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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 03-01-2013 , 2013, and ending 02-28-2014

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

C Name of organization
SILVER HILL HOSPITAL INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
208 VALLEY RD
Suite

City or town, state or province, country, and ZIP or foreign postal code
NEW CANAAN, CT 06840

D Employer identification number
06-0655139

E Telephone number
(203) 966-1380

G Gross receipts $ 43,313,381

F Name and address of principal officer
SIGURD H ACKERMAN
208 VALLEY RD
NEW CANAAN, CT 06840

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 SILVERHILLHOSPITAL ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1934

M State of legal domicile CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SEE SCHEDULE O

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	22
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	17
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	381
6	Total number of volunteers (estimate if necessary)	**6**	200
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	-215,976
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-215,976

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,524,344	1,417,223
9	Program service revenue (Part VIII, line 2g)	35,007,506	38,122,537
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	753,895	299,523
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-50,819	-254,858
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	37,234,926	39,584,425
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	24,250	36,700
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)	21,443,937	23,118,066
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶571,759		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	11,016,993	12,201,324
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	32,485,180	35,356,090
19	Revenue less expenses Subtract line 18 from line 12	4,749,746	4,228,335

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	46,122,475	50,678,058
21	Total liabilities (Part X, line 26)	10,057,906	9,821,399
22	Net assets or fund balances Subtract line 21 from line 20	36,064,569	40,856,659

Revenue | Expenses | Net Assets or Fund Balances

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

****** | 2015-01-14
Signature of officer | Date

SIGURD H ACKERMAN MD PRESIDENT, MEDICAL DIRECTOR
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
KPMG LLP				P00431862

Firm's name ▶ KPMG LLP | Firm's EIN ▶

Firm's address ▶ 345 Park Avenue
New York, NY 101540102 | Phone no (203) 966-1380

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☑

1 Briefly describe the organization's mission

THE MISSION OF SILVER HILL HOSPITAL IS TO PROVIDE OUR PATIENTS WITH THE BEST AVAILABLE TREATMENT OF MENTAL ILLNESS AND ADDICTION, AND TO OFFER CONTINUING SUPPORT, COUNSELING AND EDUCATION TO OUR PATIENTS AND FAMILIES IN EVERY PHASE OF ILLNESS AND RECOVERY

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 $ 15,688,574 including grants of $) (Revenue $ 15,037,815)

INPATIENT TREATMENT IS THE MOST INTENSIVE FORM OF CARE, INDICATED FOR A PHASE OF ILLNESS THAT REQUIRES A GREAT DEAL OF NURSING AND MEDICAL INTERVENTION BECAUSE PATIENTS ARE USUALLY ACUTELY ILL DURING THIS PHASE OF CARE, OUR INPATIENT TREATMENT PLANS EMPHASIZE DIAGNOSTIC ASSESSMENT, SYMPTOM REDUCTION, AND STABILIZATION THE HOSPITAL TREATED APPROXIMATELY 1,745 INPATIENTS DURING FISCAL YEAR 2014

4b (Code) (Expenses $ 13,214,749 including grants of $ 36,700) (Revenue $ 22,082,745)

SILVER HILL HOSPITAL'S TRANSITIONAL LIVING PROGRAMS PROVIDE HIGHLY STRUCTURED INTENSIVE TREATMENT FOR PATIENTS WHO ARE READY FOR MORE PSYCHOLOGICAL AND BEHAVIORAL INTERVENTIONS SET IN RESIDENTIAL, HOME-LIKE SETTINGS, THE TRANSITIONAL PROGRAMS HELP PATIENTS CONTINUE THEIR RECOVERY PROCESS UNTIL THEY ARE READY TO RETURN HOME FOR FURTHER COMMUNITY-BASED TREATMENTS PATIENTS FOCUS ON DEVELOPING A PSYCHOLOGICAL UNDERSTANDING OF THEIR ILLNESS, OBTAINING INFORMATION ABOUT THEIR ILLNESS, AND DEVELOPING NEW BEHAVIORAL SKILLS TO MANAGE THEIR RECOVERY PROCESS THE HOSPITAL TREATED APPROXIMATELY 725 TRANSITIONAL LIVING PATIENTS DURING FISCAL YEAR 2014

4c (Code) (Expenses $ 414,283 including grants of $) (Revenue $ 1,212,282)

INTENSIVE OUTPATIENT PROGRAMS - SEE SCHEDULE O

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 29,317,606

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
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) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	163		
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			
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	381		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	22		
	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				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	17		
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**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
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**			No
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**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**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**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	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**		No
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**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ CT , NY

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶ Ruurd G Leegstra CFO 208 Valley Rd
New Canaan, CT 06840 (203) 801-2230

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, or 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 dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Ward F Cleary Co -Chair	8 0	X								
(2) Deann Murphy Co -Chair	8 0	X								
(3) Linda Autore Director	1 0	X								
(4) Cynthia Ziegler Brighton Director May 2012 - April 2013	1 0	X								
(5) Richard Canning Director	1 0	X								
(6) Michael Cominotto Director	1 0	X								
(7) Sperry A DeCew Esq Secretary & Director	1 0	X								
(8) Frederick Feiner MD Director	1 0	X								
(9) Judith Freedman Director	1 0	X								
(10) Richard Gannon Director	1 0	X								
(11) Theodore Herman Director	1 0	X								
(12) Todd Hollander Director Beginning May 2013	1 0	X								
(13) Claudetta H Kunkes PHD Director	1 0	X								
(14) Paul Lambdin Director	1 0	X								
(15) Lance Lundberg Director	1 0	X								
(16) Peter Orthwein Treasurer & Director	1 0	X								
(17) David Schunter Director	1 0	X								

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Laurie Williamson Director	1 0	X								
(19) Sigurd Ackerman MD President, Medical DIrector	40 0	X		X				527,367	0	36,681
(20) Eric Collins MD Chief Medical Officer	40 0	X		X				449,072	0	32,368
(21) Elizabeth Moore Chief Operating Officer	40 0	X		X				323,017	0	24,737
(22) Ruurd Leegstra Chief Financial Officer	40 0	X		X				231,161	0	13,534
(23) Anri Kissilenko MD Physician	40 0					X		215,104	0	49,327
(24) Rocco Marotta MD Physician	40 0					X		202,799	0	37,742
(25) Mark Cerbone MD Physician	40 0					X		216,256	0	6,125
(26) Seth Resnick MD Physician	40 0					X		212,342	0	5,750
(27) Ross DeLeonardo MD Physician	40 0					X		205,728	0	9,818

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	2,582,846	0	216,082

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 ▶ 34

			Yes	No
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*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization 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
PAC GROUP LLC, 126 SOUTH MAIN STREET SUITE 200 TORRINGTON CT 06790	GENERAL CONTRACTOR	2,489,947
UNIDINE CORPORATION, ONE GATEWAY CENTER SUITE 751 NEWTON MA 02458	FOOD SERVICES	1,516,431
RICHARD TURLINGTON ARCHITECTS, 244 MAPLE STREET NEW HAVEN CT 06511	ARCHITECT	511,969
PHARMACY AND THERAPEUTICS CONSULTAN, 300 CHURCH ST WALLINGFORD CT 06492	PHARMACY MANAGEMENT	355,290
CIVIL 1 INC, 43 SHERMAN HILL RD WOODBURY CT 06798	CIVIL ENGINEERS	324,966

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 ▶ 13

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	696,309			
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	720,914			
	g	Noncash contributions included in lines 1a-1f $		41,634			
	h	**Total.** Add lines 1a-1f . . . . . ▶		1,417,223			
Program Service Revenue			Business Code				
	2a	TRANSITIONAL LIVING PROGRAM	623000	21,910,746	21,910,746		
	b	INPATIENT PROGRAM	623000	14,999,509	14,999,509		
	c	OUTPATIENT SERVICES	623000	1,212,282	1,212,282		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		38,122,537			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		229,502			229,502
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			

		(i) Real	(ii) Personal				
	6a	Gross rents	161,902					
	b	Less rental expenses	436,293					
	c	Rental income or (loss)	-274,391	0				
	d	Net rental income or (loss) . . . . . ▶			-274,391		-215,976	-58,415

		(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	2,924,907					
	b	Less cost or other basis and sales expenses	2,854,886					
	c	Gain or (loss)	70,021					
	d	Net gain or (loss) . . . . . ▶			70,021			70,021
Other Revenue	8a	Gross income from fundraising events (not including $ 696,309 of contributions reported on line 1c) See Part IV, line 18 . .	a	152,085				
	b	Less direct expenses . . .	b	404,972				
	c	Net income or (loss) from fundraising events . . ▶			-252,887			-252,887
	9a	Gross income from gaming activities See Part IV, line 19 . . .	a					
	b	Less direct expenses . . .	b					
	c	Net income or (loss) from gaming activities . . . ▶			0			
	10a	Gross sales of inventory, less returns and allowances .	a	48,963				
	b	Less cost of goods sold . .	b	32,805				
	c	Net income or (loss) from sales of inventory . . ▶			16,158			16,158

	Miscellaneous Revenue	Business Code				
11a	CAFETERIA REVENUE	900099	66,427	20,470		45,957
b	TUTORING REVENUE	900099	63,002	63,002		
c	ALL OTHER REVENUE	900099	126,833	126,833		
d	All other revenue					
e	**Total.** Add lines 11a–11d . . . . . ▶		256,262			
12	**Total revenue.** See Instructions . . . . . ▶		39,584,425	38,332,842	-215,976	50,336

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 governments and organizations in the United States See Part IV, line 21	36,700	36,700		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	1,558,760	742,368	709,225	107,167
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	16,918,870	15,217,048	1,366,160	335,662
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	728,090	547,973	166,214	13,903
9 Other employee benefits	2,704,600	2,310,188	357,986	36,426
10 Payroll taxes	1,207,746	1,037,075	153,909	16,762
11 Fees for services (non-employees)				
a Management	0			
b Legal	353,578	7,326	346,252	
c Accounting	93,617		93,617	
d Lobbying	36,500		36,500	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	38,668		38,668	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	4,048,225	3,746,736	291,785	9,704
12 Advertising and promotion	420,526	402,629	1,913	15,984
13 Office expenses	1,306,858	1,066,924	218,740	21,194
14 Information technology	162,499	152,107	9,649	743
15 Royalties . .	0			
16 Occupancy	869,026	596,808	267,978	4,240
17 Travel	157,328	138,189	14,961	4,178
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	109,663	98,473	9,318	1,872
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	1,755,594	1,494,351	259,151	2,092
23 Insurance	766,672	66,165	700,507	
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 BAD DEBT EXPENSE	511,476	511,476		
b PHARMACY	361,312	361,312		
c OTHER EXPENSE	1,209,782	783,758	424,192	1,832
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	35,356,090	29,317,606	5,466,725	571,759
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,900	1	1,900
	2	Savings and temporary cash investments		4,192,440	2	4,403,866
	3	Pledges and grants receivable, net		8,421	3	921
	4	Accounts receivable, net		3,727,519	4	3,254,162
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		94,558	8	75,921
	9	Prepaid expenses and deferred charges		813,897	9	1,055,369
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 51,978,886			
	b	Less accumulated depreciation	10b 19,810,903	29,830,017	10c	32,167,983
	11	Investments—publicly traded securities		6,243,560	11	8,519,274
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		1,210,163	15	1,198,662
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		46,122,475	16	50,678,058
Liabilities	17	Accounts payable and accrued expenses		5,499,823	17	5,356,103
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		4,429,594	23	4,333,782
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		128,489	25	131,514
	26	**Total liabilities.** Add lines 17 through 25		10,057,906	26	9,821,399
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		35,239,721	27	40,025,290
	28	Temporarily restricted net assets		611,848	28	618,369
	29	Permanently restricted net assets		213,000	29	213,000
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		36,064,569	33	40,856,659
	34	Total liabilities and net assets/fund balances		46,122,475	34	50,678,058

Part XI Reconcilliation 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	39,584,425
2	Total expenses (must equal Part IX, column (A), line 25)	2	35,356,090
3	Revenue less expenses Subtract line 2 from line 1	3	4,228,335
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	36,064,569
5	Net unrealized gains (losses) on investments	5	563,755
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	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	40,856,659

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

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

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

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

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

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

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

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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

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

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

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test		
Return Reference	Explanation	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
SILVER HILL HOSPITAL INC	06-0655139

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

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

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $

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

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

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

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

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		
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-		

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

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 instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) 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?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		36,500
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			36,500
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
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 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, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
Form Sch C Part II-B Line 1i	THE HOSPITAL ENGAGED A CONSULTANT TO LOBBY THE STATE OF CONNECTICUT TO REVISIT RECENT LEGISLATION WHICH REQUIRES PSYCHIATRIC HOSPITALS TO REPORT ANYONE WHO IS VOLUNTARILY ADMITTED TO THE DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an 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 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 8/17/06, 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, and enforcing conservation easements during the year ▶ _____

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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" to 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) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

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

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
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? ☐ Yes ☐ No

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	213,000	213,000	213,000	213,000	213,000
b	Contributions					
c	Net investment earnings, gains, and losses	1,690	3,158	1,062	4,650	5,910
d	Grants or scholarships					
e	Other expenditures for facilities and programs	1,690	3,158	1,062	4,650	5,910
f	Administrative expenses					
g	End of year balance	213,000	213,000	213,000	213,000	213,000

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 ▶ 100 000 %
- c Temporarily restricted endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,192,996		2,192,996
b Buildings		36,192,285	13,628,065	22,564,220
c Leasehold improvements				
d Equipment		6,169,028	1,262,834	4,906,194
e Other		7,424,577	4,920,004	2,504,573
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				32,167,983

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to 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		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to 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
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
EMPLOYEE FSA PAYABLE	68,838
TENANT SECURITY DEPOSITS	39,000
UNCLAIMED PROPERTY	22,182
OTHER	1,494
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	131,514

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 ☑

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

1	Total revenue, gains, and other support per audited financial statements			1	40,237,802
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	563,755		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	252,887		
e	Add lines **2a** through **2d**			2e	816,642
3	Subtract line **2e** from line **1**			3	39,421,160
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	38,668		
b	Other (Describe in Part XIII)	4b	124,597		
c	Add lines **4a** and **4b**			4c	163,265
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	39,584,425

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

1	Total expenses and losses per audited financial statements			1	35,445,712
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	639,766		
e	Add lines **2a** through **2d**			2e	639,766
3	Subtract line **2e** from line **1**			3	34,805,946
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	38,668		
b	Other (Describe in Part XIII)	4b	511,476		
c	Add lines **4a** and **4b**			4c	550,144
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	35,356,090

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	DONORS HAVE STIPULATED THAT ANY INCOME FROM THE ENDOWMENT FUNDS IS TO BE USED FOR ADOLESCENT AND CHEMICAL DEPENDENCY PROGRAMS
PART X, LINE 2	"UNRELATED BUSINESS INCOME" AND WOULD RESULT IN A TAX LIABILITY MANAGEMENT REVIEWS TRANSACTIONS TO ESTIMATE POTENTIAL TAX LIABILITIES THE HOSPITAL RECOGNIZES INCOME TAX POSITIONS WHEN IT IS MORE-LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINABLE BASED ON THE MERITS OF THE POSITION MANAGEMENT HAS CONCLUDED THAT THERE ARE NO UNCERTAIN TAX POSITIONS THAT NEEDED TO BE RECORDED AT FEBRUARY 28, 2014 AND 2013
PART XI, LINE 2D	SPECIAL EVENT EXPENSES $252,887
PART XI, LINE 4B	GIFT SHOP COST OF GOODS SOLD ($ 32,805) BAD DEBT EXPENSE $511,476 RENTAL EXPENSE - DEPRECIATION AND INTEREST ($354,074) _____ TOTAL $124,597
PART XII, LINE 2D	GIFT SHOP COST OF GOODS SOLD $ 32,805 SPECIAL EVENT EXPENSES $252,887 RENTAL EXPENSE - DEPRECIATION AND INTEREST $354,074 _____ TOTAL $639,766
PART XII, LINE 4B	BAD DEBT EXPENSE $511,476 _____ TOTAL $511,476

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

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

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☐ Mail solicitations
- **b** ☐ Internet and email solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

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

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

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

		(a) Event #1 YP Sch. Fndrsr. (event type)	(b) Event #2 GALA FUNDRAISER (event type)	(c) Other events 0 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	31,698	816,696		848,394
	2 Less Contributions	9,613	686,696		696,309
	3 Gross income (line 1 minus line 2)	22,085	130,000		152,085
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	19,497	157,801		177,298
	8 Entertainment		32,698		32,698
	9 Other direct expenses	22,205	172,771		194,976
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(404,972)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				-252,887

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

11

Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ .....

Address ▶ .....

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

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

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

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

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

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

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☐ 200% ☑ Other 600 %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 900 %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria 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		No
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
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 eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			448,350	448,350		
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			448,350	448,350		
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			39,154	755	38,399	0 110 %
f Health professions education (from Worksheet 5)			59,312		59,312	0 170 %
g Subsidized health services (from Worksheet 6)			16,186,364	14,999,509	1,186,855	3 410 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			36,700		36,700	0 110 %
j **Total.** Other Benefits			16,321,530	15,000,264	1,321,266	3 800 %
k **Total.** Add lines 7d and 7j			16,769,880	15,448,614	1,321,266	3 800 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 364,982			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3 0			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	131,555
6	Enter Medicare allowable costs of care relating to payments on line 5	6	39,963
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	91,592
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group SILVER HILL HOSPITAL INC

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 14			
3	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 Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW SILVERHILLHOSPITAL ORG			
b	☐ Other website (list url)			
c	☐ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
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	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	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)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 600 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 900 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible 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?	**21**		No
If "Yes," explain in Part VI			
22 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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
See Additional Data Table	

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? _____

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

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
PART VI - SUPPLEMENTAL INFORMATION	PART I, LINE 3C N/A

Form and Line Reference	Explanation
PART I, LINE 6A	DURING FY 14, THE HOSPITAL WAS NOT REQUIRED TO FILE A COMMUNITY BENEFIT REPORT WITH THE STATE OF CONNECTICUT

Form and Line Reference	Explanation
PART I, LINE 7	A COST TO CHARGE RATIO, DERIVED FROM WORKSHEET 2 RATIO OF PATIENT CARE COST TO CHARGES, WAS USED TO DETERMINE CHARITY CARE COSTS REPORTED A COST TO CHARGE RATIO FOR INPATIENT SERVICES WAS USED TO DETERMINE THE AMOUNT OF INPATIENT CARE THAT WAS SUBSIDIZED IN FISCAL 2014 ALL OTHER EXPENSES REPORTED ARE ACTUAL COSTS

Form and Line Reference	Explanation
EXPENSE CALCULATION	TOTAL EXPENSES FROM PART IX, LINE 25 WERE REDUCED BY BAD DEBT EXPENSE OF $511,476 IN CALCULATING TOTAL EXPENSES FOR COLUMN (F)

Form and Line Reference	Explanation
PART II	N/A

Form and Line Reference	Explanation
PART III, LINE 4	CONSISTENT WITH HFMA STATEMENT 15, BAD DEBT EXPENSE REPORTED IN THE AUDITED FINANCIAL STATEMENTS REPRESENTS THE AMOUNT THAT THE PAYER IS EXPECTED TO PAY FOR 990 REPORTING PURPOSES, BAD DEBT COST WAS CALCULATED BASED ON THE PATIENT COST TO CHARGE RATIO APPLIED TO THE BAD DEBT EXPENSE REPORTED IN THE AUDITED FINANCIAL STATEMENTS FINANCIAL STATEMENT FOOTNOTE REGARDING BAD DEBT EXPENSE - "THE COLLECTIONS OF RECEIVABLES FROM THIRD-PARTY PAYORS AND PATIENTS IS THE HOSPITAL'S PRIMARY SOURCE OF CASH FOR OPERATIONS AND IS CRITICAL TO ITS OPERATING PERFORMANCE THE PRIMARY COLLECTION RISKS RELATE TO UNINSURED PATIENT ACCOUNTS AND PATIENT ACCOUNTS FOR WHICH THE PRIMARY INSURANCE PAYOR HAS PAID, BUT PATIENT RESPONSIBILITY AMOUNTS (DEDUCTIBLES AND COPAYMENTS) REMAIN OUTSTANDING PATIENT RECEIVABLES, WHERE A THIRD-PARTY PAYOR IS RESPONSIBLE FOR PAYING THE AMOUNT, ARE CARRIED AT A NET AMOUNT DETERMINED BY THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED, LESS AN ESTIMATE MADE FOR CONTRACTUAL ADJUSTMENTS TO THIRD-PARTY PAYORS PATIENT RECEIVABLES DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED LESS AMOUNTS COVERED BY THE THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES MANAGEMENT ESTIMATES THIS ALLOWANCE BASED ON THE AGING OF ITS ACCOUNTS RECEIVABLE AND ITS HISTORICAL COLLECTION EXPERIENCE FOR EACH PAYOR TYPE RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED AS A REDUCTION OF THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS WHEN RECEIVED THE PAST DUE STATUS OF RECEIVABLES IS DETERMINED ON A CASE-BY-CASE BASIS DEPENDING ON THE RESPONSIBLE PAYOR INTEREST IS GENERALLY NOT CHARGED ON THE PAST DUE ACCOUNTS

Form and Line Reference	Explanation
Form Sch H Part III Line 2	BAD DEBT EXPENSE IS ESTIMATED BASED ON HISTORICAL AND EXPECTED WRITE-OFFS AND NET COLLECTIONS, AS WELL AS AGING STATUS A COST TO CHARGE RATIO FROM WORKSHEET 2 WAS APPLIED TO BAD DEBT EXPENSE REPORTED IN THE AUDITED FINANCIALS IN ORDER TO DETERMINE THE BAD DEBT EXPENSE REPORTED ON PART III, LINE 2

Form and Line Reference	Explanation
Form Sch H Part III Line 9b	THE HOSPITAL COLLECTION POLICY STATES "THIS POLICY IS APPLICABLE TO ALL PATIENTS RECEIVING SERVICES AT SILVER HILL HOSPITAL (SHH) WHO ARE CONSIDERED SELF-PAY (AS DEFINED IN THIS POLICY) AND ARE JUDGED TO BE ABLE TO PAY, THAT IS, THIS POLICY APPLIES TO THOSE WHO ARE NOT ELIGIBLE FOR THE FINANCIAL ASSISTANCE PROGRAM (SEE POLICY ON FREE CARE PROGRAM)" NEEDS ASSESSMENT IN ADDITION TO THE CHNA ASSESSMENT, THE HOSPITAL STAFF ASSESSES THE NEED FOR PROGRAMMING BASED ON SERVICE AVAILABILITY FOR OUR DISCHARGING POPULATION THE HOSPITAL ALSO RECEIVES INPUT FROM COMMUNITY-BASED CLINICIANS TO IDENTIFY NEEDS WITHIN THE COMMUNITY

Form and Line Reference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SOCIAL WORKERS HAVE A COMPREHENSIVE VIEW OF A PATIENT'S FINANCIAL AND SOCIAL SITUATION AND ARE KNOWLEDGEABLE ABOUT THE ELIGIBILITY CRITERIA FOR ENTITLEMENT PROGRAMS IT IS THE ASSIGNED RESPONSIBILITY OF THE SOCIAL WORKER TO INFORM PATIENTS AND THEIR FAMILIES ABOUT ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE OR LOCAL GOVERNMENT PROGRAMS PATIENTS WHO DO NOT HAVE THE FINANCIAL ABILITY TO PAY FOR SERVICES, ARE EDUCATED ABOUT SHH'S SCHOLARSHIP PROGRAM BY A SPECIALLY TRAINED STAFF MEMBER THE STAFF MEMBER PROVIDES PATIENTS AND THEIR FAMILIES WITH THE FINANCIAL GUIDELINES AND SUPPORTING DOCUMENTATION REQUIRED FOR OBTAINING A SCHOLARSHIP FOR THE PROGRAM

Form and Line Reference	Explanation
COMMUNITY INFORMATION	APPROXIMATELY 48% OF THE PATIENT POPULATION IS FROM CONNECTICUT, 32% FROM NEW YORK, 20% FROM OTHER AREAS INCLUDING NEW JERSEY AND MASSACHUSETTS

Form and Line Reference	Explanation
PROMOTION OF COMMUNITY HEALTH	SILVER HILL HOSPITAL FURTHERS ITS EXEMPT PURPOSE OF PROMOTING HEALTH OF THE COMMUNITY THROUGH A DIVERSE BOARD OF DIRECTORS WHOSE MEMBERS CONTRIBUTE THROUGH THEIR UNIQUE TALENTS AND RESOURCES TOWARD THE HOSPITAL'S MISSION OF HEALING AND THE CARE OF ITS PATIENTS

Form and Line Reference	Explanation
AFFILIATED HEALTH SYSTEMS	N/A

Form and Line Reference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	N/A

Additional Data

Software ID:
Software Version:
EIN: 06-0655139
Name: SILVER HILL HOSPITAL INC

990 Schedule H, Supplemental Information

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, LINE 3	
SCHEDULE H, PART V, LINES 6I & 7	AT THE END OF FISCAL YEAR 2014, THE HOSPITAL WAS IN THE PROCESS OF FINALIZING ITS IMPLEMEN TATION STRATEGY WHICH WAS PUBLISHED IN EARLY FISCAL YEAR 2015
SCHEDULE H, PART V, LINE 20D	IT IS THE POLICY OF THE HOSPITAL THAT PATIENTS ASSESSED TO BE SUFFERING FROM A BEHAVIORAL EMERGENCY MEDICAL CONDITION WILL BE ADMITTED, REGARDLESS OF THEIR INSURANCE STATUS OR ABIL ITY TO PAY, AS REQUIRED BY THE EMERGENCY MEDICAL TREATMENT AND ACTIVE LABOR ACT (EMTALA) UPON DISCHARGE, THE HOSPITAL WORKS WITH THESE PATIENTS TO DETERMINE AN APPROPRIATE PAYMENT AMOUNT GIVEN THEIR FINANCIAL SITUATION

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) NEW CANAAN POLICE DEPARTMENT 174 SOUTH AVE NEW CANAAN, CT 06840	06-6002043		10,000				DONATION
(2) AMY WINEHOUSE FOUNDATION ONE WEST 64TH STREET 10E NEW YORK, NY 10023	45-3788137	501(C)(3)	10,000				DONATION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 9

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 9

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

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

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

Return Reference	Explanation
SCHEDULE I, PART I, QUESTION 2	THESE WERE NOT GRANTS THE HOSPITAL MADE CONTRIBUTIONS TO THE NEW CANAAN POLICE DEPARTMENT AND AMY WINEHOUSE FOUNDATION AT THE REQUEST OF THOSE ORGANIZATIONS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

Part I Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)Sigurd Ackerman MD President, Medical DIrector	(i)	418,174	100,000	9,193	12,250	24,431	564,048	0
	(ii)	0	0	0	0	0	0	0
(2)Eric Collins MD Chief Medical Officer	(i)	345,295	103,671	106	0	32,368	481,440	0
	(ii)	0	0	0	0	0	0	0
(3)Elizabeth Moore Chief Operating Officer	(i)	266,493	55,000	1,524	12,250	12,487	347,754	0
	(ii)	0	0	0	0	0	0	0
(4)Ruurd Leegstra Chief Financial Officer	(i)	178,689	50,000	2,472	11,534	2,000	244,695	0
	(ii)	0	0	0	0	0	0	0
(5)Anri Kissilenko MD Physician	(i)	206,290	8,586	228	16,959	32,368	264,431	0
	(ii)	0	0	0	0	0	0	0
(6)Rocco Marotta MD Physician	(i)	194,259	8,315	225	5,374	32,368	240,541	0
	(ii)	0	0	0	0	0	0	0
(7)Mark Cerbone MD Physician	(i)	206,340	9,688	228	6,125	0	222,381	0
	(ii)	0	0	0	0	0	0	0
(8)Seth Resnick MD Physician	(i)	211,413	0	929	0	5,750	218,092	0
	(ii)	0	0	0	0	0	0	0
(9)Ross DeLeonardo MD Physician	(i)	202,204	2,656	868	0	9,818	215,546	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 7	THE CHIEF EXECUTIVE OFFICER, CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER AND PHYSICIAN-IN-CHIEF ARE ELIGIBLE FOR INCENTIVE COMPENSATION BASED ON THE ACHIEVEMENT OF PERFORMANCE GOALS ESTABLISHED AND APPROVED BY THE BOARD OF DIRECTORS IN CALENDAR YEAR 2014, THE AFOREMENTIONED INDIVIDUALS RECEIVED COMPENSATION FOR ACHIEVEMENT OF INCENTIVE GOALS RELATED TO THE FISCAL YEAR ENDING FEBRUARY 28, 2014 THESE AMOUNTS ARE REPORTING IN SCHEDULE J, PART II, COLUMN (B)(II)
Form Sch J Part I Line 1a	The Hospital grossed up taxes on a bonus payment pursuent to an employment agreement for one officer See Schedule O for details regarding the organization's compensation "policies and oversight procedures "

Additional Data

Software ID:
Software Version:
EIN: 06-0655139
Name: SILVER HILL HOSPITAL INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Sigurd Ackerman MD President, Medical DIrector	(I) (II)	418,174 0	100,000 0	9,193 0	12,250 0	24,431 0	564,048 0	0 0
Eric Collins MD Chief Medical Officer	(I) (II)	345,295 0	103,671 0	106 0	0 0	32,368 0	481,440 0	0 0
Elizabeth Moore Chief Operating Officer	(I) (II)	266,493 0	55,000 0	1,524 0	12,250 0	12,487 0	347,754 0	0 0
Ruurd Leegstra Chief Financial Officer	(I) (II)	178,689 0	50,000 0	2,472 0	11,534 0	2,000 0	244,695 0	0 0
Anri Kissilenko MD Physician	(I) (II)	206,290 0	8,586 0	228 0	16,959 0	32,368 0	264,431 0	0 0
Rocco Marotta MD Physician	(I) (II)	194,259 0	8,315 0	225 0	5,374 0	32,368 0	240,541 0	0 0
Mark Cerbone MD Physician	(I) (II)	206,340 0	9,688 0	228 0	6,125 0	0 0	222,381 0	0 0
Seth Resnick MD Physician	(I) (II)	211,413 0	0 0	929 0	0 0	5,750 0	218,092 0	0 0
Ross DeLeonardo MD Physician	(I) (II)	202,204 0	2,656 0	868 0	0 0	9,818 0	215,546 0	0 0

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) VERDE ENERGY	SEE PART V	121,175	ELECTRICITY GENERATION FO		No

Part V Supplemental Information

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

Return Reference	Explanation
SCHEDULE L, PART IV - BUSINESS TRANSACTIONS	MR LANCE LUNDBERG IS ON THE SILVER HILL HOSPITAL BOARD OF DIRECTORS AND IS ALSO THE CHAIRMAN OF VERDE ENERGY WHICH DOES BUSINESS WITH THE HOSPITAL

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X		11,849	STOCK MARKET VALUE
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Young Professionals Event - auction items)	X	22	12,285	resale value
26	Other ▶ (Gala auction items)	X	2	17,500	auction bid
27	Other ▶(_____)				
28	Other ▶ (_____)				

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

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		No
b	If "Yes," describe in Part II			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II			

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

Return Reference	Explanation
PART I, COLUMN (B)	THE HOSPITAL IS REPORTING THE NUMBER OF NON CASH CONTRIBUTION MADE DURING THE FISCAL YEAR

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SILVER HILL HOSPITAL INC

Employer identification number
06-0655139

Return Reference	Explanation
FORM 990, PART III, PROGRAM SERVICE, LINE 4C	INTENSIVE OUTPATIENT PROGRAMS (IOPS) TYPICALLY MEET FOR THREE HOURS A DAY, THREE DAYS PER WEEK THE HOSPITAL PROVIDES THREE DIALECTICAL BEHAVIOR THERAPY IOPS FOR PATIENTS EXPERIENCING DIFFICULTY REGULATING INTENSE EMOTIONS, IMPULSIVITY AND HARMFUL BEHAVIORS THESE PROGRAMS TEACH PATIENTS THE CORE DBT SKILLS OF MINDFULNESS, EMOTION REGULATION, INTERPERSONAL EFFECTIVENESS SKILLS AND DISTRESS TOLERANCE THE HOSPITAL ALSO PROVIDES A WOMEN'S TRAUMA AND ADDICTION IOP FOR WOMEN WHO STRUGGLE WITH ADDICTION TO LEARN SAFE COPING SKILLS TO MAINTAIN SOBRIETY, AS WELL AS TO EXPLORE UNDERLYING INTERPERSONAL ISSUES INCLUDING RELATIONSHIP DIFFICULTIES, ABUSE, CODEPENDENCY AND BOUNDARIES IN ADDITION, THE HOSPITAL PROVIDES AN ADDICTION/DUAL DIAGNOSIS IOP WHICH IS APPROPRIATE FOR PATIENTS DIAGNOSED WITH EITHER AN ADDICTION OR DUAL DISORDER GROUPS INCLUDE RELAPSE PREVENTION, FAMILY DISEASE AND RELAPSE WARNING SIGNS, UNDERSTANDING EMOTIONS, AND SELF-ESTEEM THIS PROGRAM ALSO TEACHES PATIENTS DIALECTICAL BEHAVIOR THERAPY SKILLS SUCH AS DISTRESS TOLERANCE

Return Reference	Explanation
Form 990 Part VI Line 11b	THE FORM 990 OF THE ORGANIZATION IS PREPARED BY THE FINANCE DEPARTMENT OF SILVER HILL HOSPITAL BASED ON THE BOOKS AND RECORDS OF THE ORGANIZATION THE DRAFT RETURN AND ALL SUPPORTING DOCUMENTATION ARE PROVIDED TO THE ORGANIZATION'S INDEPENDENT ACCOUNTANTS FOR REVIEW AND FINAL PREPARATION OF THE RETURN THE FINAL VERSION OF THE FORM 990 IS THEN REVIEWED BY THE DIRECTOR OF ACCOUNTING, CFO, COO, AND PRESIDENT & MEDICAL DIRECTOR THE FINAL VERSION OF THE FORM 990 IS PROVIDED TO ALL MEMBERS OF THE GOVERNING BODY FOR THEIR REVIEW AND COMMENTS BEFORE FILING THE FORM THE THE INTERNAL REVENUE SERVICES

Return Reference	Explanation
Form 990 Part VI Line 12c	THE HOSPITAL REQUIRES THE BOARD OF DIRECTORS AND OFFICERS TO COMPLETE A NOTIFICATION OF COMPLIANCE QUESTIONNAIRE AT THE END OF EACH FISCAL YEAR THE FINANCE DEPARTMENT REVIEWS THE QUESTIONNAIRES FOR DETERMINATION OF POTENTIAL CONFLICTS OF INTEREST ANY POTENTIAL CONFLICTS OF INTEREST ARE MADE KNOWN TO THE BOARD FOR RESOLUTION

Return Reference	Explanation
Form 990 Part VI Line 15b	EACH YEAR, OR WHEN OTHERWISE REQUIRED, THE BOARD OF DIRECTORS APPOINTS A COMPENSATION SUB-COMMITTEE OF INDEPENDENT DIRECTORS TO REVIEW THE COMPENSATION OF THE PRESIDENT AND MEDICAL DIRECTOR, CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, AND KEY EMPLOYEES THE SUB-COMMITTEE REVIEWS THE FORM 990'S OF SIMILAR ORGANIZATIONS AS WELL AS AMERICAN HOSPITAL ASSOCIATION SURVEYS, AND MAKES RECOMMENDATIONS TO THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS ANY DELIBERATIONS AND DECISIONS OF THE COMPENSATION SUB-COMMITTEE ARE DOCUMENTED IN THE MEETING MINUTES OF THE COMPENSATION SUB COMMITTEE

Return Reference	Explanation
Form 990 Part VI Line 19	THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC ON REQUEST FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Return Reference	Explanation
FORM 990, PART X, LINES 17 & 25	RECLASS OF BEGINNING YEAR BALANCES DUE TO A CURRENT YEAR RECLASSIFICATION BETWEEN ACCOUNTS PAYABLE/ACCRUED EXPENSES AND OTHER LIABILITIES, THERE IS A DIFFERENCE IN THE BEGINNING YEAR AMOUNTS FOR THOSE LINE ITEMS FROM WHAT WAS REPORTED AT THE END OF THE FY 2013 RETURN

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION OTHER PURCHASED SERVICES TOTAL FEES 2611313

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION OTHER PROFESSIONAL SERVICES TOTAL FEES 1436912

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493014007325

Form **4562**
Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2013

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
SILVER HILL HOSPITAL INC	GENERAL DEPRECIATION	06-0655139

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	$ 2,600,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	**(a)** Description of property	**(b)** Cost (business use only)	**(c)** Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not include listed property)** (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not include listed property.)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	91,812
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

	(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a	3-year property						
b	5-year property						
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs		S/L	
h	Residential rental property			27 5 yrs	MM	S/L	
				27 5 yrs	MM	S/L	
i	Nonresidential real property			39 yrs	MM	S/L	
					MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs		S/L	
c	40-year		40 yrs	MM	S/L	

Part IV **Summary** (see instructions.)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	92,311
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☑ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☑ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2013 tax year (see instructions)					
43 Amortization of costs that began before your 2013 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	

SILVER HILL HOSPITAL, INC.

Financial Statements

February 28, 2014 and 2013

(With Independent Auditors' Report Thereon)

SILVER HILL HOSPITAL, INC.

Table of Contents

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Directors
Silver Hill Hospital, Inc.:

We have audited the accompanying financial statements of Silver Hill Hospital, Inc., which comprise the statements of financial position as of February 28, 2014 and 2013, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free 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 auditors consider 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 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 Silver Hill Hospital, Inc. as of February 28, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

June 25, 2014

SILVER HILL HOSPITAL, INC.

Statements of Financial Position

February 28, 2014 and 2013

Assets		2014	2013
Current assets:			
Cash and cash equivalents	$	1,947,205	1,368,392
Investments (note 3)		6,687,905	4,420,962
Patient accounts receivable, net of allowance for doubtful accounts of $721,651 and $470,948 (note 2)		3,254,162	3,727,519
Prepaid expenses		1,055,369	813,897
Other current assets, net		136,571	151,819
Insurance claims receivable (note 8)		121,730	850,000
Assets limited or restricted as to use – current liabilities (note 3)		1,959,423	2,323,699
Total current assets		15,162,365	13,656,288
Assets limited or restricted as to use (note 3):			
Temporarily and permanently restricted donations		831,369	824,848
Liquid reserve requirement		1,500,000	1,500,000
Total assets limited or restricted as to use		2,331,369	2,324,848
Other assets, net		92,406	115,671
Insurance claims receivable (note 8)		923,935	195,651
Property and equipment, net (note 4)		32,167,983	29,830,017
Total assets	$	50,678,058	46,122,475
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	$	798,952	880,445
Due to patients and third parties		1,108,687	1,549,984
Accrued salaries, taxes, and other compensation		1,030,575	852,531
Current portion of long-term debt (note 5)		100,276	95,813
Other current liabilities		994,923	876,276
Estimated malpractice liability – current (note 8)		121,730	900,000
Total current liabilities		4,155,143	5,155,049
Line of credit (note 6)		127,680	127,680
Long-term debt, net of current portion (note 5)		4,105,826	4,206,102
Estimated malpractice liabilities (note 8)		1,432,750	569,075
Total liabilities		9,821,399	10,057,906
Net assets:			
Unrestricted		40,025,290	35,239,721
Temporarily restricted (note 11)		618,369	611,848
Permanently restricted (note 11)		213,000	213,000
Total net assets		40,856,659	36,064,569
Commitments and contingencies (notes 5, 6, 7, and 8)			
Total liabilities and net assets	$	50,678,058	46,122,475

See accompanying notes to financial statements.

SILVER HILL HOSPITAL, INC.

Statements of Operations

Years ended February 28, 2014 and 2013

	2014	2013
Revenue, gains, and other support:		
Net patient service revenue before provision for bad debts, net (note 2)	$ 38,122,537	35,007,505
Provision for bad debts, net (note 2)	(511,476)	(196,137)
Net patient service revenue	37,611,061	34,811,368
Contributions	653,251	753,201
Other revenue	363,652	312,358
Net assets released from restriction for use in operations	758,638	760,140
Total revenues, gains, and other support	39,386,602	36,637,067
Expenses (note 10):		
Salaries and related costs	18,182,601	16,898,932
Employee benefits (note 9)	4,665,519	4,266,118
Supplies and services	9,939,905	8,870,001
Depreciation and amortization	1,885,232	1,703,477
Development expense	571,757	575,169
Interest expense	200,698	121,720
Loss on the disposal of property and equipment	—	93,290
Total expenses	35,445,712	32,528,707
Income from operations	3,940,890	4,108,360
Nonoperating gains (losses):		
Investment income, net	174,498	191,476
Realized gains on investments	70,021	489,392
Provision for uncollectible pledges	—	(22,748)
Other gains (losses), net	21,255	(8,839)
Total nonoperating gains (losses), net	265,774	649,281
Excess of revenues, gains, other support and nonoperating gains (losses) over expenses	4,206,664	4,757,641
Other changes in unrestricted net assets:		
Change in net unrealized gains on other than trading securities	573,905	(231,361)
Net assets released from restriction for use in capital projects	5,000	3,500
Increase in unrestricted net assets	$ 4,785,569	4,529,780

See accompanying notes to financial statements.

SILVER HILL HOSPITAL, INC.

Statements of Changes in Net Assets

Years ended February 28, 2014 and 2013

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets at February 29, 2012	$ 30,709,941	619,469	213,000	31,542,410
Excess of unrestricted revenues, gains, and other support and nonoperating gains (losses) over expenses	4,757,641	—	—	4,757,641
Restricted contributions	—	31,620	—	31,620
Provision for uncollectible pledges	—	(50,000)	—	(50,000)
Special event revenue – gala for scholarships, net of direct donor benefit of $127,500	—	739,523	—	739,523
Investment income, net of realized gains	—	31,102	—	31,102
Change in net unrealized gains on other than trading securities	(231,361)	3,774	—	(227,587)
Net assets released from restriction for use in operations	—	(760,140)	—	(760,140)
Net assets released from restriction for use in capital projects	3,500	(3,500)	—	—
Changes in net assets	4,529,780	(7,621)	—	4,522,159
Net assets at February 28, 2013	35,239,721	611,848	213,000	36,064,569
Excess of unrestricted revenues, gains, and other support and nonoperating gains (losses) over expenses	4,206,664	—	—	4,206,664
Restricted contributions		67,663	—	67,663
Special event revenue – Young Professional Event for scholarships, net of direct donor benefit of $22,085	—	9,613	—	9,613
Special event revenue – gala for scholarships, net of direct donor benefit of $130,000	—	686,696	—	686,696
Investment income, net of realized gains	—	16,337	—	16,337
Change in net unrealized gains on other than trading securities	573,905	(10,150)	—	563,755
Net assets released from restriction for use in operations	—	(758,638)	—	(758,638)
Net assets released from restriction for use in capital projects	5,000	(5,000)	—	—
Changes in net assets	4,785,569	6,521	—	4,792,090
Net assets at February 28, 2014	$ 40,025,290	618,369	213,000	40,856,659

See accompanying notes to financial statements

SILVER HILL HOSPITAL, INC.

Statements of Cash Flows

Years ended February 28, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	$ 4,792,090	4,522,159
Adjustments to reconcile the change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,885,232	1,703,477
Provision for bad debts, net	511,476	196,137
Loss on disposal of assets	—	93,290
Provision for uncollectible pledge	—	72,748
Contributions restricted for capital projects	(5,000)	(3,500)
Net unrealized (gains) losses on other than trading securities	(563,755)	227,587
Realized gains on investments	(70,021)	(489,392)
Changes in assets and liabilities		
Patient accounts receivable	(38,119)	(1,789,951)
Prepaid expenses	(241,472)	(349,900)
Insurance claims receivable	(14)	(724,432)
Other current assets, net	15,248	(25,100)
Other assets	—	472
Accounts payable and accrued expenses	246,573	(58,403)
Due to patients and third parties	(441,297)	913,785
Accrued salaries, taxes, and other compensation	178,044	(194,233)
Other current liabilities	118,647	75,508
Estimated malpractice liabilities	85,405	898,731
Net cash provided by operating activities	6,473,037	5,068,983
Cash flows from investing activities		
Purchases of property and equipment	(520,433)	(494,807)
Purchase of contiguous properties	—	(5,328,042)
Expenditures for Hospital campus renovations	(4,007,566)	(2,245,188)
Purchases of investments	(4,558,074)	(2,187,481)
Proceeds from sale of investments	2,924,907	6,168,969
Change in assets limited or restricted as to use	357,755	(1,000,594)
Net cash used in investing activities	(5,803,411)	(5,087,143)
Cash flows from financing activities		
Contributions restricted for capital projects	5,000	3,500
Repayment of line of credit	—	(5,000,000)
Proceeds from mortgages	—	4,320,000
Repayment of mortgages	(95,813)	(18,085)
Deferred financing costs incurred	—	(53,323)
Net cash used in financing activities	(90,813)	(747,908)
Increase (decrease) in cash and cash equivalents	578,813	(766,068)
Cash and cash equivalents, beginning of year	1,368,392	2,134,460
Cash and cash equivalents, end of year	$ 1,947,205	1,368,392
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	$ 102,608	128,348
Increase in accounts payable and accrued expense for Hospital campus renovation expenditures	—	203,691

See accompanying notes to financial statements

(1) Nature of Activities and Significant Accounting Policies

Nature of Activities

Silver Hill Hospital, Inc. (the Hospital) is a not-for-profit private psychiatric hospital, which provides medical attention to patients with psychiatric or substance abuse diagnosis through inpatient, residential, and outpatient programs. Silver Hill was incorporated in the state of Connecticut in 1934.

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

(a) Basis of Accounting

The Hospital's financial statements have been prepared on the accrual basis of accounting.

(b) Cash and Cash Equivalents

The Hospital considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

(c) Concentration of Credit Risk

The Hospital has cash balances in financial institutions that exceed federal depository insurance limits of $250,000.

(d) Patient Accounts Receivable

The collection of receivables from third-party payors and patients is the Hospital's primary source of cash for operations and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but patient responsibility amounts (deductibles and co-payments) remain outstanding. Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments to third-party payors. Patient receivables due directly from the patients are carried at the original charge for the service provided less amounts covered by third-party payors and less an estimated allowance for uncollectible receivables. Management estimates this allowance based on the aging of its accounts receivable and its historical collection experience for each payor type. Recoveries of receivables previously written off are recorded as a reduction of the provision for uncollectible accounts when received. The past-due status of receivables is determined on a case-by-case basis depending on the responsible payor. Interest is generally not charged on past-due accounts.

(e) Pledges Receivable

Pledges, less an allowance for uncollectible amounts (if warranted), are recorded as pledges receivable in the year the pledge is made.

(f) Assets Limited or Restricted as to Use

Assets limited or restricted as to use include assets set aside for current liabilities, including the Hospital 401(k) contribution to employees and deposits due to patients and third parties, assets restricted based on donors' intents, and liquid assets restricted by the line-of-credit and mortgage agreements.

(g) Investments

The Hospital accounts for its investments in accordance with current accounting standards for not-for-profit organizations. Under these standards, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains (losses) on investments, interest, and dividends are included in the change in unrestricted net assets in the accompanying statements of changes in net assets, unless donor or law restricted the use of the income or loss.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term.

(h) Property and Equipment

Property and equipment are recorded at cost and depreciated over the estimated useful life of each class of depreciable assets, using the straight-line method. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. Estimated useful lives of capital assets are as follows:

	Years
Land improvements	20 years
Buildings	25 years
Vehicles	5 years
Equipment	3–15 years

(i) Deferred Financing Costs

Deferred financing costs are amortized a straight-line basis, over the term of the related debt.

(j) Due to Patients and Third Parties

Due to patients and third parties includes patient deposits for services to be performed and refunds due to third parties for overpayments. Patient deposits are recognized as income as charges are incurred. Any unearned deposits are returned to patients subsequent to discharge.

(k) Net Assets

The net assets of the Hospital and changes therein are classified and reported as follows:

Unrestricted Net Assets – unrestricted net assets are those whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract, board designation, or under debt agreements.

Temporarily and Permanently Restricted Net Assets – temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

(l) Excess of Revenues, Gains, Other Support, and Nonoperating Gains (Losses) over Expenses

The statements of operations include the excess of revenues, gains, other support, and nonoperating gains (losses) over expenses. Changes in unrestricted net assets that are excluded from excess of revenues, gains, other support, and nonoperating gains (losses) over expenses, consistent with industry practice, include changes in net unrealized losses on other than trading securities and net assets released from restriction for use in capital projects.

(m) Net Patient Service Revenue

The Hospital has agreements with third-party payors, which 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 estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retrospective adjustments under reimbursement agreements with third-party payors. Retrospective adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

(n) Charity Care

The Hospital provides care to patients who meet certain criteria established under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of accounts determined to qualify as charity care, they are not reported as revenue. The cost of providing charity care is estimated by multiplying total charges incurred by the patients that qualify for financial assistance by an overall ratio of costs to charges. The cost of providing charity care was $448,350 and $408,800 for the years ended February 28, 2014 and 2013, respectively.

(o) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. These inputs to the fair value estimate are considered Level 3 in the fair value hierarchy.

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 statements of operations and changes in net assets as net assets released from restrictions. In the absence of donor specifications that income and gains on donated funds are restricted, such donated funds are reported as income and gains within the accompanying statements of operations.

In fiscal years 2014 and 2013, the Hospital released $500,000 of donor-restricted funds designated as scholarships for patient treatment.

(p) Income Taxes

The Hospital is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code), and as such, no provision for income taxes has been recorded. The Internal Revenue Service informed the Hospital by a letter dated June 23, 1937 that the Hospital's operations are designed in accordance with such section of the Code. There are certain transactions that could be deemed "Unrelated Business Income" and would result in a tax liability. Management reviews transactions to estimate potential tax liabilities. The Hospital recognizes income tax positions when it is more-likely than not that the position will be sustainable based on the merits of the position. Management has concluded that there are no uncertain tax positions that needed to be recorded at February 28, 2014 and 2013.

(q) Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The use of estimates and assumptions in the preparation of the accompanying financial statements is primarily related to the Hospital's determination of the net patient accounts receivable and settlements with third-party payors. Due to uncertainties inherent in the estimation and assumption process, actual results could differ from those estimates and such differences could be material (note 2).

(r) Healthcare Reform Legislation

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the Health Reform Law), which was signed into law on March 23, 2010, will change how healthcare services are covered, delivered, and reimbursed through expanded coverage of uninsured individuals, reduced growth in Medicare program spending, and the establishment of programs in which reimbursement is tied to quality and integration. In addition, the Health Reform Law reforms certain aspects of health insurance, expands existing efforts to tie Medicare payments to performance and quality, and contains provisions intended to strengthen fraud and abuse enforcement. Because of the many variables involved with the Health Reform Law, the Hospital's management is unable to predict the net effect on the Hospital of the expected increases in insured individuals using its facilities, the reductions in Medicare spending and funding, and numerous other provisions in the law that may affect the Hospital.

(s) Budget Control Act

The Budget Control Act of 2011 (the Budget Control Act) mandated significant reductions and spending caps on the federal budget for fiscal years 2013 through 2021. The Budget Control Act also created a Joint Select Committee on Deficit Reduction (the Super Committee) to develop a plan to further reduce the federal deficit by $1.5 trillion on or before November 23, 2011. Since the Super Committee failed to act before the mandated deadline, a 2% reduction in Medicare spending, among other reductions, became effective as of March 1, 2013, in a process known as Sequestration. Hospital nonphysician Medicare payments were reduced by the mandatory 2% reduction for claims with dates of service or dates of discharge on or after April 1, 2013.

Physician services are reimbursed by Medicare under the physician fee schedule (PFS) system, under which Medicare has assigned a national relative value unit (RVU) to most medical procedures and service that reflects the various resources required by a physician to provide the services relative to all other services. The PPS system includes a formula that limits the targeted growth in Medicare expenditures referred to as the sustainable growth rate (SGR). The PFS rates are adjusted each year, and reductions in both current and future payments are anticipated. The SGR formula, if implemented as mandated by statute, would result in significant reductions to payments under the PFS. Since 2003, the Congress has passed multiple legislative acts delaying application of the SGR to the PFS. The most recent legislation delays application of the SGR until March 1, 2015. It cannot be predicted whether Congress will intervene to prevent this reduction to payments in the future. Barring delay or repeal of the SGR by Congress, Medicare payments to physicians are scheduled to be cut by more than 21% effective March 1, 2015. In fiscal years 2014 and 2013, respectively, Medicare net patient revenue was approximately $1.5 million, or 4% of the Hospital's net patient revenue.

(2) Net Patient Service Revenue and Accounts Receivable

The Hospital has agreements with third-party payors, which provide for reimbursement to the Hospital at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's billings at list price and the amounts reimbursed by Medicare, Blue Cross, and certain other third-party payors, and any differences between estimated third-party reimbursement settlements for prior years and subsequent final settlements. Contractual adjustments under third-party reimbursement programs are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined. A summary of the basis of reimbursement with major third-party payors is as follows:

(a) Medicare

The Hospital is paid for inpatient services rendered to Medicare program beneficiaries under the Inpatient Psychiatric Facility Prospective Payment System, which was implemented in 2005. For both years ended February 28, 2014 and 2013, net revenue from the Medicare program accounted for approximately 4% of the Hospital's net patient service revenue, in both years.

Laws and regulations governing the Medicare programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. 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 inquires have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare programs.

(b) Managed Care Organizations

The Hospital has also entered into reimbursement agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes contractual allowances from established charges and prospectively determined per diem rates.

Patient revenue, net of contractual allowances, is reduced by the provision for bad debts, and net patients accounts receivable are reduced by an allowance for doubtful accounts. These amounts are based on historical and expected write-offs and net collections as well as aging status. Based on historical experience, a portion of the Hospital's self-pay patients who do not qualify for charity care will be unable or unwilling to pay for services provided. Thus, the Hospital records a provision for bad debts related to these patients in the period the services are provided. For the years ended February 28, 2014 and 2013, patient service revenue (including patient co-pays and deductibles), net of contractual allowances (but before the provision for uncollectible accounts) by major payor source was as follows:

		2014	2013
Medicare	$	1,473,864	1,505,694
Third-party payors		19,429,679	17,465,175
Self pay		17,218,994	16,036,636
Total	$	38,122,537	35,007,505

Patient accounts receivable, including patient co-pays and deductibles by major primary payor source, before deducting allowance for doubtful accounts were the following as of February 28, 2014 and 2013:

	2014	2013
Medicare	5%	11%
Blue Cross	19	23
Other third-party payors	55	53
Self-pay	21	13
	100%	100%

Patient accounts receivable, net of contractual adjustments were $3,975,813 and $4,198,467 as of February 28, 2014 and 2013, respectively, or 10% and 12% net of patient revenue for the fiscal years then ended. The related allowance for uncollectible accounts was $721,651 and $470,948 or 18% and 11% of the related patient accounts receivable, net of contractual allowances as of February 28, 2014 and 2013. The Hospital wrote off $260,773 and $250,704 in bad debts and denials, net of recoveries, in fiscal years 2014 and 2013, respectively.

For the years ended February 28, 2014 and 2013, the provision for bad debt includes a favorable change in estimate related to the allowance for doubtful accounts, which increased the Hospital's net income by $225,700 and $483,400, respectively.

(3) Assets Limited or Restricted as to Use and Investments

Assets limited or restricted as to use and investments consisted of the following as of February 28, 2014 and 2013:

		2014	2013
Assets limited or restricted as to use:			
Cash and cash equivalents	$	1,959,423	2,323,699
Donor restricted assets:			
Mutual funds		831,369	824,848
		831,369	824,848
Liquid reserve requirement:			
Cash and cash equivalents		500,000	500,000
Mutual funds		1,000,000	1,000,000
		1,500,000	1,500,000
Total assets limited as to use		4,290,792	4,648,547
Less current portion		(1,959,423)	(2,323,699)
Assets limited or restricted as to use, net of current portion		2,331,369	2,324,848
Investments:			
Mutual funds		6,687,905	4,419,859
Equities		—	1,103
Total investments		6,687,905	4,420,962
Total assets limited or restricted as to use and investments	$	10,978,697	9,069,509

Current liabilities, for which assets are limited or restricted as to use, consisted of the following as of February 28, 2014 and 2013:

		2014	2013
Hospital 401(k) contribution due to employees	$	850,736	773,715
Due to patients and third parties		1,108,687	1,549,984
Total current liabilities	$	1,959,423	2,323,699

Hospital 401(k) contributions due to employees are included in accrued salaries, taxes, and other compensation in the accompanying statements of financial position.

(Continued)

The cost and market values of all investments, including those categorized as assets limited or restricted as to use, are summarized as follows as of February 28, 2014 and 2013:

	2014		
	Cost	Unrealized gains (losses)	Fair value
Investments:			
Mutual funds:			
Fixed income – domestic	$ 3,905,130	11,840	3,916,970
Domestic	2,708,506	972,581	3,681,087
International	780,413	140,804	921,217
	$ 7,394,049	1,125,225	8,519,274

	2013		
	Cost	Unrealized gains (losses)	Fair value
Investments:			
Mutual funds:			
Fixed income – domestic	$ 3,364,380	79,450	3,443,830
Domestic	1,806,745	435,481	2,242,226
International	512,101	46,550	558,651
	5,683,226	561,481	6,244,707
Equities:			
Domestic	1,114	(11)	1,103
	$ 5,684,340	561,470	6,245,810

Financial Accounting Standards Board (FASB) Accounting Standards Codification 820, *Fair Value Measurement*, establishes a formal hierarchy and framework for measuring fair value and expands disclosure about fair value measurements and the reliability of valuation impacts. The guidance requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar instruments; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities include those whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation

(Continued)

At February 28, 2014 and 2013, the Hospital estimated the fair value of all of its investments based on Level 1 inputs. The Hospital does not have any Level 2 or 3 assets or liabilities as of February 28, 2014 and 2013.

(4) Property and Equipment

At February 28, 2014 and 2013, property and equipment consist of the following:

	2014	2013
Land and land improvements	$ 5,250,788	4,436,224
Buildings	36,192,285	33,279,409
Vehicles	475,135	422,082
Equipment	6,949,442	6,296,611
Construction in progress	3,111,236	3,346,742
	51,978,886	47,781,068
Less accumulated depreciation	(19,810,903)	(17,951,051)
	$ 32,167,983	29,830,017

During fiscal year 2013, the Hospital purchased residential land and buildings, adjacent to the Hospital property, for approximately $5.3 million. The Hospital plans to renovate and convert one of the buildings into a patient care area.

As of February 28, 2013, construction in progress consisted of renovation expenditures for River House and other projects. The River House renovations were completed and placed into service during the fiscal year ended February 28, 2014. As of February 28, 2014, construction in progress consists of renovation expenditures for bridges on the property and various other projects.

(5) Long-Term Debt

Long-term debt is comprises of the following at February 28:

	2014	2013
Mortgage (a)	$ 1,941,274	1,985,905
Mortgage (b)	2,264,828	2,316,010
	4,206,102	4,301,915
Less current portion	(100,276)	(95,813)
	$ 4,105,826	4,206,102

(a) In September 2012, the Hospital entered into a loan agreement for $2,000,000 with the bank to finance the purchase of the property at 225 Valley Road, which is contiguous to the Hospital grounds. The term of the loan is 10 years, with a 25-year amortization period and a fixed interest rate of 4.5%. Monthly principal and interest payments of $11,191 commenced on November 1, 2012 and

are payable through September 1, 2022, with a balloon payment of $1,462,150 and any unpaid interest due on October 1, 2022. The loan is secured by the property. Interest incurred on the loan was $89,502 in 2014 and $42,369 in 2013.

(b) The Hospital entered into another loan agreement with the bank for $2,320,000 to finance the purchase of the contiguous property at 134 Valley Road. The term of the loan is 10 years, with a 25-year amortization period and a fixed interest rate of 4.5%. Monthly principal and interest payments of $12,980 commenced on February 1, 2013 and are payable through December 1, 2022, with a balloon payment of $1,695,879 and any unpaid interest due on January 1, 2023. The loan is secured by the property. Interest incurred on the loan was $104,400 in 2014 and $22,606 in 2013.

Aggregate principal payments on long-term debt for the next five years and thereafter are as follows:

Year ending February 28:	
2015	$ 100,276
2016	104,949
2017	109,317
2018	114,932
2019	120,287
Thereafter	3,656,341
	$ 4,206,102

(6) Line of Credit

In 2007, the Hospital entered into a revolving line of credit, with a term of 10 years and a maximum available borrowing of $10,000,000, which was secured by the land and buildings owned by the Hospital. Interest was charged monthly at a rate of 7.15%. In December 2010, the line-of-credit agreement was modified to include an interest rate of 5.25% and an extension of the term to 10 years. In September 2012, the line-of-credit agreement was modified again to extend the 10-year term an additional year. The modified line revolves for a period of four years, with interest payments due monthly based on the balance outstanding. On December 31, 2015, the line will convert to a permanent commercial mortgage for the remaining 6 years of the term. Upon conversion, principal and interest payments will be due monthly through December 31, 2021 at which time a balloon payment for any unpaid principal and interest will be due.

In April 2012, the Hospital repaid $5,000,000 of the outstanding line, liquidating $4,000,000 of investments to cover a portion of the repayment, and leaving an outstanding line-of-credit balance of $127,680 as of February 28, 2013. There were no borrowings in fiscal year 2014 therefore the outstanding balance on the line of credit was $127,680 as of February 28, 2014. In 2014, interest incurred on the line was $6,796. In 2013, interest incurred on the line was $56,744.

As part of the line-of-credit and loan agreements (mortgages) (footnote 5), the Hospital must maintain a compensating balance at the bank of $500,000. The line-of-credit and loan agreements (mortgages) require an aggregate liquid reserve of $1,500,000 to be maintained over the term of the debt, which is included in assets limited or restricted as to use.

(7) Lease Obligations

The Hospital has noncancelable operating leases, which expire through February 2017. Future minimum lease payments under these noncancelable operating leases are as follows:

Year ending February 28:	
2015	$ 335,361
2016	93,572
2017	34,272
2018	23,264
2019	23,264
	$ 509,733

Rental expense for all operating leases totaled approximately $307,793 in 2014 and $302,600 in 2013. Rental expenses are included in supplies and services expenses on the statements of operations.

(8) Commitments and Contingencies

Insurance

As of February 28, 2014, the Hospital maintains professional and general liability insurance coverage on a claims-made basis. The claims-made policy, which is subject to renewal on an annual basis, covers only claims made during the term of the policy but not those occurrences for which claims may be made after expiration of the policy. Coverage under the policy is $1 million per occurrence, with an aggregate limit of $3 million. The Hospital also maintains an excess umbrella policy, which provides $8 million of additional coverage.

The Hospital engaged an actuary to determine an undiscounted estimate of losses from unasserted claims and incidents that may have occurred but have not been reported as of February 28, 2014 and 2013, respectively. The actuarial evaluation is based on the Hospital's historical experience, industry data, and other considerations. As of February 28, 2014 and 2013, the Hospital has accrued the following for losses from unasserted claims and incidents that may have occurred but have not been reported:

	2014	2013
Estimated malpractice liabilities	$ 1,554,480	1,469,075
Insurance claims receivable	(1,045,665)	(1,045,651)

The Hospital is party to routine litigation arising in the ordinary course of business. Although some of the matters are still in a preliminary stage and definite conclusions cannot be made as to those matters, the Hospital is of the opinion that based on information presently available, the lawsuits will not have a materially adverse effect on the financial statements of the Hospital.

(Continued)

Dining Services Contract

The Hospital contracts with Unidine to provide food service to its patients. The contract is cancelable by either party if the other party fails to perform all of its material obligations as outlined in the agreement. The cost is approximately $27,800 per week.

(9) Retirement Plan

The Hospital has a 401(k) defined-contribution plan (401(k) Plan) that covers all full-time employees who have both attained age 21 and completed at least 1,000 hours of service during the first year of employment. The 401(k) Plan provides for an employer-based contribution allowing the Hospital to make contributions ranging from 2.5% to 7.5% of each participant's annual compensation, depending on years of vested service. Employees may also make annual contributions up to the amount permitted by law. Expenses related to the 401(k) Plan were approximately $745,840 and $674,090 for the years ended February 28, 2014 and 2013, respectively, and are included within employee benefits within the accompanying statements of operations.

(10) Functional Expenses

The Hospital provides psychiatric and substance abuse healthcare services to residents within its geographic location. Expenses related to providing these services included in the statements of operations are as follows:

		2014	2013
Healthcare services	$	28,867,487	26,176,330
Development		571,757	575,169
General and administrative		6,006,468	5,777,208
	$	35,445,712	32,528,707

(11) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of February 28, 2014 and 2013:

		2014	2013
Scholarship fund for young adults	$	9,613	15,594
Scholarship fund		579,378	581,493
Employee assistance fund		13,693	13,428
Other funds		15,685	1,333
	$	618,369	611,848

Permanently restricted net assets of $213,000 at February 28, 2014 and 2013 consist of donor-restricted funds to be maintained by the Hospital in perpetuity. The income generated from permanently restricted funds is expendable for purposes designated by donors, including adolescent and chemical dependency program services.

(12) Subsequent Events

The Hospital has evaluated and disclosed subsequent events from the statement of financial position date of February 28, 2014 through June 25, 2014, which is the date the financial statements were available to be issued, and concluded that no additional disclosures were required.