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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 07-01-2013 , 2013, and ending 06-30-2014

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

C Name of organization
SPEARE MEMORIAL HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
16 HOSPITAL ROAD

City or town, state or province, country, and ZIP or foreign postal code
PLYMOUTH, NH 03264

D Employer identification number
02-0226774

E Telephone number
(603) 238-2231

G Gross receipts $ 61,624,241

F Name and address of principal officer
MICHELLE MCEWEN
16 HOSPITAL ROAD
PLYMOUTH, NH 03264

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: ▶ SPEAREHOSPITAL COM

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

L Year of formation 1899

M State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE INPATIENT, OUTPATIENT AND PHYSICIAN HEALTH CARE SERVICES

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**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	445
6	Total number of volunteers (estimate if necessary)	**6**	75
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	870,980	950,824
9	Program service revenue (Part VIII, line 2g)	57,976,992	57,812,917
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	754,004	567,762
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	263,714	269,960
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	59,865,690	59,601,463
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	228,000	278,000
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)	22,543,915	23,393,776
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶126,821		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	30,003,704	34,617,178
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	52,775,619	58,288,954
19	Revenue less expenses Subtract line 18 from line 12	7,090,071	1,312,509

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	75,507,185	78,560,598
21	Total liabilities (Part X, line 26)	31,554,594	31,785,630
22	Net assets or fund balances Subtract line 21 from line 20	43,952,591	46,774,968

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

****** | 2015-02-09
Signature of officer | Date

MICHELLE MCEWEN PRESIDENT/CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JAMES N GODFREY CPA		2015-02-09		P00913422

Firm's name ▶ TYLER SIMMS & STSAUVEUR CPAS PC — Firm's EIN ▶ 02-0476956

Firm's address ▶ 19 MORGAN DRIVE LEBANON, NH 03766 — Phone no (603) 653-0044

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

TO MAINTAIN A HOSPITAL AND OTHER SUCH INSTITUTIONS WITHIN THE STATE OF NEW HAMPSHIRE, WITH FACILITIES THAT INCLUDE MEDICAL SERVICES TO PROVIDE FOR THE DIAGNOSIS AND TREATMENT OF PATIENTS THAT MAY REQUIRE INPATIENT, OUTPATIENT, EMERGENCY CARE AND OTHER PURSUITS DESIGNED TO PROMOTE THE GENERAL HEALTH OF THE COMMUNITY SMH DOES NOT DISCRIMINATE RELATIVE TO RACE, RELIGION OR NATIONAL ORIGIN, ABILITY TO PAY AND WILL ASSURE THAT ALL PATIENTS RECEIVE THE SAME LEVEL OF CARE THROUGH QUALITY ASSESSMENT MONITORING AND IMPROVEMENT ACTIVITIES

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 $ 52,983,736 including grants of $ 278,000) (Revenue $ 57,812,917)

SMH IS A 25-BED ACUTE-CARE HOSPITAL THAT PROVIDES INPATIENT AND OUTPATIENT SERVICES TO THE SURROUNDING COMMUNITY

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 52,983,736

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	Yes	
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		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or 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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *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**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
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**	Yes	
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	55		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	445		
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			No
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			
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			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response 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**	15		
	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**	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		Yes	
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**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**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**		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**	Yes	

Section C. Disclosure

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

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

▶ FINANCE DIRECTOR SMH 16 HOSPITAL ROAD
PLYMOUTH, NH 03264 (603) 238-2160

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) MICHELLE MCEWEN HOSPITAL PRESIDENT/CEO	40 00	X		X				238,234	0	40,421
(2) CLINT HUTCHINS CHAIR	1 00	X		X				0	0	0
(3) STANLEY LEE FREEMAN TREASURER	1 00	X		X				0	0	0
(4) ELDWIN WIXSON MEMBER	1 00	X						0	0	0
(5) NANCY PUGLISI MEMBER	1 00	X						0	0	0
(6) QUINTIN BLAINE SECRETARY	1 00	X						0	0	0
(7) SAM BRICKLEY II MEMBER	1 00	X						0	0	0
(8) LINDA CRAWFORD MD MEMBER	1 00	X						0	0	0
(9) JILL DUNCAN MEMBER	1 00	X						0	0	0
(10) WILLIAM LARSEN VICE CHAIR	1 00	X		X				0	0	0
(11) ROBERT MALONEY MEMBER	1 00	X						0	0	0
(12) ALISON RITZ MEMBER	1 00	X						0	0	0
(13) MARILYN SANDERSON MEMBER	1 00	X						0	0	0
(14) DANA MERRITHEW MD MEMBER	1 00	X						0	0	0
(15) STEVE TAKSAR ASST TREASURER	1 00	X		X				0	0	0
(16) THOMAS LENKOWSKI PART-YEAR CFO	40 00	X		X				0	0	0
(17) RICHARD WERKOWSKI PART-YEAR CFO	40 00			X				157,229	0	21,320

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) JOSEPH EBNER CHIEF MEDICAL OFFICER	40 00				X			216,783	0	37,750
(19) STEVE DANOSI MD PHYSICIAN	40 00					X		453,355	0	44,153
(20) RALPH BROADWATER MD PHYSICIAN	40 00					X		357,421	0	42,459
(21) MICHAEL GIOVAN MD PHYSICIAN	40 00					X		401,382	0	43,841
(22) JOSEPH CASEY MD PHYSICIAN	40 00					X		350,420	0	43,913
(23) VICTOR GENNARO MD PHYSICIAN	40 00					X		409,501	0	44,888

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	2,584,325	0	318,745

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 ▶ 30

			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
PLYMOUTH REGIONAL REHAB SERVICES 60 LYME STREET OLD LYME CT 06371	PT/OT THERAPISTS	902,262
MMODAL SERVICES LTD PO BOX 538504 ATLANTA GA 30353	TRANSCRIPTION	264,562
MEDICAL REIMBURSEMENT SPECIALISTS PO BOX 486 BRISTOL NH 03222	BILLING OVERSIGHT	176,265
STIVERS MANAGEMENT CONSULTING 3 DRURY LANE LYNFIELD MA 01940	IT CONSULTING	130,902
PPR LLC DRAWER 1587 PO BOX 5935 TROY NY 48007	CONTRACT LABOR	111,559

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 ▶ 5

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	950			
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	548,619			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	401,255			
	g	Noncash contributions included in lines 1a-1f $		5,052			
	h	**Total.** Add lines 1a-1f . . . . . ▶		950,824			
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	624100	56,370,816	56,370,816		
	b	OTHER OPERATING REVENU	900099	1,442,101	1,442,101		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		57,812,917			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		411,628			411,628
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	59,571				
	b	Less rental expenses	50,355				
	c	Rental income or (loss)	9,216				
	d	Net rental income or (loss) . . . . . ▶		9,216			9,216
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	2,091,121 / 10,839				
	b	Less cost or other basis and sales expenses	1,529,743 / 416,083				
	c	Gain or (loss)	561,378 / -405,244				
	d	Net gain or (loss) . . . . . ▶		156,134			156,134
	8a	Gross income from fundraising events (not including $ 950 of contributions reported on line 1c) See Part IV, line 18 . . a	56,452				
	b	Less direct expenses . . . b	26,597				
	c	Net income or (loss) from fundraising events . . ▶		29,855			29,855
	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 . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
Other Revenue		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA INCOME	722210	130,299			130,299
	b	PHARMACY INCOME	446110	100,590			100,590
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		230,889			
	12	**Total revenue.** See Instructions . . . . . ▶		59,601,463	57,812,917	0	837,722

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	278,000	278,000		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	774,080		774,080	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	16,742,063	14,709,915	1,954,215	77,933
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,028,762	903,125	120,852	4,785
9 Other employee benefits	3,452,559	2,954,054	482,854	15,651
10 Payroll taxes	1,396,312	1,178,566	211,502	6,244
11 Fees for services (non-employees)				
a Management				
b Legal	43,094		43,094	
c Accounting	75,233		75,233	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	96,001		96,001	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12 Advertising and promotion	128,026	128,026		
13 Office expenses	5,541,984	5,114,247	408,179	19,558
14 Information technology				
15 Royalties . .				
16 Occupancy	1,312,121	1,204,209	107,912	
17 Travel	84,118	75,565	6,183	2,370
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	881	881		
20 Interest	346,878	346,878		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,081,175	3,081,175		
23 Insurance				
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	7,381,680	7,381,680		
b PURCHASED SERVICES	5,380,001	5,305,744	74,257	
c PHYSICIAN FEES & WAGES	5,360,443	5,360,443		
d PROVIDER TAX STATE OF N	2,357,603	2,357,603		
e All other expenses	3,427,940	2,603,625	824,035	280
25 **Total functional expenses.** Add lines 1 through 24e	58,288,954	52,983,736	5,178,397	126,821
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		12,652,016	1	14,868,353
	2	Savings and temporary cash investments		1,470,060	2	1,224,621
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		7,717,508	4	7,831,545
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		2,534,011	7	2,424,629
	8	Inventories for sale or use		864,005	8	884,947
	9	Prepaid expenses and deferred charges		455,790	9	425,088
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 49,678,022			
	b	Less accumulated depreciation	10b 25,576,295	24,417,933	10c	24,101,727
	11	Investments—publicly traded securities		16,406,439	11	18,687,132
	12	Investments—other securities See Part IV, line 11		6,603,676	12	5,598,529
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		999,011	14	983,243
	15	Other assets See Part IV, line 11		1,386,736	15	1,530,784
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		75,507,185	16	78,560,598
Liabilities	17	Accounts payable and accrued expenses		2,176,809	17	2,768,878
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		20,868,086	20	20,160,113
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties		230,652	23	118,052
	24	Unsecured notes and loans payable to unrelated third parties			24	
	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		8,279,047	25	8,738,587
	26	**Total liabilities.** Add lines 17 through 25		31,554,594	26	31,785,630
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		43,101,817	27	45,988,510
	28	Temporarily restricted net assets		288,948	28	197,122
	29	Permanently restricted net assets		561,826	29	589,336
		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		43,952,591	33	46,774,968
	34	Total liabilities and net assets/fund balances		75,507,185	34	78,560,598

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	59,601,463
2	Total expenses (must equal Part IX, column (A), line 25)	2	58,288,954
3	Revenue less expenses Subtract line 2 from line 1	3	1,312,509
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	43,952,591
5	Net unrealized gains (losses) on investments	5	1,436,724
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	73,144
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	46,774,968

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		No
	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		

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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
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

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	

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **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**
SPEARE MEMORIAL HOSPITAL	02-0226774

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?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		10,937
j	Total Add lines 1c through 1i			10,937
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
PART II-B, LINE 1	SPEARE MEMORIAL HOSPITAL IS A MEMBER OF THE NEW HAMPSHIRE HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION A PORTION OF THE DUES PAID TO THESE ORGANIZATIONS IS AVAILABLE FOR LOBBYING EXPENDITURES ON BEHALF OF SPEARE MEMORIAL HOSPITAL AND THE OTHER MEMBER ORGANIZATIONS IN FURTHERANCE OF THEIR EXEMPT PURPOSE SPEARE MEMORIAL HOSPITAL DOES NOT DIRECTLY PERFORM ANY LOBBYING ACTIVITES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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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
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

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	270,204	270,198	271,045	248,354	223,344
b	Contributions				25,000	25,000
c	Net investment earnings, gains, and losses	8	6	7	5	10
d	Grants or scholarships					
e	Other expenditures for facilities and programs	-5		-854	2,314	
f	Administrative expenses					
g	End of year balance	270,207	270,204	270,198	271,045	248,354

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

- a Board designated or quasi-endowment ▶ 98 830 %
- b Permanent endowment ▶ 1 170 %
- 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)	Yes	
(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		549,583		549,583
b Buildings		29,467,146	12,376,004	17,091,142
c Leasehold improvements		922,885	554,492	368,393
d Equipment		18,626,617	12,645,799	5,980,818
e Other		111,791		111,791
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				24,101,727

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		
(3) Other		
(A) BOND FUNDS	5,598,529	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	5,598,529	

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	
OTHER CURRENT LIABILITIES	2,354,118
EST THIRD-PARTY PAYER SETTLEMENTS	4,480,995
INVESTMENT IN SUB-BOULDER	1,890,232
CURRENT PORTION OF LONG-TERM LEASE	13,242
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	8,738,587

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	53,328,140
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,436,724		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-7,381,680		
e	Add lines **2a** through **2d**			2e	-5,944,956
3	Subtract line **2e** from line **1**			3	59,273,096
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	96,001		
b	Other (Describe in Part XIII)	4b	232,366		
c	Add lines **4a** and **4b**			4c	328,367
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	59,601,463

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	50,533,273
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	50,533,273
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	96,001		
b	Other (Describe in Part XIII)	4b	7,659,680		
c	Add lines **4a** and **4b**			4c	7,755,681
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	58,288,954

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	THE ENDOWMENT FUND IS USED TO SUPPORT OPERATIONS OF THE HOSPITAL
PART XI, LINE 2D - OTHER ADJUSTMENTS	BAD DEBT EXPENSE -7,381,680
PART XI, LINE 4B - OTHER ADJUSTMENTS	GRANT EXPENSE 278,000 BAD DEBT EXPENSE ON MSHC RECEIVABLE 4,722 RENTAL EXPENSES -50,355 ROUNDING -1
PART XII, LINE 4B - OTHER ADJUSTMENTS	GRANT EXPENSE 278,000 BAD DEBT EXPENSE 7,381,680

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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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
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

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 GOLF TOURNAMENT (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	57,402			57,402
	2 Less Contributions	950			950
	3 Gross income (line 1 minus line 2)	56,452			56,452
Direct Expenses	4 Cash prizes	22			22
	5 Noncash prizes	3,175			3,175
	6 Rent/facility costs	12,380			12,380
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	11,020			11,020
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(26,597)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				29,855

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

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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
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

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 12500 0000000000 %	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 22500 0000000000 %	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	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		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	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			3,133,586	899,352	2,234,234	3 830 %
b Medicaid (from Worksheet 3, column a)			5,761,055	5,684,460	76,595	0 130 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			8,894,641	6,583,812	2,310,829	3 960 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			59,821		59,821	0 100 %
f Health professions education (from Worksheet 5)			11,500		11,500	0 020 %
g Subsidized health services (from Worksheet 6)			177,260		177,260	0 300 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			293,377		293,377	0 500 %
j **Total.** Other Benefits			541,958		541,958	0 920 %
k **Total.** Add lines 7d and 7j			9,436,599	6,583,812	2,852,787	4 880 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
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	3,363,218		
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	107,623		
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	16,441,471		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	18,617,559		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-2,176,088		
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	1 PLYMOUTH REGIONAL REHABILITATION SERVICES	PHYSICAL THERAPY, OCCUPATIONAL THERAPY & MEDICAL FITNESS	50 000 %		
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 SPEARE MEMORIAL HOSPITAL

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 11			
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) SPEAREHOSPITAL COM			
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**	Yes	
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 225 000000000000% 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 225 000000000000% 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**	Yes	
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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
PART III, LINE 4	
PART III, LINE 8	100% OF THE SHORTFALL FROM MEDICARE SHOULD BE CONSIDERED A COMMUNITY BENEFIT THE SOURCE U SED TO DETERMINE THIS AMOUNT IS THE MEDICARE CHARGES LESS THE MEDICARE PAYMENTS MADE TO SP EARE MEMORIAL HOSPITAL SERVICES THAT INCUR SUCH COSTS ARE PROVIDED BY THE HOSPITAL TO PRO MOTE THE WELL-BEING OF THE COMMUNITY THE SERVICES ARE RENDERED IN CONJUNCTION WITH THE HO SPITAL'S CHARITABLE TAX EXEMPT PURPOSE TREATING THE SHORTFALL AS A COMMUNITY BENEFIT RELI EVES THE BURDEN ON LOCAL SOCIAL SERVICES AND GOVERNMENT SUPPORTED PROGRAMS
PART III, LINE 9B	SPEARE MEMORIAL HOSPITAL HAS BOTH A COLLECTIONS POLICY, AND A CHARITY CARE POLICY THAT DES CRIBES CHARITY ELIGIBILITY AND THE STEPS TO BE COMPLETED BEFORE A PATIENT'S ACCOUNT IS WRI TTEN OFF TO BAD DEBT
PART VI, LINE 2	INFORMATION GATHERING THROUGH SURVEYS, FOCUS GROUPS, COMMUNITY REPRESENTATION, PUBLIC FORU MS, INPUT FROM HEALTH CARE PROVIDERS, INDUSTRY LEADERS, OUTSIDE CONSULTANTS,AND ANALYSIS O F INTERNAL DATA AND EXTERNAL DATA PROVIDED BY HOSPITAL ASSOCIATIONS, PAYERS, ETC
PART VI, LINE 3	PATIENTS ARE EDUCATED AT TIME OF REGISTRATION OR THROUGH EDUCATIONAL MATERIALS THAT ARE DI STRIBUTED THROUGH THE HOSPITAL'S WEBSITE OR BY COMMUNITY OUTREACH SPEARE MEMORIAL HOSPITA L IS A MEMBER OF A STATE-WIDE COMMUNITY HEALTH NETWORK THAT PROVIDES ASSISTANCE, SUPPORT,A ND EDUCATION RELATING TO ELIGIBILITY ASSISTANCE
PART VI, LINE 4	SPEARE MEMORIAL HOSPITAL IS LOCATED IN THE MOUNTAIN AND LAKES REGION OF NEW HAMPSHIRE AND PRIMARLY SERVES CONSTITUENTS IN GRAFTON COUNTY GRAFTON COUNTY POPULATION SIZE IS APPROXIM ATELY 86,000 WITHIN ITS 40 DISTINCT MUNICIPALITIES ITS SERVICE AREA INCLUDES 17 TOWNS WIT H AN APPROXIMATE TOTAL POPULATION OF 30,000
PART VI, LINE 5	SPEARE MEMORIAL HOSPITAL PROVIDES PRESCRIPTION MEDICATION ASSISTANCE, PRIMARY-CARE CLINCS, MULTIPLE SUPPORT GROUPS, COMMUNITY EDUCATION PROGRAMS, SCHOOL DENTAL PROGRAM, ETC AND HA S AFFLIATIONS AND PARTNERSHIPS WITH MANY COMMUNITY ORGANIZATIONS, AN OPEN MEDICAL STAFF AN D COMMUNITY BOARD OPERATING FUNDS ARE USED FOR ONGOING CAPITAL EXPENDITURES
PART VI, LINE 7, REPORTS FILED WITH STATES	NH

Additional Data

Software ID:
Software Version:
EIN: 02-0226774
Name: SPEARE MEMORIAL HOSPITAL

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
SPEARE MEMORIAL HOSPITAL	

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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
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

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) MID-STATE HEALTH CENTER 101 BOULDER POINT DRIVE NO 1 PLYMOUTH, NH 03264	02-0487172	501 (C)(3)	278,000		FMV		COMMUNITY BENEFIT GRANT

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

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

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

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" 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
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

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**		
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**		No
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)MICHELLE MCEWEN HOSPITAL PRESIDENT/CEO	**(i)**	238,234	0	0	20,026	20,395	278,655	0
	(ii)	0	0	0	0	0	0	0
(2)RICHARD WERKOWSKI PART-YEAR CFO	**(i)**	157,229	0	0	13,066	8,254	178,549	0
	(ii)	0	0	0	0	0	0	0
(3)JOSEPH EBNER CHIEF MEDICAL OFFICER	**(i)**	216,783	0	0	17,526	20,224	254,533	0
	(ii)	0	0	0	0	0	0	0
(4)STEVE DANOSI MD PHYSICIAN	**(i)**	453,355	0	0	23,759	20,394	497,508	0
	(ii)	0	0	0	0	0	0	0
(5)RALPH BROADWATER MD PHYSICIAN	**(i)**	357,421	0	0	22,065	20,394	399,880	0
	(ii)	0	0	0	0	0	0	0
(6)MICHAEL GIOVAN MD PHYSICIAN	**(i)**	401,382	0	0	23,759	20,082	445,223	0
	(ii)	0	0	0	0	0	0	0
(7)JOSEPH CASEY MD PHYSICIAN	**(i)**	350,420	0	0	23,518	20,395	394,333	0
	(ii)	0	0	0	0	0	0	0
(8)VICTOR GENNARO MD PHYSICIAN	**(i)**	409,501	0	0	24,331	20,557	454,389	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

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY	02-0279866		12-07-2012	21,100,000	TO PAY OFF AND PROVIDE ADVANCED REFUNDING FOR 2010 AND 2004 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased	16,323,208			
3	Total proceeds of issue	21,100,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	12,612,773			
7	Issuance costs from proceeds	209,815			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	4,566,977			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X						

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 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
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	THE COMMUNITY RELATIONS DIRECTOR IS THE SPOUSE OF A BOARD MEMBER
FORM 990, PART VI, SECTION A, LINE 3	THE REHABILITATION DEPARTMENT IS NOW MANAGED BY ORTHOPEDIC HEALTH SERVICES INC
FORM 990, PART VI, SECTION A, LINE 6	THE PROVISIONS OF SMH GOVERNING DOCUMENTS PROVIDE THE BOARD OF DIRECTORS AND IS COMPRISED OF ASSOCIATION MEMBERS
FORM 990, PART VI, SECTION A, LINE 7A	THE ASSOCIATION MEMBERS ELECT THE BOARD MEMBERS
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS REVIEWED BY THE HOSPITAL CFO AND THE PRESIDENT/CEO AND THE FINANCE COMMITTEE THE TAX FORM 990 IS MADE AVAILABLE FOR REVIEW TO THE BOARD OF DIRECTORS THE FORM 990 IS THEN SIGNED AND FILED
FORM 990, PART VI, SECTION B, LINE 12C	ANNUAL COMPLIANCE FORM COMPLETED BY EACH MEMBER OF THE BOARD
FORM 990, PART VI, SECTION B, LINE 15A	COMPENSATION FOR THE CEO IS DETERMINED VIA A COMPENSATION COMMITTEE, COMPENSATION SURVEY O R STUDY, COMPARISON OF OTHER ORGANIZATIONS 990 INFORMATION, BOARD APPROVAL AND WRITTEN EMP LOYMENT CONTACT
FORM 990, PART VI, SECTION C, LINE 19	UPON REQUEST
FORM 990, PART XI, LINE 9	BAD DEBT EXPENSE ON MSHC RECEIVABLE -4,722 RENTAL EXPENSES 50,355 CHANGE IN BENEFICIAL INTEREST IN PERPETUAL TRUSTS 27,510 ROUNDING 1

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SPEARE MEMORIAL HOSPITAL

Employer identification number
02-0226774

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) SPEARE MEMORIAL AT BOULDER POINT BOULDER POINT DR PLYMOUTH, NH 03264 26-3888977	REAL ESTATE	NH	501(C)(3)	LINE 9	SPEARE MEMORIAL HOSPITAL		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) SPEARE HEALTH VENTURE 16 HOSPITAL ROAD PLYMOUTH, NH 03264 02-0366565	HEALTHCARE SERVICES	NH		C			100 000 %		No
(2) SPEARE HEALTH NETWORK LLC 16 HOSPITAL ROAD PLYMOUTH, NH 03264 04-3372339	PHYSICIAN/HOSPITAL ORGANIZATION	NH		C			50 000 %		No

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) SPEARE MEMORIAL AT BOULDER POINT-LEASES ALL OF ITS SPACE TO SMH	K	502,582	ACTUAL
(2) SPEARE HEALTH VENTURE	D	254,315	FAIR MARKET VALUE
(3) SPEARE MEMORIAL AT BOULDER POINT	D	2,040,520	FAIR MARKET VALUE
(4) SPEARE MEMORIAL AT BOULDER POINT	Q	7,925	ACTUAL

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

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

Return Reference	Explanation

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Report

As of and for the Years Ended
June 30, 2014 and 2013

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Table of Contents

As of and for the Years Ended June 30, 2014 and 2013

TYLER, SIMMS & ST. SAUVEUR, P.C.
Certified Public Accountants & Business Consultants

Independent Auditors' Report

To the Board of Directors of
Speare Memorial Hospital and Subsidiaries:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Speare Memorial Hospital (a New Hampshire not-for-profit corporation) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Tyler Simms & St Sauveur PC • 19 Morgan Drive • Lebanon NH 03766 • Ph 603-653-0044 • Fax 603-653-0209
www.tss-cpa.com

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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Speare Memorial Hospital and Subsidiaries as of June 30, 2014 and 2013, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 33-38 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Tyler, Simms and St. Laurent, CPAs, P.C.

Lebanon, New Hampshire
August 27, 2014

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Financial Position – Assets

As of June 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$ 16,534,733	$ 14,358,762
Assets limited as to use	95,737	114,954
Patient accounts receivable, net	7,831,545	7,717,508
Other receivables	199,595	236,883
Inventories	884,947	864,005
Prepaid expenses	430,808	487,392
Current portion of notes receivable	46,830	42,414
Total current assets	26,024,195	23,821,918
Other assets:		
Notes receivable, less current portion	64,259	87,296
Investment in joint venture	218,002	212,425
Other investments	335,426	335,426
Beneficial interest in perpetual trusts	323,204	295,694
Goodwill	890,002	890,002
Other intangibles, net	374,939	469,603
Assets held for sale	216,860	-
Total other assets	2,422,692	2,290,446
Assets limited as to use:		
Externally designated investments under bond agreement	3,278,240	4,581,591
Internally designated investments	21,007,421	18,428,524
Endowment and temporarily restricted investments	367,517	440,126
Total assets limited as to use	24,653,178	23,450,241
Property and equipment	58,307,329	56,028,336
Less: Accumulated depreciation and amortization	(27,397,100)	(24,199,181)
	30,910,229	31,829,155
Total assets	$ 84,010,294	$ 81,391,760

The accompanying notes to consolidated financial statements are an integral part of these statements.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Financial Position – Liabilities and Net Assets

As of June 30, 2014 and 2013

	2014	2013
Liabilities and net assets		
Current liabilities:		
Accounts payable	$ 1,820,650	$ 1,801,452
Accrued salaries and wages	659,688	419,581
Other current liabilities	2,663,434	2,464,766
Due to third-party payors	4,480,995	4,230,015
Current portion of long-term debt	974,971	818,545
Current portion of capital lease obligations	47,554	107,207
Total current liabilities	10,647,292	9,841,566
Noncurrent liabilities:		
Long-term debt, less current portion	26,582,176	27,557,679
Capital lease obligations, less current portion	-	39,705
Total noncurrent liabilities	26,582,176	27,597,384
Total liabilities	37,229,468	37,438,950
Commitments and contingencies (See Notes)		
Net assets:		
Unrestricted:		
Controlling interest	45,967,975	43,075,684
Noncontrolling interest	26,393	26,352
Total unrestricted	45,994,368	43,102,036
Temporarily restricted	197,122	288,948
Permanently restricted	589,336	561,826
Total net assets	46,780,826	43,952,810
Total liabilities and net assets	$ 84,010,294	$ 81,391,760

The accompanying notes to consolidated financial statements are an integral part of these statements.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets

For the Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted revenues, gains and other support:		
Net patient service revenue	$ 56,374,368	$ 56,654,330
Provision for bad debts	(7,381,680)	(6,663,107)
Net patient service revenue less provision for bad debts	48,992,688	49,991,223
Other operating revenue	2,272,458	2,360,718
Net assets released from restrictions for operations	19,222	37,857
Total unrestricted revenues, gains and other support	51,284,368	52,389,798
Operating expenses:		
Salaries and wages	16,883,409	16,425,967
Physician fees and wages	5,961,546	5,203,921
Contract nursing and technicians	1,337,031	1,562,817
Employee health and welfare	5,974,491	5,555,942
Supplies and other	14,085,713	12,837,399
Medicaid enhancement tax	2,357,603	75,259
Depreciation and amortization	3,539,362	3,390,875
Interest	750,732	1,115,620
Total operating expenses	50,889,887	46,167,800
Income from operations	394,481	6,221,998
Nonoperating income (expense):		
Investment income, net	2,249,484	2,075,906
Equity in earnings of unconsolidated joint venture	15,577	5,160
Unrestricted donor contributions	432,061	109,550
Grant expense	(278,000)	(228,000)
Bad debt recovery on non-patient receivables	(4,722)	(6,792)
Gain on sale of fixed assets	10,839	3,770
Loss on early extinguishment of bond	-	(1,973,354)
Total nonoperating income (expense)	2,425,239	(13,760)
Excess of revenue and gains over expenses	2,819,720	6,208,238
Less: noncontrolling interest	(41)	(7)
Excess of revenue and gains over expenses attributable to controlling interest	2,819,679	6,208,231
Net assets released from restriction for capital expenditure	72,612	4,108
Change in unrestricted net assets, controlling interest	$ 2,892,291	$ 6,212,339

Continued on next page

The accompanying notes to consolidated financial statements are an integral part of these statements

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets (Continued)

For the Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted net assets, controlling interest:		
Excess of revenues and gains over expenses	$ 2,819,679	$ 6,208,231
Net assets released from restriction for capital expenditures	72,612	4,108
Change in unrestricted net assets, controlling interest	2,892,291	6,212,339
Unrestricted net assets, noncontrolling interest:		
Excess of revenues and gains over expenses	41	7
Change in unrestricted net assets, noncontrolling interest	41	7
Temporarily restricted net assets:		
Restricted donor contributions	-	45,400
Net restricted investment income	8	6
Net assets released from restriction for capital expenditures	(72,612)	(4,108)
Net assets released from restriction for operations	(19,222)	(37,857)
Change in temporarily restricted net assets	(91,826)	3,441
Permanently restricted net assets:		
Net change in beneficial interest in perpetual trusts	27,510	14,320
Change in permanently restricted net assets	27,510	14,320
Change in net assets	2,828,016	6,230,107
Net assets, beginning of year	43,952,810	37,722,703
Net assets, end of year	$ 46,780,826	$ 43,952,810

The accompanying notes to consolidated financial statements are an integral part of these statements

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	$ 2,828,016	$ 6,230,107
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	3,539,362	3,390,875
Provision for bad debts	7,381,680	6,663,107
Equity in earnings of unconsolidated joint venture	(15,577)	(5,160)
Contributions restricted for long-term investment	(291,800)	(34,551)
Amortization reflected as interest	94,664	87,049
Net unrealized gains on investments	(1,436,724)	(1,064,476)
Gain on sale of fixed assets	(10,839)	(3,770)
Loss on early extinguishment of bonds	-	1,973,354
Realized gain on sale of investments	(565,696)	(682,869)
Net change in beneficial interest in perpetual trusts	(27,510)	(14,320)
(Increase) decrease in the following assets		
Patient accounts receivable	(7,495,717)	(7,119,990)
Inventories	(20,942)	(105,405)
Prepaid expenses and other current assets	56,584	(14,570)
Other receivables	37,288	(171,064)
Increase (decrease) in the following liabilities:		
Accounts payable	19,198	(503,187)
Accrued wages	240,107	60,915
Other current liabilities	198,668	414,968
Due to third-party payors	250,980	(662,815)
Net cash provided by operating activities	4,781,742	8,438,198
Cash flows from investing activities:		
Proceeds on sale of fixed assets	62,250	7,270
Purchase of property and equipment	(2,888,707)	(2,783,663)
Distributions from joint venture	10,000	-
Proceeds on sales of investments whose use is limited	2,924,923	3,601,549
Purchases of investments whose use is limited	(2,106,223)	(9,576,047)
Notes receivable, net proceeds	18,621	54,947
Net cash used in investing activities	(1,979,136)	(8,695,944)
Cash flows from financing activities:		
Payments on capital lease obligations	(99,358)	(90,794)
Proceeds from issuance of bonds payable	-	4,572,156
Payments on long-term debt	(819,077)	(2,225,523)
Contributions restricted for long-term investment	291,800	34,551
Net cash provided by (used in) financing activities	(626,635)	2,290,390
Net increase in cash and cash equivalents	2,175,971	2,032,644
Cash and cash equivalents, beginning of year	14,358,762	12,326,118
Cash and cash equivalents, end of year	$ 16,534,733	$ 14,358,762

The accompanying notes to consolidated financial statements are an integral part of these statements.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
For the Years Ended June 30, 2014 and 2013

Supplemental Disclosures of Cash Flow Information

	2014	2013
Cash payments for interest	$ 821,999	$ 1,126,041

Supplemental Disclosure of Noncash Transactions

During 2013, the Organization issued $21,100,000 of tax-exempt revenue bonds (Series 2012) (see Note 16). The Series 2012 bonds were issued in order to pay off the Organization's existing Series 2010 tax-exempt revenue bond obligation (Series 2010) totaling $3,710,435 and provide advance-refunding for the Organization's existing Series 2004 tax-exempt revenue bond obligation (Series 2004) totaling $12,005,000. The advance-refunding of the Series 2010 bond obligation represents in-substance defeasance as of June 30, 2013. The Organization recognized a loss on early extinguishment of bond totaling $1,973,354, representing prepaid interest required as a component of the advance-refunding agreement totaling $1,698,202, as well as the unamortized value of both the Series 2010 and Series 2004 bond issuance fees totaling $275,152. Bond issuance fees incurred and capitalized as a result of the Series 2012 issuance totaled $204,601 and are carried net of amortization as a component of other intangibles in the 2013 statement of financial position Accrued and unpaid interest expense as of the date of issuance totaled $293,592 and was satisfied through the utilization of existing Series 2004 bond escrow funds. Net proceeds from the Series 2012 issuance totaled $4,572,156.

During 2014, the Organization transferred land and a building located in Bristol, New Hampshire to assets held for sale with a net carrying value of $216,860.

The accompanying notes to consolidated financial statements are an integral part of these statements.

1. Summary of Significant Accounting Policies:

Organization

Speare Memorial Hospital (the Organization) provides medical services on an inpatient, outpatient and physician basis. The Organization is a provider of health services with facilities in Plymouth, New Hampshire. The Organization grants credit to patients, substantially all of whom are local residents. Effective May 1, 2005, the Organization was designated as a critical access hospital (see Note 8). The statements also include:

Speare Health Venture, Inc (SHV) formerly Plymouth Hospital Professional Building (PHPB), the Organization's wholly-owned subsidiary, which holds a 50% equity interest in a joint venture, Plymouth Regional Rehabilitation Services, LLC (see Note 5).

Speare Health Network (SHN), the Organization's 50% owned subsidiary, which is a physician/hospital organization.

Speare Memorial at Boulder Point, Inc (SMBP), the Organization's wholly-owned subsidiary, which provides professional rental space to the Organization in Plymouth, New Hampshire

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Organization and its subsidiaries, SMBP, SHV and SHN. All significant intercompany transactions have been eliminated in consolidation.

Community Care

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

Basis of Statement Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting, have been prepared consistent with the American Institute of Certified Public Accountants *Audit and Accounting Guide, Health Care Organizations* (Audit Guide). In accordance with the provisions of the Audit Guide, net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose and, generally, the net accumulated earnings on permanently restricted endowment funds. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Excess of Revenue and Gains over Expenses

The statements of operations include excess of revenues and gains over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and gains over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

1. Summary of Significant Accounting Policies (continued):

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements and long-term investment purposes, over which the Board retains control and may at its discretion subsequently use for other purposes In addition, assets limited as to use also include investments externally designated under indenture or donor restriction.

Goodwill Impairment

The Organization evaluates the carrying value of goodwill periodically throughout the year or when events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount Such circumstances could include, but are not limited to.

i. A significant adverse change in legal factors or in business climate
ii. Unanticipated competition, or
iii. An adverse action or assessment by a regulator

When evaluating whether goodwill is impaired, the Organization compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill The fair value of the reporting unit is estimated using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data If the carrying amount of the reporting unit exceeds its fair value, then the amount of the impairment loss must be measured. The impairment loss would be calculated by comparing the implied fair value of the reporting unit goodwill to its carrying amount. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. The Organization's evaluation of goodwill completed during the year resulted in no impairment losses.

Intangible Asset Impairment

The Organization evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to

i. A significant decrease in market value of an asset
ii. A significant adverse change in the extent or manner in which an asset is used, or
iii. An accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset

The Organization measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The Organization did not recognize an impairment charge relative to intangible assets for the year ended June 30, 2014.

1. Summary of Significant Accounting Policies (continued):

Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risks consist primarily of cash and investments. The Organization has not experienced any losses on its cash. The Organization's investments do not represent significant concentrations of market risk in as much as the Organization's investment portfolio is adequately diversified among issuers.

Estimates

The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Reclassification

Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the 2014 presentation. Such reclassifications had no effect on previously reported excess of revenues over expenses or net assets.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for Organization operations are recorded at fair value at the date of receipt. Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Equipment under capital leases is amortized on the straight-line method over the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

Estimated useful lives are as follows:

	YEARS
Land improvements	5 – 15
Buildings and building improvements	5 – 50
Equipment	5 – 20
Capital leases	5 – 10

Works of art are maintained as collections and, accordingly, are not depreciated.

Assets Held For Sale

Assets held for sale are reported at the lower of carrying value or fair value less cost to sell. Assets held for sale represent land and a building located in Bristol, New Hampshire. During the year ended June 30, 2014, the Organization made the decision to hold the land and building for sale.

1. Summary of Significant Accounting Policies (continued):

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code.

SHV is a taxable corporation and is subject to Federal and New Hampshire income taxes.

SHN is a partnership that has elected to be taxed as a corporation and is subject to Federal and New Hampshire income taxes.

SMBP is a not-for-profit corporation as described in Section 501(c)(3) of the Code and is exempt from Federal income taxes on related income pursuant to Section 509(a)(3) of the Code.

Accounting Standards Codification Subtopic 740-10, *Accounting for Uncertainty in Income Taxes*, addresses the accounting uncertainty of income taxes recognized in an enterprise's financial statements and prescribes a threshold of "more-likely-than-not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Subtopic 740-10 also provides guidance on measurement classification, interest and penalties and disclosure. The Organization has determined that the provisions of Subtopic 740-10 do not have a material effect on the Organization's consolidated financial statements. The Organization believes it is no longer subject to examinations for years prior to 2009.

Cash Equivalents

All investments that are not limited as to use with a maturity of three months or less at the time of acquisition are reflected as cash equivalents. Cash equivalents include checking accounts, money market accounts, demand deposits and petty cash. The carrying value of cash equivalents approximates fair value.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market

Advertising

Advertising costs are charged to operations when incurred.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt are deferred and amortized over the term of the related financing, which approximates the effective interest method

Patient Accounts Receivable

Standard charges for services to patients are recorded as revenue when services are rendered. Provisions are made in the accounts for estimated uncollectible amounts based on experience and any unusual circumstances, which may affect the ability of patients to meet their obligations.

1. Summary of Significant Accounting Policies (continued):

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Provisions for bad debt are reflected as a component of net patient service revenue in order to arrive at the net realizable amounts received (see Note 8).

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. The Organization accounts for its investment portfolio in accordance with Accounting Standards Codification Topic 825 – *Financial Instruments* – and, accordingly, investment income or loss (including realized gains and losses on investments, interest and dividends) and unrealized gains and losses are included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

Investment in Joint Venture

Investments in entities where the Organization or its subsidiaries own more than 20% and less than 51% and do not have significant operational influence are recorded under the equity method. Under the equity method of accounting, an investee company's accounts are not reflected within the Organization's Consolidated Statements of Financial Position and Statements of Operations; however, the Organization's share of the earnings of losses of the Investee company is reflected in the caption "equity in earnings of unconsolidated joint venture" in the Consolidated Statements of Operations and Change in Net Assets – Unrestricted. The Organization's carrying value in an equity method investee company in which it is a party to a joint venture is reflected in the caption "Investment in joint venture" in the Organization's Consolidated Statements of Financial Position.

When the Organization's carrying value in an equity method investee company is reduced to zero, no further losses are recorded in the Organization's consolidated financial statements unless the Organization guaranteed obligations of the investee company or has committed additional funding.

An investment in an entity where the Organization or its subsidiaries own less than 20% and do not have significant operating influence is recorded at cost.

Risk and Uncertainties

Investment securities, including assets limited as to use, are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risk in the near term could materially affect the net assets of the Organization.

1. Summary of Significant Accounting Policies (continued):

Self-Insurance

The Organization has elected to self-insure certain costs related to employee health programs. Costs resulting from noninsured losses are charges to income when incurred. The Organization has purchased insurance that limits its exposure to individual claims in excess of $90,000. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based upon prior lagging claims experience, recently incurred claims and other qualitative factors. The accrued self-insurance reserve was $289,000 as of June 30, 2014 and 2013. It is reasonably possible that the Organization's estimate will change by a material amount in the near term.

Donor Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received to the extent estimated to be collectible by the Organization. Contributions received with donor restrictions that limit the use of the donated assets are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are included in nonoperating revenues (expenses) in the accompanying consolidated financial statements.

Temporarily Restricted Net Assets

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operations of the Organization

Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. In accordance with the restriction, investment income and investment gains and losses from permanently restricted net assets are time restricted and are therefore temporarily restricted.

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the American Recovery and Reinvestment Act of 2009, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology ("EHR"). The Organization periodically submits and attests to its use of certified EHR technology, satisfaction of meaningful use objectives and various patient data. These submissions generally include performance measures for each annual EHR reporting period. Critical access hospitals are eligible to receive incentive payments for up to four years under the Medicare program for its reasonable costs of the purchase of certified EHR technology multiplied by the Organization's Medicare utilization plus 20%, limited to 100% of the cost incurred. Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the centers for Medicare and Medicaid Services. Payments under both programs are contingent on the Organization continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period.

1. Summary of Significant Accounting Policies (continued):

Electronic Health Records Incentive Program (continued)

The Organization recognizes a receivable for unpaid incentive payments at the point when management is reasonably assured it will meet all of the meaningful use objectives and the income is measurable.

EHR incentive income is included in other revenue in the statements of operations. EHR incentive income recognized is based on management's estimate and amounts are subject to change, with such changes impacting operations in the period changes occur The final amount for any payment year under both programs is determined based upon an audit by the fiscal intermediary and may be subject to repayment upon a determination of noncompliance.

Recent Accounting Pronouncements

In April 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-06, *Not-for-Profit Entities (Topic 958) - Services Received from Personnel of an Affiliate.* The objective of the amendments in this ASU is to specify the guidance that not-for-profit entities apply for recognizing and measuring services received from personnel of an affiliate. More specifically, the amendments in this ASU apply to not-for-profit entities that receive services from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity.

The amendments in this ASU require a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either: (a) the cost recognized by the affiliate for the personnel providing that service or; (b) the fair value of that service.

The amendments in this ASU are effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted.

2. Community Benefits:

The Organization's mission statement is to provide and coordinate quality health care services based on principles of compassion and professionalism while promoting wellness and prevention. As part of this mission statement, the Organization provides several benefits to the community at reduced or no cost. As a result of the Organization not pursuing collection of amounts determined to qualify as community care, these amounts are not reported as net patient service revenue. The Organization's direct and indirect costs for services furnished under its community care policy, before consideration of the Medicaid Enhancement Tax, aggregated approximately $1,870,000 and $1,780,000 for the years ended June 30, 2014 and 2013, respectively.

The Organization estimates the cost to provide community care by applying a cost-to-charge ratio to gross uncompensated charges.

2. Community Benefits (continued):

The Organization provided community care for the following number of inpatient admissions and outpatient visits for the years ended June 30:

	2014			2013		
	Community	Total	%	Community	Total	%
Inpatient admissions	247	1,508	16.38%	72	1,453	4.96%
Outpatient visits	3,329	57,285	5.81%	1,507	59,111	2.55%

The Organization and its subsidiaries provide health care services to residents of Plymouth, New Hampshire and the surrounding area, without regard to the individual's ability to pay for their services.

Determination of eligibility for community care is granted on a sliding fee basis. Patients with family income less than the 125% of the Community Services Administration Income Poverty Guidelines shall not be responsible for the balance of their account for services rendered at the Organization Those with family income at least equal to 126%, but not exceeding 150% of the Federal Poverty Guidelines, shall be responsible for 5% of the remaining balance of their accounts. Those with family income at least equal to 151%, but not exceeding 175% of the guidelines, will be responsible for 25% of the remaining balance of their accounts. Those with family income at least equal to 176%, but not exceeding 200% of the guidelines, will be responsible for 50% of the remaining balance of their accounts and lastly those with family income at least equal to 201%, but not exceeding 225% of the guidelines, will be responsible for 75% of the remaining balance of their accounts.

Third-Party Payor Losses

The Organization also incurred losses in the treatment of Medicare and Medicaid patients. Both of these government programs reimburse for medical services at less than billed charges to provide those services. In 2014 and 2013, the Organization incurred contractual losses of $32,921,578 and $29,109,097, respectively, related to treating Medicare and Medicaid patients representing 32% and 30%, respectively, of gross patient service revenue. The Organization also provided uncompensated care of $7,381,680 and $6,663,107 in 2014 and 2013, respectively, related to uncollectible accounts receivable

Other Community Benefits

The Organization also provides services to the community at large for which it receives minimal or no payment These include several health screenings, administration of a prescription assistance program for the low income and uninsured, primary care services, school dental programs, health fair screenings, mammography clinics, childbirth preparation classes and wellness promotion and health education classes, which are provided at various locations throughout the Plymouth area. The Organization also provided other community benefits upon which no monetary value can be placed.

3. Inventories:

The major classes of inventories consisted of the following as of June 30:

	2014	2013
Pharmacy and IV therapy	$ 258,701	$ 285,557
Central storeroom	87,524	86,511
Dietary	12,253	13,535
Operating room supplies	502,497	457,314
Other	23,972	21,088
	$ 884,947	$ 864,005

4. Notes Receivable:

The Organization has entered into several unsecured notes receivable with physicians and Mid-State Health Center (MSHC), at varying terms The total notes receivable outstanding at June 30, 2014 and 2013 was as follows:

	2014	2013
Physicians	$ 223,096	$ 236,994
MSHC	75,000	75,000
	298,096	311,994
Less: Allowance for doubtful accounts	(187,007)	(182,284)
	111,089	129,710
Less: Current portion	(46,830)	(42,414)
	$ 64,259	$ 87,296

5. Investment in Joint Venture:

During 2011, the Organization's wholly-owned subsidiary, SHV, purchased a 50% equity interest Plymouth Regional Rehabilitation Services, LLC, an entity that provides rehabilitation and physical therapy services to Plymouth, New Hampshire and the surrounding area.

The following is a summary of the Organization's equity method investments in joint ventures for the years ended June 30:

	Plymouth Regional Rehabilitation Services, LLC	
	2014	2013
Balance at beginning of year	$ 212,425	$ 217,483
Distributions	(10,000)	-
Equity (loss) in net earnings	15,577	(5,058)
Balance at end of year	$ 218,002	$ 212,425

5. Investment in Joint Venture (continued):

Summarized financial information for Plymouth Regional Rehabilitation Services, LLC is as follows for the years ended June 30:

	Plymouth Regional Rehabilitation Services, LLC	
	2014	2013
Net revenues	$ 1,212,611	$ 1,143,768
Operating expenses	1,181,457	1,133,448
Net income	$ 31,154	$ 10,320
SMH's equity in earnings	$ 15,577	$ 5,160

6. Goodwill and Other Intangibles:

In January 2011, the Organization completed the asset purchase of a New Hampshire Limited Liability Company which provided rehabilitation and physical therapy services in the Plymouth, New Hampshire and surrounding area. The assets acquired, inclusive of allocated legal fees, included goodwill in the amount of $890,002 and other intangible assets totaling $148,400. The intangibles assets included a covenant not-to-compete and the books and records of the Company with a weighted-average useful life of approximately 12 years.

The Organization incurred costs to obtain financing for construction programs that are amortized over the repayment periods of the associated long-term debt. The amortization expense associated with these costs was $94,664 and $103,289 for the years ended June 30, 2014 and 2013, respectively, and is included in interest expense on the consolidated statement of operations and changes in net assets – unrestricted.

The Organization had the following amounts related to goodwill and other intangible assets as of June 30,

	2014			2013
	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount	Net Carrying Amount
Goodwill	$ 890,002	$ -	$ 890,002	$ 890,002
Other intangibles				
Covenant not-to-compete	43,893	(30,760)	13,133	21,920
Books and records	104,507	(24,399)	80,108	87,089
Deferred financing costs	669,789	(388,091)	281,698	360,594
Total other intangibles	$ 1,708,191	$ (443,250)	$ 1,264,941	$ 1,359,605

7. Property and Equipment:

Property and equipment consisted of the following as of June 30:

	2014		2013	
	Cost	Accumulated Depreciation and Amortization	Cost	Accumulated Depreciation and Amortization
Land	$ 1,323,746	$ -	$ 1,420,421	$ -
Land improvements	1,261,133	685,440	1,261,133	597,215
Buildings and building improvements	36,906,744	14,040,609	36,067,483	12,589,447
Equipment	18,291,579	12,296,879	16,617,240	10,714,673
Capital leases	412,336	374,172	412,336	297,846
Works of art	67,183	-	67,183	-
Construction in progress	44,608	-	182,540	-
	$ 58,307,329	$ 27,397,100	$ 56,028,336	$ 24,199,181

8. Net Patient Service Revenue and Patient Accounts Receivable:

Net Patient Service Revenue

Net patient service revenue is reported net of contractual allowances and other discounts as follows as of June 30:

	2014	2013
GROSS PATIENT SERVICE REVENUE:		
Routine services	$ 10,645,270	$ 9,487,796
Ancillary and physician services	94,094,109	90,839,565
	104,739,379	100,327,361
PLUS: Medicaid disproportionate share hospital receipts, net	4,087,312	5,528,264
LESS. Contractual allowances (primarily Medicare and Medicaid)	(48,351,300)	(45,324,181)
LESS· Provision for bad debts	(7,381,680)	(6,663,107)
LESS: Community care	(4,101,023)	(3,877,114)
NET PATIENT SERVICE REVENUE	$ 48,992,688	$ 49,991,223

Patient Accounts Receivable

Patient accounts receivable are reported net of estimated contractual allowances and allowance for doubtful accounts, as follows, as of June 30.

	2014	2013
Patient accounts receivable	$ 19,153,876	$ 17,553,745
Estimated contractual allowance	(7,192,866)	(5,599,889)
Estimated allowance for doubtful accounts	(4,129,465)	(4,236,348)
Patient accounts receivable, net	$ 7,831,545	$ 7,717,508

8. Net Patient Service Revenue and Patient Accounts Receivable (continued):

Patient accounts receivable has been reported gross of monies due third-party payors and self-pay patients. Monies owed to third-party payors and self-pay patients have been reported on the consolidated statement of financial position as a component of accounts payable. Patient accounts receivable are reduced by an allowance for doubtful account. In evaluating the collectibility of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with service provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, including both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for only part of the bill, the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The following table represents a summary of self-pay estimated allowances for doubtful accounts as of June 30 and the related write-offs for the years ended June 30:

	2014	2013
Allowance for doubtful accounts - self-pay as a percentage of net outstanding patient receivables	35%	35%
Write-offs of self-pay accounts receivable	$ 7,488,563	$ 5,643,131

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

Medicare

Effective May 1, 2005, the Organization was granted Critical Access Hospital (CAH) status. The Medicare Critical Access Hospital Program is a component of the Rural Hospital Flexibility Act passed as part of the Balanced Budget Act of 1997. CAHs can provide outpatient, emergency and limited inpatient services and receive reasonable cost for their services. The program requires the Organization to have an average length of stay limit of 96 hours, be part of a network with one acute care hospital and have no more than 25 inpatient beds that can be used for either acute or skilled nursing facility level of care.

The Organization is reimbursed 101% of allowable costs for its inpatient and outpatient services provided to Medicare beneficiaries. The Organization is reimbursed at tentative rates, with final settlement determined after submission of annual cost reports by the Organization and audits thereof, by the Medicare fiscal intermediary. The Organization's cost reports have been audited or desk reviewed by the intermediary through June 30, 2011.

8. Net Patient Service Revenue and Patient Accounts Receivable (continued):

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per unit. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospectively determined rate per unit for certain services and under a cost reimbursement methodology for other outpatient services. The Organization is reimbursed at a tentative rate for New Hampshire outpatient services with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the fiscal intermediary. The Organization's Medicaid cost reports have been audited or desk reviewed by the fiscal intermediary through June 30, 2011.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action. The Organization believes that it is in compliance with all applicable laws and regulations. The Organization has included reserves of $4,480,995 and $4,230,015 in 2014 and 2013, respectively, in due to third-party payors for disproportionate share and open cost report years including the 2014 cost report yet to be filed as of June 30, 2014.

The Organization has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

9. Funds Held by Trustee under Revenue Bond Agreement:

The Organization had $3,278,240 in cash held by a trustee under the Series 2012 revenue bond agreement as of June 30, 2014 (see Note 16). These funds are to be used towards funding future capital expenditures of the Organization.

The Organization had $4,581,591 in investments held by trustee under the revenue bond agreement as of June 30, 2013. These investments were comprised of highly liquid U.S. Treasury obligations and notes whose cost approximates market. These funds are to be used towards funding the debt service requirements and completing the construction project.

10. Beneficial Interest in Perpetual Trusts:

Donors have established and funded certain trusts, which are administered by third parties. Under the terms of the trusts, the Organization has the irrevocable right to receive a portion of the income earned on the trust assets in perpetuity. The Organization's interest in the investment income of the trusts ranges from 10-33%. The assets are reported at fair market value and totaled $323,204 and $295,694 as of June 30, 2014 and 2013, respectively.

11. Fair Value of Financial Instruments:

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Cash and Cash Equivalents

The carrying amount reported in the consolidated statement of financial position for cash and cash equivalents approximates its fair value due to its short-term nature.

Assets Limited as to Use

These assets are reported in the consolidated statement of financial position at their fair value. The fair value amounts are based on quoted market prices, if available, or are estimated using quoted market prices for similar securities.

Accounts Payable and Accrued Expenses

The carrying amounts reported in the consolidated statement of financial position for accounts payable, construction payable and accrued expenses approximate their fair value due their short-term nature.

Due to Third-Party Payors

The carrying amount reported in the consolidated statement of financial position for due to third party payors approximates its fair value due to its short-term nature.

12. Fair Value Measurement:

Accounting Standards Codification Topic 820 prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – Quoted prices are available in active markets for identical investments as of the reporting date The type of investments in Level I include listed equities held in the name of the Organization, and exclude listed equities and other securities held indirectly through commingled funds.

Level II – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

12. Fair Value Measurement (continued):

Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Judgment about inputs into the determination of fair value shall be developed based on the best information available in the circumstances.

Accounting Standards Codification Topic 825, *Financial Instruments*, provides the option to elect fair value as an alternative measurement for selected financial assets and liabilities not previously required to be recorded at fair value. The Organization carries its internally designated investments in accordance with Topic 825, measured utilizing the framework provided by Topic 820.

The following table summarizes the valuation of the Organization's internally designated investments carried in accordance with Accounting Standards Codification Topic 825 by the fair value hierarchy levels as of June 30, 2014:

		Based on		
	Fair Value at June 30, 2014	Quoted Prices in Active Markets (Level I)	Other Observable Inputs (Level II)	Unobservable Inputs (Level III)
Assets measured at fair value on a recurring basis				
Cash and cash equivalents	$ 4,991,600	$ 4,991,600	$ -	$ -
Fixed Income				
Taxable Bonds	1,713,772	1,713,772	-	-
High Yield Bonds	560,772	560,772	-	-
Strategic Reserves	4,552,747	4,552,747	-	-
Equities				
U.S. Large Cap	8,976,035	8,976,035	-	-
U.S. Small Cap	717,590	717,590	-	-
Non-US Developed	1,523,540	1,523,540	-	-
Emerging Markets	1,473,897	1,473,897	-	-
Beneficial interest in perpetual trusts	323,204	-	-	323,204
Alternative				
Private Equity	238,962	-	-	238,962
	25,072,119	24,509,953	-	562,166
Less:				
Beneficial interest in perpetual trusts	(323,204)	-	-	(323,204)
Amounts carried in current assets	(95,737)	(95,737)	-	-
Assets limited as to use	$ 24,653,178	$ 24,414,216	$ -	$ 238,962

12. Fair Value Measurement (continued):

The following table summarizes the valuation of the Organization's internally designated investments carried in accordance with Accounting Standards Codification Topic 825 by the fair value hierarchy levels as of June 30, 2013:

	Fair Value at June 30, 2013	Based on Quoted Prices in Active Markets (Level I)	Based on Other Observable Inputs (Level II)	Based on Unobservable Inputs (Level III)
Assets measured at fair value on a recurring basis				
Cash and cash equivalents	$ 5,772,550	$ 5,772,550	$ -	$ -
Fixed Income				
Taxable Bonds	2,178,652	2,178,652	-	-
High Yield Bonds	542,791	542,791	-	-
Strategic Reserves	4,072,955	4,072,955	-	-
Equities				
U.S. Large Cap	8,059,013	8,059,013	-	-
U.S. Small Cap	671,652	671,652	-	-
Non-US Developed	953,969	953,969	-	-
Emerging Markets	1,159,345	1,159,345	-	-
Beneficial interest in perpetual trusts	295,694	-	-	295,694
Alternative				
Private Equity	154,268	-	-	154,268
	23,860,889	23,410,927	-	449,962
Less:				
Beneficial interest in perpetual trusts	(295,694)	-	-	(295,694)
Amounts carried in current assets	(114,954)	(114,954)	-	-
Assets limited as to use	$ 23,450,241	$ 23,295,973	$ -	$ 154,268

Investment income and changes in net unrealized gains on investments included in the statements of operations for the years ended June 30, 2014 and 2013 consisted of the following:

	2014	2013
Interest and dividend income	$ 247,064	$ 328,561
Realized gains on sales of securities	565,696	682,869
Change in unrealized gains on securities	1,436,724	1,064,476
Investment income	$ 2,249,484	$ 2,075,906

13. Temporarily Restricted Net Assets:

Temporarily restricted net assets are restricted to the following at June 30:

	2014	2013
Capital improvements and equipment acquisitions	$ 97,310	$ 169,922
Education	95,737	114,954
Appreciation on endowment funds	4,075	4,072
	$ 197,122	$ 288,948

Net assets released from temporary restrictions included the following as of June 30:

	2014	2013
Capital expenditures	$ 72,612	$ 50,000
Education and program	19,217	7,821
	$ 91,829	$ 57,821

14. Permanently Restricted Net Assets:

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. The income earned from the investment of these funds is expendable in accordance with the Organization endowment spending policy.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act requires the Organization to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. As of June 30, 2014, the Organization did not have any funds with deficiencies to note.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that related to the preservation and appreciation of its endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s).

14. Permanently Restricted Net Assets (continued):

Return Objectives and Risk Parameters (continued) –

Endowment Net Asset Composition by Type of Fund as of June 30, 2014:

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 4,075	$ 266,132	$ 270,207
Total funds	$ 4,075	$ 266,132	$ 270,207
Beneficial interest in perpetual trusts		323,204	
Total permanently restricted net assets		$ 589,336	

Endowment Net Asset Composition by Type of Fund as of June 30, 2013:

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 4,072	$ 266,132	$ 270,204
Total funds	$ 4,072	$ 266,132	$ 270,204
Beneficial interest in perpetual trusts		295,694	
Total permanently restricted net assets		$ 561,826	

The changes in estimated fair value of net assets held in endowment and similar funds for the year ended June 30, 2014 were as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 4,072	$ 266,132	$ 270,204
Investment income	8	-	8
Appropriation for expenditure	(5)	-	(5)
Endowment net assets, end of year	$ 4,075	$ 266,132	$ 270,207

The changes in estimated fair value of net assets held in endowment and similar funds for the year ended June 30, 2013 were as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 4,066	$ 266,132	$ 270,198
Investment income	6	-	6
Endowment net assets, end of year	$ 4,072	$ 266,132	$ 270,204

15. Capital Lease Obligations:

The Organization has entered into capital lease obligations on certain equipment The cost of the assets under capital lease as of June 30, 2014 and 2013 was $412,336 and $412,336, respectively. Accumulated amortization on assets under capital lease as of June 30, 2014 and 2013 was $374,172 and $297,846, respectively, and the total amortization expense related to these assets was $76,327 and $76,327 for the years ended June 30, 2014 and 2013, respectively. The terms of the leases are for five years with all leases expiring by 2015.

The following is a schedule, by year, of future minimum lease payments under the capital leases as of June 30, 2014:

2015	$ 48,013
LESS· Amount representing interest	459
Present value of minimum lease payments	47,554
LESS: Current portion	47,554
Long-term capital lease obligation	$ -

16. Long-Term Debt:

In November 2004, the Organization in conjunction with the New Hampshire Higher Educational and Health Facilities Authority (the "Authority"), issued $13,520,000 of tax-exempt revenue bonds (Series 2004) to finance the Organization's construction and renovation project. The proceeds were to be used to finance the acquisition of certain land adjacent to the hospital, construction, furnishing and equipping of approximately a 23,000 square foot expansion and renovation of approximately 46,000 square feet of the existing hospital facility.

In May 2010, the Organization in conjunction with the Authority, issued $4,000,000 of tax-exempt revenue bonds (Series 2010) to finance the Organization's construction and renovation project. The proceeds were to be used to finance the renovation of a building and its connecting walkway to the main hospital, approximately 10,000 square feet, demolition of the existing medical office building, renovation of the hospital building, approximately 5,000 square feet and other related project components such as a heating and cooling system upgrade and parking lot improvements.

In December 2012, the Organization in conjunction with the Authority, issued $21,100,000 of tax-exempt revenue bonds (Series 2012). The Series 2012 bonds were issued in order to pay off the Organization's outstanding Series 2010 tax-exempt revenue bond obligation totaling $3,710,435 and provide advance-refunding for the Organization's outstanding Series 2004 tax-exempt revenue bond obligation totaling $12,005,000. The advance-refunding of the Series 2010 bond obligation represented in-substance defeasance as of June 30, 2013. The net proceeds from the issuance are to be used to finance the Organization's future capital expenditures.

16. Long-Term Debt (continued):

Long-term debt consisted of the following as of June 30.

	2014	2013
Bonds Payable		
Series 2012 25-year bonds. Payable in 300 monthly principal and interest payments. Monthly principal payments range from $38,431 in 2013 to $76,192 in 2038.	$ 15,849,592	$ 16,323,086
Series 2012 10-year bonds. Payable in 120 monthly principal and interest payments. Monthly principal payments range from $38,940 in 2013 to $45,390 in 2023.	4,310,521	4,545,000
Notes Payable		
Non-interest bearing note payable, unsecured, payable in 15 annual installments of $15,000 and interest at an imputed rate of 2.08%, maturing July 1, 2020.	83,740	96,709
Interest bearing note payable, first security on all SMBP assets, payable in 83 monthly interest only payments at 4.596% commencing on February 1, 2009 and ending December 1, 2015 and one lump sum principal payment on December 23, 2015.	4,500,000	4,500,000
Interest bearing note payable, fourth priority lien on SMBP land and building, payable in 131 monthly interest only payments at 4 596% commencing on February 1, 2009 and ending December 1, 2019, 228 monthly principal and interest payments of $18,632 commencing on January 1, 2020 and ending December 1, 2038 and a final payment of any outstanding principal and accrued interest due at the maturity date, December 23, 2038. After the seventh anniversary of the note, and pending certain other events, the lender has a Put Option to require SMBP to purchase the note for a Put Price of only $283,000. It is anticipated that the put option will be exercised and the principal will be extinguished.	2,813,294	2,813,294
Interest bearing note payable, secured by USDA project assets, payable in 44 monthly installments including interest as published by the Security of the Treasury, .23% at June 30, 2013, matured November 3, 2013.	-	98,135
	27,557,147	28,376,224
Less: Current portion	974,971	818,545
Long-term debt, excluding current portion	$ 26,582,176	$ 27,557,679

16. Long-Term Debt (continued):

Maturities for long-term debt for fiscal years subsequent to June 30, 2014 are as follows:

	Bonds Payable	Notes Payable	Total
2015 (included in current liabilities)	$ 961,729	$ 13,242	$ 974,971
2016	983,518	7,326,814	8,310,332
2017	1,005,827	13,804	1,019,631
2018	1,028,670	14,093	1,042,763
2019	1,052,059	14,389	1,066,448
Thereafter	15,128,310	14,692	15,143,002
	$ 20,160,113	$ 7,397,034	$ 27,557,147

17. Retirement Program:

The Organization adopted a tax sheltered annuity plan under 403(b) of the Code for eligible employees, effective July 1, 1987. Each year, the Organization contributes 4% of base pay and a dollar for dollar match of employee contributions up to 4½% of compensation. Contributions to the plan for the years ended June 30, 2014 and 2013 amounted to $1,069,982 and $1,377,525, respectively.

18. Commitments and Contingencies:

Professional Liability Insurance

The Organization is covered under a claims made medical malpractice insurance policy. Malpractice claims have been asserted against the Organization by claimants and are in various stages of processing. Management estimates that any claims against the Organization for incidents that have occurred will not result in a loss in excess of the insurance coverage available, and additionally, estimate that there will be no liability to the Organization for any incidents that may have occurred but which have not been reported. Accordingly, no accrual for potential loss has been recorded in the accompanying financial statements.

Operating Leases

The Organization leases equipment and office space under various operating lease agreements with unrelated parties. In addition, the Organization has a 30 year lease commitment with SMBP that commenced in 2010. The monthly rent expense for the first seven years is $41,882, $502,582 per annum. From and after the first seven years the base rent shall be determined and adjusted annually equal to 105% of the debt service charge for mortgage loans then securing the premises, together with reasonable administrative overhead as mutually agreed upon, and together with $34,916, all payable in equal monthly installments. In addition, the Organization will be responsible for additional rent payments to cover taxes, betterments, insurance, maintenance and other agreed-upon charges.

The Organization also paid rent expense to unrelated parties of $171,813 and $238,977 for the years ended June 30, 2014 and 2013, respectively

18. Commitments and Contingencies (continued):

Related party rental income and expense are eliminated for consolidating purposes. The following schedule reflects the future minimum lease payments including related party rent as of June 30, 2014.

2015	$ 502,582
2016	502,582
2017	502,582
2018	502,582
2019	502,582
Thereafter	10,051,640
Total future minimum lease payments	$ 12,564,550

During 2012, SMBP entered into an agreement with the Town of Plymouth, New Hampshire Municipal Corporation ("Town") related to the tax exempt status of its operating facility. As part of the agreement, SMBP has agreed to provide a payment in lieu of taxes, on an annual basis, commencing July 31, 2012, in the amount of $22,000. The Town has agreed to accept this payment annually through calendar year 2020. The following schedule reflects the future payments in lieu of taxes as of June 30, 2014:

2015	$ 22,000
2016	22,000
2017	22,000
2018	22,000
2019	22,000
Thereafter	22,000
Total future payments in lieu of taxes	$ 132,000

19. Health Insurance:

The Organization has elected to self-insure employee dental and health benefits for services that are provided at the Organization to participating employees and their covered dependents. The Organization has established a self-insurance fund and pays an amount into this fund based on actuarial estimates of the amount needed to meet claims to be covered under this arrangement A third-party administrator is engaged to provide the actuarial estimates and to administer the processing of claims for services rendered by providers other than the Organization. The self-insured reserve fund was $289,391 and $289,391 as of June 30, 2014 and 2013, respectively, and is included in other current liabilities in the accompanying consolidated statement of financial position. Stop-loss insurance has been purchased to cover unusually large claims not performed at the Organization. This stop-loss insurance coverage consists of $90,000 on each individual participating employee. There is no stop-loss insurance coverage for claims performed at the Organization.

20. Medicaid Enhancement Tax and Disproportionate Share Payments:

Section 1923 of the Social Security Act, as amended, requires that States make Medicaid disproportionate share hospital (DSH) payments to hospitals that serve disproportionately large numbers of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. Amounts recorded by the Organization are therefore subject to change and the Organization has provided reserves in estimated third-party payor settlements. The Organization identifies the Medicaid enhancement tax paid on net patient revenue to the State of New Hampshire as a separate expense item and the disproportionate share hospital payment received from the State of New Hampshire as a separate net patient service revenue item. Due to the definitions and interpretations used in this year's disproportionate share program and Medicaid Enhancement Tax, and the fact these payments/receipts are subject to audit, the Organization has included a reserve of $1,300,000 and $770,000 in due to third party in 2014 and 2013, respectively, related to potential audit and calculation adjustments. An adjustment of $1,046,000 was made in 2013 to reduce the reserves and increase operating income after reaching an agreement with the State on interpretation of the formula and prior year issues.

21. Functional Expenses:

The Organization provides general health care services to residents within its geographic location. Hospital expenses related to providing services are as follows as of June 30:

	2014	2013
Health care services	$ 36,581,675	$ 34,839,015
General and administrative	13,551,090	12,869,093
Fundraising	60,386	61,223
	$ 50,193,151	$ 47,769,331

22. Noncontrolling Interest:

Speare Health Network

The Organization's financial statements include the assets, liabilities and earnings of SHN. The Organization owns 50% of the issued common stock and exerts significant influence over its operations. The ownership interest of the other shareholders is called minority interest.

In 1997, SHN in conjunction with four other Physician Hospital Organizations, created a regional physician hospital organization for the purposes of contract negotiation and health care education. This entity is a limited liability company established in New Hampshire. As of June 30, 2014, the PHO consisted of only three members of which SHN a 12% member interest.

23. Related Party and Investment in Affiliate:

Speare Memorial at Boulder Point

The Organization signed two notes payable with SMBP during 2009 The proceeds of the notes are to be used to finance construction of the building site in Plymouth, New Hampshire. The notes are interest bearing at 4.596% and call for 107 monthly interest payments that commenced on February 1, 2009 and end December 1, 2017. The notes mature and are due in one lump sum on December 23, 2017. The notes have been eliminated in the statement of financial position as of June 30, 2014 and 2013. The Organization's note receivable balance and SMBP's note payable balances were as follows as of June 30, 2014:

Note 1	$ 1,540,520
Note 2	500,000
	$ 2,040,520

24. Concentration of Credit Risk:

The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivable from patients and third-party payors at June 30 was as follows:

	2014	2013
Medicare	23.5%	22.5%
Medicaid	22.4%	17.4%
Patients	28.9%	35.0%
Other third-party payors	25.2%	25.1%
	100 0%	100.0%

25. Subsequent Events:

The Organization has reviewed events occurring after June 30, 2014 through August 27, 2014, the date management accepted the final draft of the financial statements and made them available to be issued. The Organization did not note events requiring disclosure. The Organization has not reviewed events occurring after the report date, August 27, 2014, for their potential impact on the information contained in these consolidated financial statements.

As a result of continued economic uncertainty, there is a reasonable possibility that changes in the fair value of investments may occur after the date of the accompanying financial statements. These potential changes may result in additional changes in unrealized gains (losses) on investments subsequent to year end and be unrecognized in these financial statements.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidating Statements of Financial Position – Assets – Schedule 1
As of June 30, 2014

	SPEARE	SMBP	SHV	SHN	CONSOLIDATION ADJ & ELIMIN	2014 CONSOL
Assets						
Current assets:						
Cash and cash equivalents	$ 16,092,973	$ 362,130	$ 37,259	$ 42,371	$ -	$ 16,534,733
Assets limited as to use	95,737	-	-	-	-	95,737
Patient accounts receivable, net	7,831,545	-	-	-	-	7,831,545
Other receivables	200,468	-	-	-	(873)	199,595
Inventories	884,947	-	-	-	-	884,947
Prepaid expenses and other current assets	428,855	1,953	-	-	-	430,808
Due from related party	18,705	-	-	-	(18,705)	-
Current portion of notes receivable	46,830	-	-	-	-	46,830
Total current assets	25,600,060	364,083	37,259	42,371	(19,578)	26,024,195
Other assets:						
Notes receivable, less current portion	64,259	-	-	-	-	64,259
Notes receivable, related party	2,294,835	-	-	-	(2,294,835)	-
Investment in subsidiaries	16,924	-	-	-	(16,924)	-
Investment in joint venture	-	-	218,002	-	-	218,002
Other investments	335,426	-	-	-	-	335,426
Beneficial interest in perpetual trusts	323,204	-	-	-	-	323,204
Goodwill	890,002	-	-	-	-	890,002
Other intangibles, net	280,982	93,957	-	-	-	374,939
Assets held for sale	216,860	-	-	-	-	216,860
Total other assets	4,422,492	93,957	218,002	-	(2,311,759)	2,422,692
Assets limited as to use:						
Externally designated investments under bond agreement	3,278,240	-	-	-	-	3,278,240
Internally designated investments	21,007,421	-	-	-	-	21,007,421
Endowment and temporarily restricted investments	367,517	-	-	-	-	367,517
Total assets limited as to use	24,653,178	-	-	-	-	24,653,178
Property and equipment	49,461,162	8,884,729	-	-	(38,562)	58,307,329
Less Accumulated depreciation and amortization	(25,576,295)	(1,838,832)	-	-	18,027	(27,397,100)
	23,884,867	7,045,897	-	-	(20,535)	30,910,229
Total assets	$ 78,560,597	$ 7,503,937	$ 255,261	$ 42,371	$ (2,351,872)	$ 84,010,294

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidating Statements of Financial Position – Liabilities and Net Assets – Schedule 1

As of June 30, 2014

	SPEARE	SMBP	SHV	SHN	CONSOLIDATION ADJ & ELIMIN	2014 CONSOL
Liabilities and net assets						
Current liabilities:						
Accounts payable	$ 1,799,873	$ 21,650	$ -	$ -	$ (873)	$ 1,820,650
Accrued salaries and wages	659,688	-	-	-	-	659,688
Other current liabilities	2,663,434	-	-	-	-	2,663,434
Estimated third-party payor settlements	4,480,995	-	-	-	-	4,480,995
Due to related party	-	18,705	-	-	(18,705)	-
Current portion of long-term debt	974,971	-	-	-	-	974,971
Current portion of capital lease obligations	47,554	-	-	-	-	47,554
Total current liabilities	10,626,515	40,355	-	-	(19,578)	10,647,292
Noncurrent liabilities:						
Long-term debt, less current portion	19,268,882	7,313,294	-	-	-	26,582,176
Related party note payable	-	2,040,520	254,315	-	(2,294,835)	-
Deficit investment in subsidiary - SMBP	1,890,232	-	-	-	(1,890,232)	-
Total noncurrent liabilities	21,159,114	9,353,814	254,315	-	(4,185,067)	26,582,176
Total liabilities	31,785,629	9,394,169	254,315	-	(4,204,645)	37,229,468
Net assets:						
Common stock	-	-	1	-	(1)	-
Unrestricted						
Controlling interest	45,988,510	(1,890,232)	945	42,371	1,826,381	45,967,975
Noncontrolling interest	-	-	-	-	26,393	26,393
Total unrestricted	45,988,510	(1,890,232)	946	42,371	1,852,773	45,994,368
Temporarily restricted	197,122	-	-	-	-	197,122
Permanently restricted	589,336	-	-	-	-	589,336
Total net assets	46,774,968	(1,890,232)	946	42,371	1,852,773	46,780,826
Total liabilities and net assets	$ 78,560,597	$ 7,503,937	$ 255,261	$ 42,371	$ (2,351,872)	$ 84,010,294

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidating Statements of Operations and Changes in Net Assets – Unrestricted – Schedule 2
For the Year Ended June 30, 2014

	SPEARE	SMBP	SHV	SHN	CONSOLIDATION ADJ & ELIMIN	2014 CONSOL
Unrestricted revenues, gains and other support:						
Net patient service revenue	$ 56,374,368	$ -	$ -	$ -	$ -	$ 56,374.368
Provision for bad debts	(7,381,680)	-	-	-	-	(7,381,680)
Net patient service revenue less provision for bad debts	48,992,688	-	-	-	-	48,992,688
Other operating revenue	2,345,571	714,135	-	-	(787,248)	2,272,458
Net assets released from restrictions for operations	19,222	-	-	-	-	19,222
Total unrestricted revenues, gains and other support	51,357,481	714,135	-	-	(787,248)	51,284,368
Operating expenses:						
Salaries and wages	16,883,409	-	-	-	-	16,883,409
Physician fees and wages	5,961.546	-	-	-	-	5,961,546
Contract nursing and technicians	1,337,031	-	-	-	-	1,337,031
Employee health and welfare	5,974,491	-	-	-	-	5,974,491
Supplies and other	14,591,140	213,050	62	-	(718,539)	14,085,713
Medicaid enhancement tax	2,357,603	-	-	-	-	2.357,603
Depreciation and amortization	3,054,444	485,907	-	-	(989)	3,539,362
Interest	373,609	435,872	9,960	-	(68,709)	750,732
Total operating expenses	50,533,273	1,134,829	10,022	-	(788,237)	50,889,887
Income (loss) from operations	824,208	(420,694)	(10,022)	-	989	394,481
Nonoperating income (expense):						
Investment income, net	2,245,778	3,624	-	82	-	2,249,484
Loss on investment in subsidiaries	(416,083)	-	-	-	416,083	-
Equity in earnings of unconsolidated joint venture	-	-	15,577	-	-	15,577
Unrestricted donor contributions	432,061	-	-	-	-	432,061
Grant expense	(278,000)	-	-	-	-	(278,000)
Bad debt recovery on non-patient receivables	(4,722)	-	-	-	-	(4,722)
Gain on sale of fixed assets	10,839	-	-	-	-	10,839
Total nonoperating income (expense)	1,989,873	3,624	15,577	82	416,083	2,425,239
Excess (deficit) of revenues and gains over expenses	2,814,081	(417,070)	5,555	82	417,072	2,819,720
Less: noncontrolling interest	-	-	-	-	(41)	(41)
Excess (deficit) of revenue and gains over expenses attributable to controlling interest	2,814,081	(417,070)	5,555	82	417,031	2,819,679
Net assets released from restrictions for capital expenditure	72,612	-	-	-	-	72,612
Change in unrestricted net assets, controlling interest	$ 2,886,693	$ (417,070)	$ 5,555	$ 82	$ 417,031	$ 2,892,291

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidating Statements of Financial Position – Assets – Schedule 3
As of June 30, 2013

	SPEARE	SMBP	SHV	SHN	CONSOLIDATION ADJ & ELIMIN	2013 CONSOL
Assets						
Current assets:						
Cash and cash equivalents	$ 13,837,200	$ 451,952	$ 27,321	$ 42,289	$ -	$ 14,358,762
Assets limited as to use	114,954	-	-	-	-	114,954
Patient accounts receivable, net	7,717,508	-	-	-	-	7,717,508
Other receivables	241,734	1,590	-	-	(6,441)	236,883
Inventories	864,005	-	-	-	-	864,005
Prepaid expenses and other current assets	485,325	2,067	-	-	-	487,392
Due from related party	119,426	211	-	-	(119,637)	-
Current portion of notes receivable	42,414	-	-	-	-	42,414
Total current assets	23,422,566	455,820	27,321	42,289	(126,078)	23,821,918
Other assets:						
Notes receivable, less current portion	87,296	-	-	-	-	87,296
Notes receivable, related party	2,284,875	-	-	-	(2,284,875)	-
Investment in subsidiaries	15,937	-	-	-	(15,937)	-
Investment in joint venture	-	-	212,425	-	-	212,425
Other investments	335,426	-	-	-	-	335,426
Beneficial interest in perpetual trusts	295,694	-	-	-	-	295,694
Goodwill	890,002	-	-	-	-	890,002
Other intangibles, net	307,215	162,388	-	-	-	469,603
Total other assets	4,216,445	162,388	212,425	-	(2,300,812)	2,290,446
Assets limited as to use:						
Externally designated investments under bond agreement	4,581,591	-	-	-	-	4,581,591
Internally designated investments	18,428,524	-	-	-	-	18,428,524
Endowment and temporarily restricted investments	440,126	-	-	-	-	440,126
Total assets limited as to use	23,450,241	-	-	-	-	23,450,241
Property and equipment	47,212,795	8,854,103	-	-	(38,562)	56,028,336
Less Accumulated depreciation and amortization	(22,794,862)	(1,421,357)	-	-	17,038	(24,199,181)
	24,417,933	7,432,746	-	-	(21,524)	31,829,155
Total assets	$ 75,507,185	$ 8,050,954	$ 239,746	$ 42,289	$ (2,448,414)	$ 81,391,760

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidating Statements of Financial Position – Liabilities and Net Assets – Schedule 3
As of June 30, 2013

	SPEARE	SMBP	SHV	SHN	CONSOLIDATION ADJ & ELIMIN	2013 CONSOL
Liabilities						
Current liabilities:						
Accounts payable	$ 1,757,228	$ 50,665	$ -	$ -	$ (6,441)	$ 1,801,452
Accrued wages	419,581	-	-	-	-	419,581
Other current liabilities	2,464,766	-	-	-	-	2,464,766
Estimated third-party payor settlements	4,230,015	-	-	-	-	4,230,015
Due to related party	-	119,637	-	-	(119,637)	-
Current portion of long-term debt	818,545	-	-	-	-	818,545
Current portion of capital lease obligations	107,207	-	-	-	-	107,207
Total current liabilities	9,797,342	170,302	-	-	(126,078)	9,841,566
Noncurrent liabilities:						
Long-term debt, less current portion	20,244,385	7,313,294	-	-	-	27,557,679
Related party note payable	-	2,040,520	244,355	-	(2,284,875)	-
Deficit investment in subsidiary - SMBP	1,473,162	-	-	-	(1,473,162)	-
Capital lease obligations, less current portion	39,705	-	-	-	-	39,705
Total noncurrent liabilities	21,757,252	9,353,814	244,355	-	(3,758,037)	27,597,384
Total liabilities	31,554,594	9,524,116	244,355	-	(3,884,115)	37,438,950
Net assets:						
Common stock	-	-	1	-	(1)	-
Unrestricted						
Controlling interest	43,101,817	(1,473,162)	(4,610)	42,289	1,409,350	43,075,684
Noncontrolling interest	-	-	-	-	26,352	26,352
Total unrestricted	43,101,817	(1,473,162)	(4,609)	42,289	1,435,701	43,102,036
Temporarily restricted	288,948	-	-	-	-	288,948
Permanently restricted	561,826	-	-	-	-	561,826
Total net assets	43,952,591	(1,473,162)	(4,609)	42,289	1,435,701	43,952,810
Total liabilities and net assets	$ 75,507,185	$ 8,050,954	$ 239,746	$ 42,289	$ (2,448,414)	$ 81,391,760

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidating Statements of Operations and Changes in Net Assets – Unrestricted – Schedule 4

For the Year Ended June 30, 2013

	SPEARE	SMBP	SHV	SHN	CONSOLIDATION ADJ & ELIMIN	2013 CONSOL
Unrestricted revenues, gains and other support:						
Net patient service revenue	$ 56,654,330	$ -	$ -	$ -	$ -	$ 56,654,330
Provision for bad debts	(6,663,107)	-	-	-	-	(6,663,107)
Net patient servcie revenue less provision for bad debts	49,991,223	-	-	-	-	49,991,223
Other operating revenue	2,503,490	613,996	-	-	(756,768)	2,360,718
Net assets released from restrictions for operations	37,857	-	-	-	-	37,857
Total unrestricted revenues, gains and other support	52,532,570	613,996	-	-	(756,768)	52,389,798
Operating expenses:						
Salaries and wages	16,425,967	-	-	-	-	16,425,967
Physician fees and wages	5,203,921	-	-	-	-	5,203,921
Contract nursing and technicians	1,562,817	-	-	-	-	1,562,817
Employee health and welfare	5,555,942	-	-	-	-	5,555,942
Supplies and expenses	13,339,242	186,075	169	100	(688,187)	12,837,399
Medicaid enhancement tax	75,259	-	-	-	-	75,259
Depreciation and amortization	2,913,182	478,682	-	-	(989)	3,390,875
Interest expense	719,647	435,872	28,682	-	(68,581)	1,115,620
Total operating expenses	45,795,977	1,100,629	28,851	100	(757,757)	46,167,800
Income (loss) from operations	6,736,593	(486,633)	(28,851)	(100)	989	6,221,998
Nonoperating income (expense):						
Investment income, net	2,053,660	22,132	-	114	-	2,075,906
Loss on investment in subsidiaries	(483,576)	-	-	-	483,576	-
Equity in earnings of unconsolidated joint venture	-	-	5,160	-	-	5,160
Unrestricted donor contributions	109,550	-	-	-	-	109,550
Grant expense	(228,000)	-	-	-	-	(228,000)
Bad debt expense on non-patient receivables	(6,792)	-	-	-	-	(6,792)
Loss on sale of fixed assets	3,770	-	-	-	-	3,770
Loss on early extinguishment of bond	(1,973,354)	-	-	-	-	(1,973,354)
Total nonoperating income (expense)	(524,742)	22,132	5,160	114	483,576	(13,760)
Excess (deficit) of revenues and gains over expenses	6,211,851	(464,501)	(23,691)	14	484,565	6,208,238
Less noncontrolling interest	-	-	-	-	(7)	(7)
Excess (deficit) of revenue and gains over expenses attributable to controlling interest	6,211,851	(464,501)	(23,691)	14	484,558	6,208,231
Net assets released from restrictions for capital expenditure	4,108	-	-	-	-	4,108
Change in unrestricted net assets, controlling interest	$ 6,215,959	$ (464,501)	$ (23,691)	$ 14	$ 484,558	$ 6,212,339