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas subject to management estimates include estimated useful lives of property and equipment, pension assumptions, estimated third-party payor settlements, accruals for losses and expenses related to health care, professional and general liabilities, recognition of net patient services revenue, and valuation of accounts receivable, including contractual allowances and allowance for uncollectible accounts. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents include investments in highly liquid instruments, including money market accounts and certain highly liquid mutual funds held for operational liquidity, excluding amounts limited as to use. Amounts are recorded at fair value or cost, which approximates fair value.

Investments and assets limited to use: Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the accompanying consolidated balance sheets. Investments are held by the Foundation and are accounted for in accordance with nonprofit accounting rules. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in deficiency of unrestricted revenue over expense unless restricted by donor or law, in which case they are recorded as changes in restricted net assets.

Assets limited as to use include cash, cash equivalents and investments held by the Foundation for programs and property and equipment additions; assets set aside by the Board of Directors for capital additions, all insurance reserves and for its self-insured health insurance program; and amounts held by third-party trustees. The Board retains control of the assets it sets aside for special purposes and may, at its discretion, subsequently use these assets for other purposes. Amounts required to meet current liabilities are classified as current assets.

Beneficial interests in remainder trusts: Beneficial interests in remainder trusts consist of charitable remainder unitrusts for which the Hospital has not been appointed trustee, but which are irrevocable in nature. Contribution revenue is recognized at fair value based on the net asset value of the trusts. These amounts are included in assets limited as to use in the consolidated balance sheets.

Inventories: Inventories, consisting principally of medical and pharmaceutical supplies, are stated at the lower of cost or net realizable value. Cost is determined on the basis of the first-in, first-out (FIFO) method.

Derivative financial instruments: As part of its debt management program, the Hospital has entered into interest rate swaps. The Hospital recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The interest rate swap agreements qualify as effective hedges, and accordingly, the gains and losses resulting from changes in the fair values are reflected in the consolidated statements of operations as other changes in unrestricted net assets. In addition, the swap transactions involve the periodic exchange of payments between the Hospital and the swap counterparty pursuant to contract terms. The net payments made from these exchanges are reported as interest expense in the accompanying consolidated statements of operations.

Property and equipment: Property and equipment, including betterments of existing facilities, are recorded at cost. Maintenance, repairs and minor renewals are expensed as incurred. Donated property and equipment are recorded at fair value at the time of the donation. Depreciation is provided using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10-20
Buildings and building improvements	5-40
Fixed equipment	8-20
Major movable equipment	5-15

Goodwill and intangible assets: Goodwill represents the excess of purchase price and related costs over the fair value assigned to the net tangible and identifiable intangible assets of the acquisition of VRA in 2014. Goodwill is not amortized. The Hospital reviews goodwill for impairment annually or between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Potential impairment exists if the fair value of the reporting unit to which goodwill has been allocated is less than the carrying value of the reporting unit. The amount of an impairment loss is recognized as the amount by which the carrying value of the goodwill exceeds its implied fair value. There was no impairment loss recognized for the three months ended December 31, 2018, and the year ended September 30, 2018.

Intangible assets consist of noncompete agreements and a trade name acquired in conjunction with the acquisition of VRA in 2014. Noncompete agreements are amortized over their estimated useful life of five years. The trade name is considered to have an indefinite life and is not amortized.

Impairment of long-lived assets: Long-lived assets are evaluated for impairment. If indicators of impairment suggest that the value of long-lived assets may be impaired, an assessment of recoverability is performed prior to any write-down of assets. Assets to be disposed of are recorded at the lower of the carrying amount or fair value, less costs to sell. No impairment losses were recognized during the three months ended December 31, 2018, and the year ended September 30, 2018.

Net patient service revenue: The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the time the services are provided, at the estimated net realizable amounts from patients and third-party payors for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments and significant regulatory actions. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are rendered, and adjusted in future periods as additional information becomes available and as final settlements are determined. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. There were no significant changes in these estimates during the three months ended December 31, 2018, or the year ended September 30, 2018.

Patient service revenue, net of contractual allowances and discounts, including charity (but before the provision for bad debts) by major payor sources, is as follows:

Three Months Ended December 31, 2018						
	Medicare	Medicaid	Managed Care	Self-Pay	Other	Total
Gross patient charges	\$ 203,939,292	\$ 30,009,369	\$ 58,330,214	\$ 16,933,335	\$ 5,744,845	\$ 314,957,055
Contractual allowances and discounts	156,013,123	25,022,667	38,506,075	15,314,412	3,778,608	238,634,885
Patient service revenue	<u>\$ 47,926,169</u>	<u>\$ 4,986,702</u>	<u>\$ 19,824,139</u>	<u>\$ 1,618,923</u>	<u>\$ 1,966,237</u>	<u>\$ 76,322,170</u>
Year Ended September 30, 2018						
	Medicare	Medicaid	Managed Care	Self-Pay	Other	Total
Gross patient charges	\$ 846,543,262	\$ 118,123,444	\$ 217,985,140	\$ 73,861,782	\$ 14,896,645	\$ 1,271,410,273
Contractual allowances and discounts	649,992,917	106,052,184	142,381,704	64,566,885	10,366,994	973,360,684
Patient service revenue	<u>\$ 196,550,345</u>	<u>\$ 12,071,260</u>	<u>\$ 75,603,436</u>	<u>\$ 9,294,897</u>	<u>\$ 4,529,651</u>	<u>\$ 298,049,589</u>

The Hospital receives payment for services rendered from federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, employers and patients.

The Hospital recognizes that revenue and receivables from government agencies and managed care payors are significant to the Hospital's operations, but does not believe that there are significant credit risks associated with these payors. The Hospital does not believe that there are any other significant concentrations of revenues from any particular payor that would subject the Hospital to any significant credit risks in the collection of its accounts receivable. The Hospital grants credit to its patients, most of whom are local or state residents and are insured under third-party arrangements.

Accounts receivable from patients: The accounts receivable from patients' balance represents amounts due from patients and third-party payors. Contractual adjustments, discounts and an allowance for uncollectible accounts are recorded to report receivables for patient care services at net realizable value. The Hospital does not accrue interest on its accounts receivable from patients.

Allowance for uncollectible accounts: Accounts receivable from patients are reduced by an allowance for uncollectible accounts. The allowance is based upon management's assessment of historical and expected collections of accounts receivable considering business and economic conditions, trends in health care coverage and other collection indicators. Accounts receivable are written off and charged to the provision for bad debts after collection efforts have been made in accordance with the Hospital's policies. Recoveries are treated as a reduction to the provision for bad debts.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Data about the major payor sources of revenue is analyzed to establish an appropriate allowance for uncollectible accounts and the provision for bad debts. For receivables associated with services provided to patients who have third-party coverage, contractually due amounts are analyzed and compared to actual cash collected over time to enhance the quality of the estimates (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), an allowance for uncollectible accounts is recorded on the basis of historical experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. An estimate of the difference between contracted rates and amounts actually collected, after all reasonable collection efforts have been exhausted, is charged to the provision for bad debts and credited to the allowance for uncollectible accounts. This allowance for uncollectible accounts relates primarily to self-pay patients, including copayment and deductible amounts for patients who have third-party coverage. The allowance for uncollectible accounts decreased from 18.0% of accounts receivable from patients at September 30, 2018, to 16.0% of accounts receivable from patients at December 31, 2018. The Hospital has not changed its charity care or discount policies during the three months ended December 31, 2018, or the year ended September 30, 2018. The Hospital does not maintain a material allowance for uncollectible accounts from third-party payors.

Nonoperating income: Activities directly associated with the furtherance of the Hospital's mission are considered operating activities. Other activities that result in gains or losses peripheral to the Hospital's primary mission are considered to be nonoperating. Nonoperating activities include investment income and other peripheral gains and losses.

Deficiency of unrestricted revenue over expenses: The consolidated statements of operations include deficiency of unrestricted revenue over expenses. Changes in unrestricted net assets that are excluded from deficiency of unrestricted revenue over expenses include changes in pension liabilities, change in the effective portion of fair value of its interest rate swap agreements, certain contributions, and net assets released from restrictions used for the purchase of property and equipment.

Charity care: The Hospital provides care to patients who meet certain criteria under its charity care policies without charge or at amounts less than established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as revenue. Under contractual agreements, the District reimburses the Hospital for a portion of its qualified charity care.

Functional expenses: The Hospital does not present expense information by functional classification because its resources and activities are primarily related to providing health care services. Further, since the Hospital receives substantially all of its resources from providing health care services in a manner similar to a business enterprise, other indicators contained in these consolidated financial statements are considered important in evaluating how well management has discharged their stewardship responsibilities. Expenses incurred by the Foundation for fundraising activities were approximately \$631,000 and \$2,090,000 for the three months ended December 31, 2018, and the year ended September 30, 2018, respectively.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Donor-restricted gifts: Unconditional pledges to give cash and other assets to the Hospital are reported at fair value at the date the promise is received and are included with amounts held by Foundation in assets limited as to use. The Hospital recognizes pledge contributions in the year the pledge is made. The Hospital provides an allowance for uncollectible contributions based on management's estimate of pledges deemed uncollectible. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. The long-term portion of pledges receivable has been discounted to reflect the present value of estimated future cash flows. For contributions receivable at December 31, 2018 and September 30, 2018, the discount rates utilized ranged between 0.5% and 5.0%.

Unconditional promises to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions (other revenue) in the accompanying consolidated statements of operations.

Gifts of long-lived assets, such as land, buildings, equipment or works of art, are reported at fair value at the date of donation as unrestricted support and are excluded from the excess of unrestricted revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported as transfers from restricted to unrestricted net assets when the donated or acquired long-lived assets are placed in service.

Estimated professional liability, workers' compensation and health insurance costs: The provision for professional liability, workers' compensation and health insurance claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, as determined through actuarial analysis.

Income taxes: IRMH and its subsidiaries are nonprofit corporations and have been recognized as tax-exempt organizations by the Internal Revenue Service (IRS) pursuant to section 501(c)(3) of the Code. Income earned in furtherance of the Hospital's tax-exempt purpose is exempt from federal and state income taxes. The Code provides for taxation of unrelated business income under certain circumstances. The Hospital has no material unrelated business income; however, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authority.

GAAP prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits will be recognized only if the tax position is more likely than not to be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not position, no tax benefit will be recorded. Management has concluded that it is unaware of any tax benefits or liabilities to be recognized at December 31, 2018 and September 30, 2018.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Public Medical Assistance Trust Fund assessment: The Hospital pays an assessment to the state of Florida in connection with the Public Medical Assistance Trust Fund (PMATF). The assessment is based on 1.5% of the Hospital's net patient service revenue for inpatient services and 1.0% of net patient service revenue for outpatient services for each fiscal year. The Hospital's assessment is included with other expenses in the consolidated statements of operations and was approximately \$750,000 and \$3,071,000 for the three months ended December 31, 2018, and the year ended September 30, 2018, respectively.

Recent accounting guidance: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides a robust framework for addressing revenue recognition and replaces most of the existing revenue recognition guidance, including industry-specific guidance, in current GAAP. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU 2014-09 for all entities by one year. The standard and subsequent amendments (ASU Nos. 2016-08, 2016-10, 2016-12 and 2016-20) are effective for the Hospital's fiscal year ending September 30, 2019. Management is currently evaluating the impact the adoption of this update will have on the Hospital's consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. The standard is effective for the Hospital's fiscal year ending September 30, 2020. Management is currently evaluating the impact the adoption of this update will have on the Hospital's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The standard is effective for the Hospital's fiscal year ending September 30, 2020. Management is currently evaluating the impact the adoption of this update will have on the Hospital's consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance amends the requirements for financial statements and notes presented by a not-for-profit entity to: a) present on the face of the statement of financial position (balance sheet) amounts for two classes of net assets at the end of the period, rather than for the currently required three classes; b) present on the face of the statement of activities (operations) the amount of the change in either of the two classes of net assets rather than that of the currently required three classes; c) provide enhanced disclosures in the notes to the financial statements; d) report investment return net of external and direct internal investment expenses; and e) utilize, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset. The ASU will be effective for the Hospital's fiscal year ending September 30, 2019. Management is currently evaluating the impact the adoption of this update will have on the Hospital's consolidated financial statements.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. The standard is effective for the Hospital's fiscal year ending September 30, 2019. Management is currently evaluating the impact the adoption of this update will have on the Hospital's consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. ASU 2017-07 requires that an entity report the service cost component of net periodic pension and postretirement cost in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The remaining components of net benefit costs are required to be presented in the income statement separately from the service component and outside a subtotal of income from operations, if one is presented. The amendment further allows only the service cost component of net periodic pension and postretirement costs to be eligible for capitalization. ASU 2017-07 will be effective for the Hospital's fiscal year ending September 30, 2020. The adoption of ASU 2017-07 is not expected to have a material impact on the consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. The ASU will be effective for contributions received for the Hospital's fiscal year ending September 30, 2020, and for contributions made for fiscal year ending September 30, 2021. Management is currently evaluating the impact the adoption of this update will have on the Hospital's financial reporting.

Note 2. Net Patient Service Revenue

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

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

The Hospital's Medicare cost reports have been audited and final settlements have been determined by the Medicare intermediary for all years through September 30, 2015. Retroactive adjustments for cost report settlements are accrued on an estimated basis in the period when the related services are rendered and adjusted in future periods when final settlements are determined.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Net Patient Service Revenue (Continued)

Medicaid: Historically, inpatient and outpatient services (except for laboratory and pathology services) rendered to Medicaid program beneficiaries were reimbursed under a cost-reimbursement methodology. Reimbursable cost was determined in accordance with the principles of reimbursement established by the Florida Title XIX Hospital Reimbursement Plan, supplemented by the Medicare Principles of Reimbursement. Interim payment rates were tentatively established on an individual per diem basis for each hospital, subject to cost ceilings with certain exceptions. The Hospital was reimbursed at a tentative interim rate with final settlement determined when the prospectively determined rate was adjusted after the intermediary audit of the combined Medicare and Medicaid cost report that was used to determine the prospective rate. Retroactive adjustments for interim rate changes anticipated after the intermediary audit of the cost report were accrued on an estimated basis in the period when the cost reports were finalized. The Hospital's Medicaid interim rates were based on the Medicare/Medicaid cost reports from 2006 to 2013.

Effective July 1, 2017, Florida Medicaid program converted to an Ambulatory Patient Classification (APC) system for outpatient services. Payments for services under APCs are paid at prospectively determined rates.

On July 1, 2013, Florida Medicaid implemented a prospective inpatient reimbursement based on All Patient Refined Diagnosis Related Groups methodology (APR DRG). Payments under APR DRG assignment are made on a per-case basis and are not subject to retrospective rate adjustment.

The Hospital's classification of patients and the appropriateness of their admission are subject to review by the fiscal intermediaries administering the Medicare and Medicaid programs. The Hospital's Medicaid cost reports have been audited and final settlements determined by the fiscal intermediary for all years through September 2015.

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

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

Note 3. Concentration of Credit Risk

Financial instruments that potentially subject the Hospital to concentrations of credit risk include the Hospital's cash and cash equivalents and accounts receivable from patients. The Hospital places its cash and cash equivalents with institutions with high credit quality. All accounts at these financial institutions are insured to the limits established by the Federal Deposit Insurance Corporation per bank. The Hospital has cash deposits and equivalents that exceed the federally insured amounts. Management does not anticipate nonperformance by the financial institutions.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 3. Concentration of Credit Risk (Continued)

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of gross receivables from patients and third-party payors at December 31, 2018 and September 30, 2018, was as follows:

	December 31, 2018	September 30, 2018
Medicare	48%	50%
Medicaid	11%	8%
Managed care	16%	18%
Insurance	1%	1%
Self-pay and other	24%	23%
	<u>100%</u>	<u>100%</u>

Note 4. Contributions Receivable

The following schedule presents when contributions receivable (see Note 6) at December 31, 2018 and September 30, 2018, are due:

	December 31, 2018	September 30, 2018
In one year or less	\$ 867,508	\$ 1,080,134
Between one year and five years	2,936,276	1,397,794
More than five years	308,760	940,976
	<u>4,112,544</u>	<u>3,418,904</u>
Less allowance for uncollectible contributions receivable	(60,833)	(106,064)
Less present value discount	(189,649)	(141,394)
	<u>\$ 3,862,062</u>	<u>\$ 3,171,446</u>

Note 5. Charity Care and Program Reimbursement

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. Because the Hospital does not pursue collection of amounts that qualify as charity care, these amounts are not included in net patient service revenue. Charges foregone, based on established rates, due to the provision of care to charity and indigent patients amounted to approximately \$9,909,000 for the three months ended December 31, 2018 (charity \$8,778,000; indigent \$1,131,000), and \$43,291,000 for the year ended September 30, 2018 (charity \$38,907,000; indigent \$4,384,000). This represents approximately 3% of the Hospital's gross patient charges during the three months ended December 31, 2018, and the year ended September 30, 2018. The estimated cost incurred by the Hospital to provide these services to patients was approximately \$2,574,000 and \$11,702,000 for the three months ended December 31, 2018, and the year ended September 30, 2018, respectively. The estimated costs of the charity care services were determined using a ratio of cost to charge methodology.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Charity Care and Program Reimbursement (Continued)

The Hospital is reimbursed by the District for qualifying indigent care based upon cost per day less 5% for inpatient care and a percentage of charges for outpatient care. Reimbursement for indigent care amounted to approximately \$1,530,000 and \$7,957,000 for the three months ended December 31, 2018, and the year ended September 30, 2018, respectively, and is recorded in other revenue in the accompanying consolidated statements of operations. The District reimburses the Hospital for a portion of the excess of operating expenses over revenue received for certain programs. Reimbursement for these programs amounted to approximately \$421,000 and \$1,325,000, respectively, for the three months ended December 31, 2018, and the year ended September 30, 2018, and is recorded in other revenue in the accompanying consolidated statements of operations. At December 31, 2018 and September 30, 2018, the Hospital had a receivable of approximately \$668,000 and \$1,967,000, respectively, from the District related to reimbursement for indigent care expenses incurred. The amounts due from the District are subject to review and could differ from the amounts recorded.

In connection with the Affiliation Agreement (see Note 1), the indigent care agreement with the District was renegotiated, and the District will pay \$500,000 per month beginning January 1, 2019, through July 31, 2021.

Note 6. Assets Limited as to Use

Assets limited as to use consists of the following:

Board-designated: Board-designated funds are held in cash and cash equivalents for the following purposes at December 31, 2018 and September 30, 2018:

	December 31, 2018	September 30, 2018
Insurance reserves	<u>\$ 5,871,878</u>	<u>\$ 5,855,499</u>

Under indenture and irrevocable trust agreements—held by trustee: Investments under indenture and irrevocable trust agreements consist of the following at December 31, 2018 and September 30, 2018:

	December 31, 2018	September 30, 2018
Cash and cash equivalents	<u>\$ 108,426</u>	<u>\$ 107,973</u>

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6. Assets Limited as to Use (Continued)

Held by Foundation for property, equipment and programs: Investments held by the Foundation for property, equipment and programs consist of the following at December 31, 2018 and September 30, 2018:

	December 31, 2018	September 30, 2018
Cash and cash equivalents	\$ 13,597,005	\$ 11,975,134
Mutual funds—equities	7,563,350	8,361,646
Mutual funds—debt securities	10,179,161	10,025,703
Mutual funds—fixed-income securities	857,245	839,525
Corporate stocks	532,708	616,132
Commodities	58,124	52,415
Beneficial interests in remainder trust	642,592	729,453
Contributions receivable (Note 4)	3,862,062	3,171,446
	<u>\$ 37,292,247</u>	<u>\$ 35,771,454</u>

Note 7. Fair Value Measurements

The Hospital follows *FASB Accounting Standards Codification* (ASC) Topic 820 on fair value measurements, which establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standard clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1:** Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2:** Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets and liabilities.
- Level 3:** Pricing inputs are generally unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. The fair values are therefore determined using factors that involve considerable judgment and interpretations, including, but not limited to, private and public comparables, third-party appraisals, discounted cash flow models and fund manager estimates. Beneficial interest in remainder trusts are included in this category.

There were no transfers between levels in the three months ended December 31, 2018, and the year ended September 30, 2018.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Fair Value Measurements (Continued)

Assets and liabilities that are measured at fair value on a recurring basis at December 31, 2018 and September 30, 2018, are as follows:

	December 31, 2018			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Corporate stocks	\$ 532,706	\$ 532,706	\$ -	\$ -
Commodities	58,124	58,124	-	-
Mutual funds—fixed-income securities	857,245	857,245	-	-
Mutual funds—debt securities	10,179,161	10,179,161	-	-
Mutual funds—equities	7,563,350	7,563,350	-	-
Beneficial interests in remainder trust	642,592	-	-	642,592
Cash equivalents	35,697,232	35,697,232	-	-
	<u>\$ 55,530,410</u>	<u>\$ 54,887,818</u>	<u>\$ -</u>	<u>\$ 642,592</u>
Liabilities:				
Interest rate swaps	\$ 5,279	\$ -	\$ 5,279	\$ -
	<u>\$ 5,279</u>	<u>\$ -</u>	<u>\$ 5,279</u>	<u>\$ -</u>
	September 30, 2018			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Corporate stocks	\$ 616,132	\$ 616,132	\$ -	\$ -
Commodities	52,415	52,415	-	-
Mutual funds—fixed-income securities	839,525	839,525	-	-
Mutual funds—debt securities	10,025,703	10,025,703	-	-
Mutual funds—equities	8,361,646	8,361,646	-	-
Beneficial interests in remainder trust	729,453	-	-	729,453
Interest rate swaps	495,155	-	495,155	-
Cash equivalents	33,957,345	33,957,345	-	-
	<u>\$ 55,077,374</u>	<u>\$ 53,852,766</u>	<u>\$ 495,155</u>	<u>\$ 729,453</u>

The Hospital's mutual funds, money market funds, corporate stock, commodities fund and corporate debt securities consist of high-quality, investment-grade securities from diverse issuers. The Hospital values these securities based on pricing from the trustees, whose sources may use quoted prices in active markets for identical assets (Level 1 inputs) or inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) in determining fair value.

The beneficial interests in remainder trusts are recorded at fair value based on the underlying value of the assets in the trusts. The trusts are managed by third parties and are invested in stocks, mutual funds and fixed-income securities that are traded in active markets with observable inputs, which would result in Level 1 and Level 2 hierarchical reporting. However, since the Foundation does not own or control the trust assets, these trusts are reported as Level 3. The change in the value of the trusts in the three months ended December 31, 2018, and the year ended September 30, 2018, consists solely of the recognition of the change in the fair value of the trusts.

The interest rate swaps are recorded at fair value using estimated discounted future cash flows and also includes adjustments for credit risk and nonperformance risk.

Due to the volatility of the capital market, there is a reasonable possibility of changes in fair value of the investments, and additional gains and losses may occur subsequent to December 31, 2018.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Property and Equipment

Property and equipment at December 31, 2018 and September 30, 2018, is summarized as follows:

	December 31, 2018	September 30, 2018
Land	\$ 6,032,891	\$ 6,032,891
Land improvements	9,300,690	9,300,690
Buildings and building improvements	167,105,791	166,305,072
Fixed equipment	35,551,190	34,955,649
Major movable equipment	161,259,688	158,385,436
	<u>379,250,250</u>	<u>374,979,738</u>
Less accumulated depreciation	(233,934,581)	(230,486,201)
	<u>145,315,669</u>	<u>144,493,537</u>
Construction in progress	961,236	3,865,988
Property and equipment, net	<u>\$ 146,276,905</u>	<u>\$ 148,359,525</u>

Construction in progress at December 31, 2018 and September 30, 2018, consisted primarily of MRI equipment and room renovation along with patient room renovations totaling approximately \$961,000 and \$3,866,000, respectively.

Land includes nonoperating real estate, which is being held for future expansion. This land is located in Vero Beach, Florida, and was purchased for approximately \$1,600,000 in January 2000.

Capitalized leased property, excluding the Hospital Facility lease (see Note 1), included in property and equipment consists of major movable equipment and fixed equipment of approximately \$2,145,000 at December 31, 2018 and September 30, 2018. Accumulated amortization of capitalized leased equipment amounted to approximately \$1,729,000 and \$1,687,000 at December 31, 2018 and September 30, 2018, respectively.

Note 9. Other Accrued Liabilities

Other accrued liabilities at December 31, 2018 and September 30, 2018, consist of the following:

	December 31, 2018	September 30, 2018
Florida PMATF payable, current portion	\$ 2,467,904	\$ 2,416,287
Defined contribution plan	1,590,768	1,205,768
Accrued health insurance	2,569,042	675,000
Capital lease obligation	415,422	457,701
Other	419,201	174,426
	<u>\$ 7,462,337</u>	<u>\$ 4,929,182</u>

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Pension Plans

Defined contribution plan: Effective December 31, 2002, the Hospital created a defined contribution plan in accordance with section 403(b) of the Code. Employees are eligible to participate in the plan with the exception of fixed-rate, temporary and per diem employees. The Hospital will match 50% of employee contributions up to 4%. In addition, for those employees who have at least 1,000 hours of service and are employed on December 31 of a calendar year, the Hospital will contribute an amount equal to 2% of the employee's salary. Expense for the defined contribution plan amounted to approximately \$819,000 and \$3,389,000 for the three months ended December 31, 2018, and the year ended September 30, 2018, respectively.

Defined benefit plan: The Hospital has a noncontributory defined benefit pension plan (the Plan). Effective December 31, 2002, entry to the Plan and accrual of Plan benefits for participants was frozen, for all participants less than 60 years of age. This was accounted for as a Plan amendment. The benefits are based on years of service and employees' compensation levels at the time the Plan was frozen and are calculated using the projected unit credit actuarial cost method. The Hospital's funding policy is to annually contribute at least the minimum amount required.

Participants with five or more years of credited service are entitled to a monthly pension benefit beginning at normal retirement age (65) equal to 1.5% of their average monthly earnings, during the highest five consecutive years of the last 10 years of credited service, times the years of credited service, subject to certain limitations. The Plan permits early retirement at ages 55 to 64 upon completion of five years of credited service.

The Hospital is required to recognize the net funded status of defined benefit pensions as an asset or liability in its consolidated balance sheets and to recognize changes in the funded status through other changes in net assets. For pension plans, the benefit obligation is the projected benefit obligation. An employer is also required to measure the funded status of a plan as of the date of its reporting period.

The following table sets forth the Plan's funded status, as recognized on the Hospital's consolidated balance sheets at December 31, 2018 and September 30, 2018:

	December 31, 2018	September 30, 2018
Change in projected benefit obligation:		
Projected benefit obligation, beginning of period	\$ 80,311,300	\$ 83,797,849
Interest cost	843,460	3,112,079
Actuarial loss	256,010	(1,612,890)
Benefits paid	(1,363,672)	(4,985,738)
Projected benefit obligation, end of period	80,047,098	80,311,300
Change in Plan assets:		
Plan assets at fair value, beginning of period	69,392,826	69,686,584
Actual return on Plan assets	(4,853,040)	4,594,980
Employer contributions	-	97,000
Benefits paid	(1,363,672)	(4,985,738)
Plan assets at fair value, end of period	63,176,114	69,392,826
Reconciliation of funded status:		
Underfunded status	\$ 16,870,984	\$ 10,918,474
Accumulated benefit obligation at end of period	\$ 80,047,098	\$ 80,311,300

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Pension Plans (Continued)

Weighted-average assumptions used to determine the projected benefit obligations at December 31, 2018 and September 30, 2018, are as follows:

	December 31, 2018	September 30, 2018
Weighted-average discount rate	4.34%	4.35%

Weighted-average assumptions used to determine net periodic pension cost for the three months ended December 31, 2018, and the year ended September 30, 2018, are as follows:

	Three Months Ended December 31, 2018	Year Ended September 30, 2018
Weighted-average discount rate	4.35%	3.80%
Expected long-term rate of return on Plan assets	7.25%	7.25%

At December 31, 2018 and September 30, 2018, unrecognized accumulated changes in net assets were approximately \$38,174,000 and \$32,182,000, respectively.

Net periodic pension (income) cost includes the following components for the three months ended December 31, 2018, and the year ended September 30, 2018:

	Three Months Ended December 31, 2018	Year Ended September 30, 2018
Interest cost	\$ 843,460	\$ 3,112,079
Expected return on Plan assets	(1,218,025)	(4,865,515)
Amortization of unrecognized net loss	335,296	1,489,952
	<u>\$ (39,269)</u>	<u>\$ (263,484)</u>

The amounts recognized as a charge against unrestricted net assets include the following components during the three months ended December 31, 2018, and the year ended September 30, 2018:

	Three Months Ended December 31, 2018	Year Ended September 30, 2018
Other changes in Plan assets and benefit obligations:		
Amortization of actuarial losses	\$ (335,296)	\$ (1,489,952)
Current-year net actuarial losses	6,327,076	(1,605,839)
	<u>\$ 5,991,780</u>	<u>\$ (3,095,791)</u>

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Pension Plans (Continued)

See Note 7 for a description of the methodologies for determining the fair values of the Plan's assets. Fair value of Plan assets at December 31, 2018 and September 30, 2018, consists of the following:

	December 31, 2018			
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Cash and cash equivalents	\$ 4,298,231	\$ -	\$ -	\$ 4,298,231
Mutual funds—corporate bonds and notes	21,215,059	-	-	21,215,059
Common stocks	37,662,824	-	-	37,662,824
	<u>\$ 63,176,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,176,114</u>

	September 30, 2018			
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Cash and cash equivalents	\$ 131,123	\$ -	\$ -	\$ 131,123
Mutual funds—corporate bonds and notes	20,872,023	-	-	20,872,023
Common stocks	48,389,680	-	-	48,389,680
	<u>\$ 69,392,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,392,826</u>

The Plan's overall investment objective is to earn at least on average an annual return of 7.25%, net of expenses, over periods greater than 20 years. The basis used to determine the overall expected long-term rate of return on pension assets assumption is an analysis of the potential range of returns for a pension plan's asset allocation over time, based on assumptions on asset returns, volatility and correlations of individual asset classes. The estimated returns are net of fees and assume passive or minimum-cost active management.

Achievement of this objective is intended to result in stable future contribution rates for the Plan and ensure the ability to pay retirement benefits for all Plan participants. Target asset allocation percentages are as follows:

	2018
Cash and cash equivalents	10%
Debt securities	26%
Common stocks	64%
	<u>100%</u>

Estimated future benefit payments are as follows:

Years ending December 31:	
2019	\$ 5,190,916
2020	5,305,078
2021	5,402,813
2022	5,478,048
2023	5,527,550
2024–2028	27,407,948

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10. Pension Plans (Continued)

The Hospital is expected to contribute approximately \$1,531,000 to the Plan in fiscal year 2019.

Supplemental Executive Retirement Program: The Hospital maintains a Supplemental Executive Retirement Program (the SERP) for a select group of full-time management. The SERP provides for a target level of annual retirement income, including a 3% cost-of-living increase after retirement. The benefit is payable as a lump sum at retirement with distributions during employment for the purpose of paying income taxes upon reaching the vesting date. Effective March 22, 2006, the SERP was amended and restated to comply with Internal Revenue Code section 409A. Under the current plan, annuities will be purchased annually based on the accrued benefit or the increase in accrued benefit, as applicable. An annuity is purchased equal to 60% of the accrued benefit (or the increase in accrued benefit, as applicable) with the remaining value set aside for income tax withholding. During the three months ended December 31, 2018, and the year ended September 30, 2018, the SERP's decrease in accrued benefit of approximately \$-0- and \$240,000, respectively, was paid through annuity purchases and income tax withholdings. At December 31, 2018 and September 30, 2018, the SERP has no accumulated benefit obligation. Although the annuity purchase does not reflect anticipated future compensation levels, the resulting projected benefit obligation is immaterial.

Note 11. Long-Term Debt and Subsequent Event

	December 31, 2018	September 30, 2018
Term Loan 1	\$ 13,799,039	\$ 14,357,728
Term Loan 2	16,061,347	16,421,428
Term Loan 3	4,210,526	4,473,684
	<u>34,070,912</u>	<u>35,252,840</u>
Less unamortized deferred loan costs	169,498	185,095
Less current maturities	4,690,688	4,674,832
Total long-term debt obligations	<u>\$ 29,210,726</u>	<u>\$ 30,392,913</u>

On June 3, 2014, the Hospital entered into a credit agreement (the Credit Agreement) with a financial institution (the Bank). This Credit Agreement provides for a \$7,000,000 revolving line of credit (the Revolving Loan) and a \$23,000,000 term loan (Term Loan 1).

On June 10, 2015, the Hospital entered into an amended credit agreement with the Bank. The amended credit agreement provides for a \$20,000,000 term loan (Term Loan 2).

On December 1, 2017, the Hospital entered into an amended credit agreement with the Bank. The amended credit agreement provides for a \$5,000,000 term loan (Term Loan 3).

Pursuant to the Credit Agreement, the Revolving Loan provides a maximum of \$7,000,000 of credit, secured by the Hospital's personal property, including accounts receivable, but excluding the Hospital Facilities. The Revolving Loan bears interest at a rate per annum equal to the London Interbank Offered Rate (LIBOR) base rate (2.39% at December 31, 2018), and is adjusted on the first day of every month. The Revolving Loan is also subject to a quarterly fee equal to 0.5% multiplied by the portion of the Revolving Loan that remains unadvanced during the trailing three-month period. Any amounts advanced on the Revolving Loan are due June 15, 2020, when the note terminates. There were no amounts outstanding under the Revolving Loan at December 31, 2018 or September 30, 2018.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11. Long-Term Debt (Continued)

The Term Loan 1 proceeds of \$23,000,000 were used to acquire the remaining membership interests and assets of VRA. Term Loan 1 matures on June 3, 2024. Payments of principal and interest are due on the first business day of each month. Interest is payable at the LIBOR base rate and is adjusted on the first day of every month.

The Term Loan 2 proceeds of \$20,000,000 were used to fund the construction costs of the Hospital's Health and Wellness Center. The 72,000-square-foot Health and Wellness Center houses employed physicians who previously occupied leased space. Term Loan 2 matures on December 31, 2027. Payments of principal and interest are due monthly. Interest is payable at the LIBOR and is adjusted on the first day of every month.

The Term Loan 3 proceeds of \$5,000,000 were used to fund the purchase of five pieces of equipment, including a new CT machine and chiller for IRMC, and a new MRI machine, nuclear medicine equipment and mammography equipment for VRA. Term Loan 3 matures on December 1, 2022. Payments of principal and interest began April 1, 2018, and are due monthly. Interest is payable at the LIBOR and is adjusted on the first day of every month.

The term loans are secured by the Hospital's personal property, including accounts receivable, but excluding the Hospital Facilities. For the three months ended December 31, 2018, and the year ended September 30, 2018, the Hospital incurred \$376,000 and \$1,576,000 in interest expense, respectively, related to the Credit Agreement. There was no material amount of capitalized interest for the three months ended December 31, 2018, and the year ended September 30, 2018.

Maturities of the term loans for the years ending December 31 are as follows:

Years ending December 31:

2019	\$ 4,690,688
2020	4,968,076
2021	5,136,238
2022	5,311,734
2023	4,442,004
Thereafter	9,522,172
	<u>\$ 34,070,912</u>

The Credit Agreement requires the Hospital to comply with certain financial covenants, which are defined in the Credit Agreement. As of December 31, 2018, these financial covenants included:

- A fixed-charge coverage ratio of at least 1.35-to-1.0 to be tested annually as of September 30
- Minimum days cash on hand of at least 60 days, which shall be measured as of March 31 and September 30 annually
- Funded debt to capitalization ratio of 35% or less, which shall be measured as of September 30 annually

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11. Long-Term Debt (Continued)

In April 2019, in connection with the affiliation with Cleveland Clinic Foundation, the Hospital paid off the outstanding balances of the Term Loans.

The Hospital uses interest rate swap agreements to manage its overall exposure to fluctuations in interest rates on its variable rate debt. Interest rate swap agreements subject the Hospital to market risk associated with the changes in interest rates, as well as the risk that the counterparty will fail to perform with respect to the periodic settlement of amounts due under the agreements. The Hospital accounts for the interest rate swap agreements as cash flow hedges and accordingly recognizes the change in the effective portion of fair value of its interest rate swap agreements within other changes in unrestricted net assets.

The following table outlines the terms and fair values of the interest rate swap agreements that are included in other assets on the accompanying consolidated balance sheets:

	Term Loan 1	Term Loan 2
Notional amount at December 31, 2018	\$ 13,799,039	\$ 16,061,347
Fixed rate	4.03%	4.35%
Effective date	June 3, 2014	June 10, 2015
Termination date	June 3, 2024	December 31, 2027
Fair value at September 30, 2017	\$ (265,957)	\$ (538,405)
Change in fair value	501,024	798,493
Fair value at September 30, 2018	235,067	260,088
Change in fair value	(176,731)	(323,703)
Fair value at December 31, 2018	\$ 58,336	\$ (63,615)

Note 12. Hospital Facility Lease

The Hospital leases the Hospital Facility from the District. Management represents the Hospital is in compliance with all lease covenants required by the lease agreement with the District. The term of the lease ends December 31, 2034; however, the lease term shall automatically extend for one or more additional 10-year periods, unless either the Hospital or District delivers to the other a written notice of lease renegotiation or written notice of nonextension. This lease has been treated as a capital lease for accounting purposes. Upon expiration or termination of the lease, the Hospital facilities revert to the District.

The lease payments are equal to the debt service requirements on debt issued by the District to finance additions or improvements to the Hospital. Lease payments amounted to \$-0- for the three months ended December 31, 2018, and the year ended September 30, 2018.

In connection with the Affiliation Agreement (see Note 1), a new lease agreement was renegotiated with the District. The lease term ends December 31, 2049, and automatically extends for three 15-year periods, unless terminated by either party. Rent during the initial term is the debt service requirements on debt issued by the District to finance additions or improvements to the Hospital plus all costs related to maintenance, repairs and improvements of the facility and equipment, and the ongoing provision of indigent care. Annual rent during the renewal periods is the same as initial period plus a fee, computed as the fair value of the unencumbered land multiplied by the market capitalization rate.

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 13. Commitments and Contingent Liabilities

Professional liability insurance: The Hospital is currently self-insured for a portion of its general and professional liability claims limited to \$5,000,000 per each medical incident and a \$12,000,000 annual aggregate. The Hospital also purchases excess general and professional liability insurance above these self-insured retentions for limits of \$20,000,000 per medical incident and a \$20,000,000 annual aggregate.

The actuarially determined liability for professional liability self-insurance amounted to approximately \$10,167,000 and \$10,241,000 as of December 31, 2018 and September 30, 2018, respectively.

Workers' compensation insurance: The Hospital has maintained insurance coverage for workers' compensation claims since October 1, 1991. The insurance coverage provides for a deductible level to be paid by the Hospital. The current deductible level is \$500,000 per individual occurrence. The liabilities for workers' compensation claims incurred but not paid were approximately \$2,729,000 and \$3,010,000 as of December 31, 2018 and September 30, 2018, respectively. The Hospital has recorded an insurance recovery receivable of approximately \$698,000 and \$731,000 at December 31, 2018 and September 30, 2018, respectively, in other receivables within the consolidated balance sheets.

Health insurance: The Hospital is self-insured for group health insurance. The Hospital pays approximately 65% of the coverage for employees and dependents. The liabilities for health insurance amounted to approximately \$2,569,000 and \$675,000 at December 31, 2018 and September 30, 2018, respectively.

Operating leases: The Hospital leases rental space and various equipment under operating leases expiring at various dates through 2025. Total rental expense for the three months ended December 31, 2018, and the year ended September 30, 2018, for all operating leases was approximately \$543,000 and \$2,004,000, respectively. Of this amount, approximately \$476,000 and \$1,741,000, respectively, was for space rental.

The following is a schedule by year of approximate future minimum lease payments under operating leases as of December 31, 2018, that have initial or remaining lease terms in excess of one year:

Years ending December 31:

2019	\$ 1,767,000
2020	1,215,000
2021	1,151,000
2022	814,000
2023	715,000
Thereafter	629,000
	<u>\$ 6,291,000</u>

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 14. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2018 and September 30, 2018:

	December 31, 2018	September 30, 2018
Excellence in Cancer Care Program	\$ 6,800,685	\$ 7,427,270
Endoscopy Expansion	1,357,960	-
Cancer Care Program	892,057	814,698
Other programs, education, property and equipment additions	8,439,157	8,845,599
Total temporarily restricted assets	<u>\$ 17,489,859</u>	<u>\$ 17,087,567</u>

Net assets were released from donor restrictions during the year by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

Purpose restrictions accomplished during the three months ended December 31, 2018, and the year ended September 30, 2018, were as follows:

	Three Months Ended December 31, 2018	Year Ended September 30, 2018
Excellence in Cancer Care Program	\$ 626,584	\$ 2,520,630
Interventional Stroke Program	61,459	324,564
Cancer Care Program	-	4,321,388
Change in donor gift designation—Chapel	-	(572,239)
Total temporarily restricted assets	<u>\$ 688,043</u>	<u>\$ 6,594,343</u>

Permanently restricted net assets have been set up by outside donors as endowments, the income of which is available for the following purposes at December 31, 2018 and September 30, 2018:

	December 31, 2018	September 30, 2018
Endowment funds:		
Clinical Excellence Awards Endowment	\$ 294,000	\$ 294,000
Critical Care Unit Waiting Room Maintenance Endowment	142,715	142,715
Excellence in Patient Care Endowment	1,003,075	1,003,075
Oncology Nurse Education	351,936	341,936
Post Chapel Endowment	218,667	211,622
Spirit of Brande Scholarship Endowment	31,900	31,900
Dr. Cary L. Stowe Endowment Fund	29,000	26,000
Total endowment funds	<u>\$ 2,071,293</u>	<u>\$ 2,051,248</u>

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 14. Temporarily and Permanently Restricted Net Assets (Continued)

Interpretation of relevant law: Florida has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Hospital's Board of Directors has determined the requirements of Florida's version of UPMIFA to center around the preservation of the fair value of the original investment as of the date of the asset transfer. The investments resulting from donations directing that they be invested in perpetuity are classified as permanently restricted. For the three months ended December 31, 2018, and the year ended September 30, 2018, all earnings and losses from endowment investments are classified as temporarily restricted net assets due to the restrictions placed by the donor. The Hospital considers the following factors in making a determination to appropriate or accumulate its endowment funds:

- The duration and preservation of the fund
- The purposes of the Hospital and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Hospital
- The investment policies of the Hospital

Return objectives and risk parameters: The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include assets of donor-restricted funds that the Hospital must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce a moderate return while assuming a moderate level of investment risk.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending policy and how the investment objectives relate to spending policy: The Hospital disburses funds as needed within the guidelines of the endowments. Over the long term, the Hospital expects the current spending policy to allow its endowment to grow at the highest rate possible. This is consistent with the Hospital's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund: The Hospital's composition of endowment net assets as of December 31, 2018 and September 30, 2018, is as follows:

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds:			
December 31, 2018	\$ 1,041,133	\$ 2,071,293	\$ 3,112,426
September 30, 2018	1,219,913	2,051,248	3,271,161

Indian River Memorial Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 14. Temporarily and Permanently Restricted Net Assets (Continued)

Changes in endowment net assets for the three months ended December 31, 2018, and the year ended September 30, 2018, consisted of the following:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, September 30, 2017	\$ 534,459	\$ 1,830,751	\$ 2,365,210
Change in donor gift designation:			
Chapel transfer	572,239	210,497	782,736
Investment return:			
Investment income	69,949	-	69,949
Change in net unrealized gain/loss	43,266	-	43,266
	113,215	-	113,215
Contributions:			
Excellence in Patient Care Endowment	-	2,875	2,875
Dr. Cary L. Stowe Endowment	-	6,000	6,000
Chapel transfer	-	1,125	1,125
	-	10,000	10,000
Endowment net assets, September 30, 2018	1,219,913	2,051,248	3,271,161
Investment return:			
Investment income	105,453	-	105,453
Change in net unrealized gain/loss	(284,232)	-	(284,232)
	(178,780)	-	(178,780)
Contributions:			
Oncology Nurse Education Endowment		10,000	10,000
Dr. Cary L. Stowe Endowment	-	3,000	3,000
Chapel transfer	-	7,045	7,045
	-	20,045	20,045
Endowment net assets, December 31, 2018	\$ 1,041,133	\$ 2,071,293	\$ 3,112,426

During the year ended September 30, 2018, a donor changed the designation of a gift they made in prior years, and the gift has been reclassified to an endowment fund and temporarily restricted net assets.

Note 15. Subsequent Events

The Hospital has evaluated subsequent events through June 28, 2019, which is the date that the consolidated financial statements were available for issuance. See Notes 1, 5 and 11 related to disclosures about the subsequent change in control of IRMC and other related events.

Supplementary Information

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidating Balance Sheet
December 31, 2018

	Indian River Memorial Hospital, Inc. (Includes VRA)	Health Systems of Indian River	Indian River Health Services Corporation	Indian River Hospital Foundation, Inc.	Elimination Entries	Consolidated Balance
Assets						
Current assets:						
Cash and cash equivalents	\$ 23,615,800	\$ 18,703	\$ -	\$ 13,597,005	\$ (13,597,005)	\$ 23,634,503
Assets limited as to use, current	2,299,968	-	-	-	-	2,299,968
Investments	-	-	-	19,190,588	(19,190,588)	-
Accounts receivable from patients, net	38,857,392	-	-	-	-	38,857,392
Other receivables	3,298,600	344,335	-	-	-	3,642,935
Inventories	5,431,605	-	-	-	-	5,431,605
Due from the District	15,490,563	-	-	-	(14,822,771)	667,792
Prepaid expenses and other assets	3,106,389	-	-	77,005	-	3,183,394
Contributions receivable, current portion	-	-	-	1,080,134	(1,080,134)	-
Total current assets	92,100,317	363,038	-	33,944,732	(48,690,498)	77,717,589
Assets limited as to use, net of current portion:						
Board-designated	3,571,910	-	-	-	-	3,571,910
Under indenture and irrevocable trust agreements— held by trustees	108,426	-	-	-	-	108,426
Amounts held by Foundation for property, equipment and programs	-	-	-	-	37,292,247	37,292,247
Total assets limited as to use	3,680,336	-	-	-	37,292,247	40,972,583
Contributions receivable, noncurrent portion	-	-	-	3,424,520	(3,424,520)	-
Property and equipment, net	104,871,853	41,380,052	-	25,000	-	146,276,905
Goodwill	5,694,975	-	-	-	-	5,694,975
Intangible assets, net	537,000	-	-	-	-	537,000
Other assets, net	7,650,664	-	-	-	(5,400,000)	2,250,664
Total noncurrent assets	118,754,492	41,380,052	-	3,449,520	(8,824,520)	154,759,544
Total assets	\$ 214,535,145	\$ 41,743,090	\$ -	\$ 37,394,252	\$ (20,222,771)	\$ 273,449,716

(Continued)

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidating Balance Sheet (Continued)
December 31, 2018

Liabilities and Net Assets	Indian River Memorial Hospital, Inc. (Includes VRA)	Health Systems of Indian River	Indian River Health Services Corporation	Indian River Hospital Foundation, Inc.	Elimination Entries	Consolidated Balance
Current liabilities:						
Accounts payable	\$ 13,527,638	\$ 89,297	\$ -	\$ 235,532	\$ -	\$ 13,852,467
Accrued payroll	10,034,870	-	-	93,628	-	10,128,498
Other accrued liabilities	7,297,912	-	-	164,425	-	7,462,337
Estimated third-party payor settlements	2,880,403	-	-	-	-	2,880,403
Due to affiliates	(211,645)	14,813,300	-	221,116	(14,822,771)	-
Current portion of long-term debt	1,843,118	2,847,570	-	-	-	4,690,688
Current portion of self-insurance liability for professional liability and workers' compensation claims	2,299,968	-	-	-	-	2,299,968
Total current liabilities	37,672,264	17,750,167	-	714,701	(14,822,771)	41,314,361
Pension benefit obligations	16,870,984	-	-	-	-	16,870,984
Self-insurance liability for professional liability and workers' compensation claims, net of current portion	10,595,859	-	-	-	-	10,595,859
Long-term debt, net of current portion	7,342,194	21,868,532	-	-	-	29,210,726
Interest rate swaps	5,279	-	-	-	-	5,279
Other long-term liabilities	641,500	-	-	-	-	641,500
Total noncurrent liabilities	35,455,816	21,868,532	-	-	-	57,324,348
Total liabilities	73,128,080	39,618,699	-	714,701	(14,822,771)	98,638,709
Net assets:						
Unrestricted	141,407,065	2,124,391	-	17,118,399	(5,400,000)	155,249,855
Temporarily restricted	-	-	-	17,489,859	-	17,489,859
Permanently restricted	-	-	-	2,071,293	-	2,071,293
Total net assets	141,407,065	2,124,391	-	36,679,551	(5,400,000)	174,811,007
Total liabilities and net assets	\$ 214,535,145	\$ 41,743,090	\$ -	\$ 37,394,252	\$ (20,222,771)	\$ 273,449,716

Indian River Memorial Hospital, Inc. and Subsidiaries

Consolidating Statement of Operations Three Months Ended December 31, 2018

	Indian River Memorial Hospital, Inc. (Includes VRA)	Health Systems of Indian River	Indian River Health Services Corporation	Indian River Hospital Foundation, Inc.	Elimination Entries	Consolidated Balance
Unrestricted revenue:						
Patient service revenue, net of contractual allowances and discounts, before provision for bad debts	\$ 76,322,170	\$ -	\$ -	\$ -	\$ -	\$ 76,322,170
Provision for bad debts	(3,990,846)	-	-	-	-	(3,990,846)
Net patient service revenue, less provision for bad debts	72,331,324	-	-	-	-	72,331,324
Other revenue	3,660,132	586,949	-	1,915,366	(586,949)	5,575,498
Total unrestricted revenue	75,991,456	586,949	-	1,915,366	(586,949)	77,906,822
Expenses:						
Salaries and benefits	44,527,926	-	-	334,280	-	44,862,206
Professional fees	5,917,487	(14,297)	-	48,683	-	5,951,873
Supplies	16,057,752	-	-	-	-	16,057,752
Insurance	1,637,116	-	-	-	-	1,637,116
Other	11,837,580	92,919	-	245,547	(586,949)	11,589,097
Interest	100,819	274,972	-	-	-	375,791
Depreciation and amortization	3,495,488	387,474	-	2,778	-	3,885,740
Total expenses	83,574,168	741,068	-	631,288	(586,949)	84,359,575
Operating (loss) income	(7,582,712)	(154,119)	-	1,284,078	-	(6,452,753)
Nonoperating income (loss):						
Investment income, net	101,683	-	-	(457,763)	-	(356,080)
Other, net	(215,684)	-	-	-	-	(215,684)
Total nonoperating loss, net	(114,001)	-	-	(457,763)	-	(571,764)
(Deficiency) excess of unrestricted revenue over expenses	(7,696,713)	(154,119)	-	826,315	-	(7,024,517)
Net assets released from restrictions, used for purchase of property and equipment	-	-	-	688,043	(667,509)	20,534
Net assets transferred to Indian River Memorial Hospital, Inc. and others	222,676	-	-	(667,509)	667,509	222,676
Pension liability adjustment	(5,991,780)	-	-	-	-	(5,991,780)
Change in fair value of interest rate swaps	(500,434)	-	-	-	-	(500,434)
(Decrease) increase in unrestricted net assets	\$ (13,966,251)	\$ (154,119)	\$ -	\$ 846,849	\$ -	\$ (13,273,521)