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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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1 ELLIOT WAY

City or town, state or province, country, and ZIP or foreign postal code
MANCHESTER, NH 03103

D Employer identification number
02-0232673

E Telephone number
(603) 663-2033

G Gross receipts $ 400,655,790

F Name and address of principal officer
DOUGLAS DEAN
1 ELLIOT WAY
MANCHESTER, NH 03103

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: ▶ ELLIOT-HS ORG

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

L Year of formation 1942

M State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
HOSPITAL 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**	23
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	17
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	3,355
6	Total number of volunteers (estimate if necessary)	**6**	410
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	4,214,701
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-236,087

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,241,795	1,495,386
9	Program service revenue (Part VIII, line 2g)	367,118,203	370,619,166
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,892,829	3,909,059
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	15,836,211	24,632,179
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	388,089,038	400,655,790
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	515,623	348,005
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)	174,301,641	179,041,231
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	212,102,353	208,105,273
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	386,919,617	387,494,509
19	Revenue less expenses Subtract line 18 from line 12	1,169,421	13,161,281

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	364,558,416	386,720,826
21	Total liabilities (Part X, line 26)	257,877,350	261,493,814
22	Net assets or fund balances Subtract line 21 from line 20	106,681,066	125,227,012

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** | 2015-05-13
Signature of officer | Date

RICHARD ELWELL CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
WILLIAM G STEELE JR		2015-05-13		P00233103

Firm's name ▶ BAKER NEWMAN & NOYES LLC | Firm's EIN ▶ 01-0494526

Firm's address ▶ 650 ELM STREET SUITE 302
MANCHESTER, NH 03101 | Phone no (800) 244-7444

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

ELLIOT HOSPITAL OF THE CITY OF MANCHESTER, A LEADER IN HEALTHCARE, IS DEDICATED TO PROVIDING IT'S COMMUNITY WITH EXCELLENT SERVICES OFFERED WITH DIGNITY, CARING, AND RESPECT

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 $ 296,663,421 including grants of $ 348,005) (Revenue $ 382,533,644)

MEDICAL SERVICES PROVIDED TO 14,428 IN-PATIENTS AND 508,833 OUT-PATIENTS INCLUDING FREE CARE IN THE AMOUNT OF $11,321,496 (AT COST) AND CONTRIBUTIONS TO COMMUNITY PROGRAMS

4b (Code) (Expenses $ 510,171 including grants of $) (Revenue $)

CONTRIBUTIONS TO MANCHESTER COMMUNITY HEALTH CENTER AND I IMAGINE

4c (Code) (Expenses $ 652,502 including grants of $) (Revenue $)

COMMUNITY BENEFITS INCLUDING EDUCATIONAL PROGRAMS, HEALTH SCREENINGS, HEALTH PUBLICATIONS AND OTHER HEALTH INFORMATION SERVICES

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 297,826,094

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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		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		No
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**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		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**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
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	263		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,355		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds 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**	23		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	17		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		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**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

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

▶ MARC CULLEROT 1070 HOLT AVENUE UNIT 1 SUITE 2100
MANCHESTER, NH 03109 (603) 663-2033

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			

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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								4,516,631	2,146,560	720,421

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 ▶ 137

			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
PRICE WATERHOUSE COOPERS LLP PO BOX 7247-8001 PHILADELPHIA PA 19170	PROFESSIONAL SERVICES	1,723,937
ARUP LABORATORIES 500 CHIPETA WAY SALT LAKE CITY UT 84108	LAB SERVICES	1,540,282
NH NEUROSPINE INSTITUTE 4 HAWTHORNE DR BEDFORD NH 03110	NEUROSURGERY LOCUMS COVERAGE	597,500
ROPES & GRAY PO BOX 414265 BOSTON MA 02241	LEGAL CONSULTING	494,400
CHAMBERLIN EDMONDS 3535 PIEDMONT ROAD SUITE 800 ATLANTA GA 30305	SELF PAY PATIENT BILLING PROVIDER	356,057

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 ▶ 26

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				
	d	Related organizations . . .	1d	1,495,386			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		1,495,386			
Program Service Revenue			Business Code				
	2a	PROG SERV REVENUE-RELATED-990	621110	370,619,166	370,619,166		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		370,619,166			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,992,370		-83,609	2,075,979
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	2,359,287				
	b	Less rental expenses	0				
	c	Rental income or (loss)	2,359,287				
	d	Net rental income or (loss) . . . . . ▶		2,359,287			2,359,287
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,916,689				
	b	Less cost or other basis and sales expenses	0				
	c	Gain or (loss)	1,916,689				
	d	Net gain or (loss) . . . . . ▶		1,916,689			1,916,689
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	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 . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	MISCELLANEOUS OTHER	900099	13,031,115	13,031,115		
	b	LABORATORY SERVICES	621500	3,903,429		3,903,429	
	c	PHARMACY	446110	3,305,256		306,331	2,998,925
	d	All other revenue		2,033,092		88,550	1,944,542
	e	**Total.** Add lines 11a–11d . . . . . ▶		22,272,892			
	12	**Total revenue.** See Instructions . . . . . ▶		400,655,790	383,650,281	4,214,701	11,295,422

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	346,205	346,205		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	1,800	1,800		
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	3,667,863		3,667,863	
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	135,408,776	101,556,582	33,852,194	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	12,329,523	9,247,142	3,082,381	
9 Other employee benefits	17,589,740	13,192,305	4,397,435	
10 Payroll taxes	10,045,329	7,533,997	2,511,332	
11 Fees for services (non-employees)				
a Management				
b Legal	849,015		849,015	
c Accounting	131,000		131,000	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12 Advertising and promotion	2,121,690		2,121,690	
13 Office expenses				
14 Information technology				
15 Royalties . .				
16 Occupancy	5,742,567	4,306,925	1,435,642	
17 Travel	133,903	100,427	33,476	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	471,750	353,813	117,937	
20 Interest	8,719,939	6,539,954	2,179,985	
21 Payments to affiliates	21,811,712	21,811,712		
22 Depreciation, depletion, and amortization	14,091,443	10,568,582	3,522,861	
23 Insurance	6,364,099	4,773,074	1,591,025	
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 SUPPLIES	26,228,813	26,228,813		
b PROVISION FOR BAD DEBTS	23,878,308	23,878,308		
c MEDICAID ENHANCEMENT TA	17,095,883		17,095,883	
d DRUGS & PHARMACEUTICUL	16,428,295	16,428,295		
e All other expenses	64,036,856	50,958,160	13,078,696	
25 **Total functional expenses.** Add lines 1 through 24e	387,494,509	297,826,094	89,668,415	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		25,662,626	1	36,827,783
	2	Savings and temporary cash investments		6,188,637	2	6,243,747
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		40,411,820	4	40,888,876
	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			7	
	8	Inventories for sale or use		2,405,426	8	2,429,569
	9	Prepaid expenses and deferred charges		4,028,986	9	3,823,713
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 365,415,895			
	b	Less accumulated depreciation	10b 208,245,036	159,910,123	10c	157,170,859
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		99,938,667	12	108,916,522
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		26,012,131	15	30,419,757
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		364,558,416	16	386,720,826
Liabilities	17	Accounts payable and accrued expenses		33,268,898	17	35,823,111
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		150,115,157	20	143,285,006
	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			23	
	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		74,493,295	25	82,385,697
	26	**Total liabilities.** Add lines 17 through 25		257,877,350	26	261,493,814
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		92,614,711	27	109,801,334
	28	Temporarily restricted net assets		1,801,521	28	2,444,027
	29	Permanently restricted net assets		12,264,834	29	12,981,651
		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		106,681,066	33	125,227,012
	34	Total liabilities and net assets/fund balances		364,558,416	34	386,720,826

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	400,655,790
2	Total expenses (must equal Part IX, column (A), line 25)	2	387,494,509
3	Revenue less expenses Subtract line 2 from line 1	3	13,161,281
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	106,681,066
5	Net unrealized gains (losses) on investments	5	8,159,649
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	-2,774,983
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	125,227,012

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID:
Software Version:
EIN: 02-0232673
Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DOUGLAS F DEAN PRESIDENT & CEO	40 00 4 00	X		X				1,123,034	0	49,296
R SCOTT BACON TRUSTEE	1 00 1 00	X		X				0	0	0
JAMES C HOOD ESQ VICE CHAIR	1 00 1 00	X						0	0	0
ANN REMUS SECRETARY	1 00 2 00	X						0	0	0
LOUISE FORSEZE TRUSTEE	1 00 1 00	X						0	0	0
LAWRENCE M HOEPP MD TRUSTEE	1 00 41 00	X						0	916,820	20,254
HOWARD BRODSKY TRUSTEE	1 00 1 00	X						0	0	0
DANIEL M MONFRIED TRUSTEE	1 00 1 00	X						0	0	0
REVEREND JOHN A CERRATO JR TRUSTEE	1 00 1 00	X						0	0	0
DIANNE M MERCIER CHAIR	1 00 1 00	X						0	0	0
DAVID R A STEADMAN TRUSTEE	1 00 3 00	X						0	0	0
ANITA RITENOUR MD ASST VP MEDICAL AFFAIRS	40 00 1 00	X						312,225	0	34,861
JAMES F FITZGERALD MD TRUSTEE	1 00 43 00	X						0	187,312	23,877
RICHARD L WINNEG TRUSTEE	1 00 2 00	X						0	0	0
BARBARA A RAND TRUSTEE	1 00 3 00	X						0	0	0
GUS EMMICK MD TRUSTEE	1 00 43 00	X						0	320,276	26,378
CHARLES ROLECEK TRUSTEE	1 00 2 00	X						0	0	0
JOHN A HESSION TREASURER	1 00 2 00	X		X				0	0	0
JOHN F WEEKS TRUSTEE	1 00 3 00	X						0	0	0
CHRISTOPHER S CALHOUN MD TRUSTEE	1 00 41 00	X						0	148,094	27,155
PAUL W HOFF PHD TRUSTEE	1 00 1 00	X						0	0	0
JOSEPH R LACHANCE JR TRUSTEE	1 00 1 00	X						0	0	0
MARY SARGENT TRUSTEE	1 00 1 00	X						0	0	0
ROBER M LAVERY MD TRUSTEE THRU JAN 2014	1 00 1 00	X						0	574,058	19,925
SELMA NACCAH-HOFF TRUSTEE THRU JAN 2014	1 00 2 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RICK PHELPS COO	40 00 4 00			X				606,201	0	102,457
RICHARD ELWELL CFO	40 00 4 00			X				487,314	0	228,846
JOHN FRIBERG SENIOR VP, GENERAL COUNSEL	40 00				X			361,684	0	55,413
ALEXANDER W PETRON CHIEF MEDICAL INFO OFFICER	40 00					X		349,160	0	24,649
WILLIAM BAXTER SENIOR VP MEDICAL AFFFAIRS	40 00 2 00					X		374,021	0	59,878
KEVIN B COUGHLIN SENIOR VP PHYSICIAN SERVICES	40 00 0 00					X		352,696	0	23,972
JUERGEN H BLUDEAU PHYSICIAN	40 00 0 00					X		285,581	0	4,620
RACHEL D VERVILLE VP OF REVENUE CYCLE	40 00 0 00					X		264,715	0	18,840

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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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER	02-0232673

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)	0	0
b Total lobbying expenditures to influence a legislative body (direct lobbying)	9,572	9,572
c Total lobbying expenditures (add lines 1a and 1b)	9,572	9,572
d Other exempt purpose expenditures	300,572,828	414,234,899
e Total exempt purpose expenditures (add lines 1c and 1d)	300,582,400	414,244,471
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000
h Subtract line 1g from line 1a If zero or less, enter -0-	0	0
i Subtract line 1f from line 1c If zero or less, enter -0-	0	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	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	344,636	188,723	156,539	9,572	699,470
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	33,158				33,158

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?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total Add lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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 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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	14,066,355	13,591,808	13,860,491	12,771,028	12,420,985
b	Contributions	360,570			50,000	174,500
c	Net investment earnings, gains, and losses	998,752	474,547	-268,683	1,039,463	175,543
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	15,425,677	14,066,355	13,591,808	13,860,491	12,771,028

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

- a Board designated or quasi-endowment ▶ 15 840 %
- b Permanent endowment ▶ 84 160 %
- c Temporarily restricted endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,681,464		6,681,464
b Buildings		170,730,567	58,782,192	111,948,375
c Leasehold improvements		4,236,186	1,910,887	2,325,299
d Equipment		174,463,095	143,547,518	30,915,577
e Other		9,304,583	4,004,439	5,300,144
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				157,170,859

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) BOARD DESIGNATED & DONOR RESTRICTED	108,916,522	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	108,916,522	

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
(1) FUNDS HELD BY TRUSTEE	2,621,420
(2) UNAMORTIZED BOND ISSUANCE COSTS	1,795,804
(3) PENSION CASH SURRENDER VALUE	1,157,661
(4) DEPOSITS	10,580,943
(5) OTHER RECEIVABLES	11,771,256
(6) DUE FROM AFFILIATES	2,492,673
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	30,419,757

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	
PAYABLE TO THIRD PARTY PAYORS	6,155,949
INTEREST PAYABLE	1,941,486
ACCRUED PENSION & OTHER	48,835,575
SELF-INSURANCE RESERVES & OTHER	23,131,185
CURRENT PORTION OF LONG-TERM DEBT	2,321,502
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	82,385,697

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	408,227,121
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	8,159,649		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	8,159,649
3	Subtract line **2e** from line **1**			3	400,067,472
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	588,318		
c	Add lines **4a** and **4b**			4c	588,318
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	400,655,790

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	365,094,480
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	365,094,480
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	22,400,030		
c	Add lines **4a** and **4b**			4c	22,400,030
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	387,494,510

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	INCOME OF THE FUNDS HAS BEEN USED FOR OPERATING AND CAPITAL EXPENDITURES
PART X, LINE 2	PART X, INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS WAS THE FOLLOWING, "MANAGEMENT EVALUATED THE HOSPITAL'S TAX POSITIONS AND CONCLUDED THE HOSPITAL HAS MAINTAINED ITS TAX-EXEMPT STATUS, DOES NOT HAVE ANY SIGNIFICANT UNRELATED BUSINESS INCOME AND HAD TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS "
PART XI, LINE 4B - OTHER ADJUSTMENTS	EXPENSE RECLASS 588,318
PART XII, LINE 4B - OTHER ADJUSTMENTS	EXPENSE RECLASS 588,318 PAYMENTS TO AFFILIATES 21,811,712

Part XIII Supplemental Information *(continued)*

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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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 _____ %	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 _____ %	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)		35,201	11,321,496		11,321,496	2 920 %
b Medicaid (from Worksheet 3, column a)		53,910	51,998,846	19,845,390	32,153,456	8 300 %
c Costs of other means-tested government programs (from Worksheet 3, column b)		0				
d **Total** Financial Assistance and Means-Tested Government Programs		89,111	63,320,342	19,845,390	43,474,952	11 220 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	13	650	293,560	315	293,245	0 080 %
f Health professions education (from Worksheet 5)	9	280	348,366	0	348,366	0 090 %
g Subsidized health services (from Worksheet 6)	7	0	12,155,961	7,620,974	4,534,987	1 170 %
h Research (from Worksheet 7)	1	0	10,576		10,576	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	8	4	510,171		510,171	0 130 %
j **Total.** Other Benefits	38	934	13,318,634	7,621,289	5,697,345	1 470 %
k **Total.** Add lines 7d and 7j	38	90,045	76,638,976	27,466,679	49,172,297	12 690 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			34,468		34,468	0 010 %
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**			34,468		34,468	0 010 %

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			No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	23,878,307		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	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	94,800,735
6	Enter Medicare allowable costs of care relating to payments on line 5	6	118,059,123
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-23,258,388
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					
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 ELLIOT HOSPITAL OF CITY OF MANCHESTER

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 12			
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**	Yes	
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) HTTP //ELLIOTHOSPITAL ORG/WEBSITE/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 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 400 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**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? **16**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7	FINANCIAL ASSISTANCE AND MEANS TESTED COSTS USED RCC DERIVED FROM MEDICARE COST REPORT, OTHER BENEFITS COSTS DERIVED FROM ACTUAL COSTS AND INTERNAL COST ACCOUNTING SYSTEM

Form and Line Reference	Explanation
PART I, LINE 3C	ELLIOT HOSPITAL USES FPG METHODOLOGY

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	THE HEALTH OF THE COMMUNITY WE SERVE IS PROMOTED THROUGH EH'S BUILDING ACTIVITIES WITH ORGANIZATIONS SUCH AS THE CHILD ADVOCACY CENTER, THE HOMELESS SHELTER AND OTHERS IN PROBABLY THE MOST IMPORTANT AND BASIC MANNER, NAMELY, WE DIRECTLY IMPACT BASIC LIVING (AND IN SOME CASES SURVIVAL) NEEDS CHILDREN, YOUNG ADULTS, ADULTS AND THE ELDERLY SHARE THE NEED FOR BASIC NUTRITION, SAFETY, AND SHELTER THE ORGANIZATIONS WE CHOOSE TO SUPPORT OFFER AND PROVIDE SOME OF THESE NECESSITIES FOR A LARGE PORTION OF THE POPULATION IN THE GREATER MANCHESTER AREA FURTHER, WE PROVIDE SUPPORT FOR ORGANIZATIONS THAT UNDERSTAND THE IMPORTANCE OF EDUCATION AND PROVIDE THE SKILLS, TOOLS AND THE INFORMATION TO PEOPLE SO THAT THEY CAN ACCESS EVERYTHING FROM FOOD FOR THE HUNGRY, SHELTER, SAFETY FROM PHYSICAL AND MENTAL HARM AS WELL AS HEALTH CARE EH TREATS MANY OF THESE INDIVIDUALS IN OUR EMERGENCY DEPARTMENT IN WORKING WITH THESE PEOPLE TO HELP THEM RECOVER FROM ILLNESSES OR INJURIES, WE HAVE COME TO UNDERSTAND THE IMPORTANCE AND THE ROLE OTHER ORGANIZATIONS PLAY IN THE LIVES OF THESE SAME PEOPLE BY SUPPORTING THESE ORGANIZATIONS, WE KNOW THAT BASIC NEEDS ARE BEING MET, AND IMPROVED HEALTH AND WELLNESS FOR EVERYONE REGARDLESS OF PERSONAL HARDSHIP OR STATUS MAY BE ACHIEVED

Form and Line Reference	Explanation
PART III, LINE 4	BAD DEBT FOOTNOTE "NET PATIENT SERVICE REVENUES - THE HOSPITAL RECOGNIZES PATIENT SERVICE REVENUE ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY PAYOR COVERAGE ON THE BASIS OF CONTRACTUAL RATES FOR THE SERVICES RENDERED FOR UNINSURED PATIENTS, THE HOSPITAL PROVIDES A DISCOUNT APPROXIMATELY EQUAL TO THAT OF ITS LARGEST PRIVATE INSURANCE PAYORS THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS THE HOSPITAL RECORDS A PROVISION FOR BAD DEBTS IN THE PERIOD SERVICES ARE PROVIDED RELATED TO SELF-PAY PATIENTS , INCLUDING BOTH INSURANCE PATIENTS AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR A PORTION OF THEIR BALANCE PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS

Form and Line Reference	Explanation
PART III, LINE 8	ALLOWABLE COSTS DETERMINED USING CMS METHODOLOGY UTILIZED IN COMPLETING COST REPORT, MEDICARE SHORTFALL TO BE INCLUDED IN COMMUNITY BENEFITS

Form and Line Reference	Explanation
PART III, LINE 9B	COLLECTIONS ARE NOT PURSUED ON CHARITY CARE PATIENTS COLLECTIONS AGENCY IS SUPPLIED INFORMATION THAT ALLOWS THEM TO IDENTIFY ONLY THOSE ACCOUNTS UPON WHICH COLLECTION EFFORTS SHOULD BE PURSUED

Form and Line Reference	Explanation
PART III, LINE 2	BAD DEBT EXPENSE IS DETERMINED BASED ON ANALYSIS OF HISTORICAL ACTIVITY SELF PAY ACCOUNTS ARE GIVEN AN AUTOMATIC 25% DISCOUNT OFF CHARGES, SELF PAY ACCOUNTS THAT DO NOT MAKE PAYMENT ARE TRANSFERRED TO BAD DEBT COST OF BAD DEBT IS DERIVED FROM INTERNAL COST ACCOUNTING SYSTEM

Form and Line Reference	Explanation
PART III, LINE 3	ORGANIZATION IS NOT CURRENTLY DETERMINING BAD DEBT ACCOUNTS THAT MAY HAVE BEEN CHARITABLE CARE

Form and Line Reference	Explanation
PART III, LINE 4	BAD DEBT AND CHARITY CARE COST DETERMINED USING INTERNAL COST ACCOUNTING SYSTEM, SELF PAY ACCOUNTS GIVEN AUTOMATIC 25% DISCOUNT OFF CHARGES, SELF PAY ACCOUNTS THAT DO NOT MAKE PAYMENT ARE TRANSFERRED TO BAD DEBT ORGANIZATION NOT CURRENTLY DETERMINING BAD DEBT ACCOUNTS THAT MAY HAVE BEEN CHARITABLE CARE

Form and Line Reference	Explanation
PART III, LINE 8	ALLOWABLE COSTS DETERMINED USING CMS METHODOLOGY UTILIZED IN COMPLETING COST REPORT, MEDICARE SHORTFALL FROM PART III, LINE 7 SHOULD BE INCLUDED IN COMMUNITY BENEFITS AS COSTS ARE NOT FULLY REIMBURSED

Form and Line Reference	Explanation
PART VI, LINE 2	THE MANCHESTER HSA COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED BY CATHOLIC MEDICAL CENTER AND THE ELLIOT HEALTH SYSTEM, WITH THE ASSISTANCE OF THE MANCHESTER HEALTH DEPARTMENT, WAS COMPLETED IN JUNE 2013 THE ASSESSMENT BEGAN WITH A REVIEW OF THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT, BELIEVE IN A HEALTHY COMMUNITY A VARIETY OF DIFFERENT SECONDARY DATA SOURCES WERE ACCESSED THEY INCLUDED THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC), NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES, NH HEALTHWRQS AND THE CITY OF MANCHESTER DEPARTMENT OF HEALTH HEALTHY PEOPLE 2020 (HP 2020) IS A CDC INITIATIVE TO TRACK HEALTH BEHAVIORS AND TRENDS ACROSS THE COUNTRY PART OF THIS PROGRAM IS THE CREATION OF HEALTH RELATED TARGETS AND GOALS THAT COMMUNITIES AND STATES STRIVE TO MEET THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) UTILIZED AS MANY OF THOSE TARGETS AS WERE AVAILABLE AND APPLICABLE DURING MARCH, APRIL AND MAY OF 2013, THE HOSPITALS ALSO CONDUCTED SEVEN FOCUS GROUPS WHICH INCLUDED MEMBERS OF CLERGY, FIRST RESPONDERS, PREGNANT WOMEN, SCHOOL NURSES, BHUTANESE REFUGEES AS WELL AS TWO SENIORS GROUPS A GROUP DISCUSSION WAS CONDUCTED ON MARCH 25, 2013 WITH MEMBERS OF THE MANCHESTER SUSTAINABLE ACCESS PROJECT WHICH INCLUDED THE PUBLIC HEALTH AND DEPUTY PUBLIC HEALTH DIRECTORS, MANCHESTER HEALTH DEPARTMENT, THE PRESIDENT, MENTAL HEALTH CENTER OF GREATER MANCHESTER, THE CHIEF MEDICAL OFFICER, AND DIRECTOR, COMMUNITY HEALTH, CATHOLIC MEDICAL CENTER, VICE PRESIDENT OF PLANNING AND BUSINESS DEVELOPMENT, ELLIOT HEALTH SYSTEM AND THE MEDICAL DIRECTOR, DARTMOUTH-HITCHCOCK MANCHESTER CLINIC DURING THIS SAME PERIOD OF TIME, A SURVEY WAS DISTRIBUTED TO SENIORS AT THE MANCHESTER SENIOR CENTER, THE ROTARY AND THE CLIENTS, PATIENTS, AND STAFF AT THE MENTAL HEALTH CENTER OF GREATER MANCHESTER, WITH 50 RESPONSES BEING RETURNED ALL OF THIS DATA WAS USED TO CREATE THE CHNA THE FINAL LIST OF PRIORITY NEEDS AND HEALTH CONCERNS OF THE EHS COMMUNITY ARE DOCUMENTED UNDER SECTION 3

Form and Line Reference	Explanation
PART VI, LINE 3	THE ELLIOT HEALTH SYSTEM POSTS THE FINANCIAL ASSISTANCE AND COLLECTIONS POLICY ON THEIR WEBSITE AT HTTP //ELLIOTHOSPITAL ORG/WEBSITE/FINANCIAL-ASSISTANCE-POLICY PHP ADDITIONALLY, FINANCIAL ASSISTANCE PLAIN LANGUAGE SUMMARIES ARE POSTED IN PATIENT WAITING ROOMS AND LOCATIONS THROUGHOUT THE ELLIOT HEALTH SYSTEM ELLIOT HEALTH SYSTEM ALSO EMPLOYS FINANCIAL ADVOCATES WHO ARE AVAILABLE TO MEET WITH PATIENTS TO ASSIST THEM WITH APPLYING FOR STATE AND FEDERAL PROGRAMS AND FINANCIAL ASSISTANCE

Form and Line Reference	Explanation
PART VI, LINE 4	MANCHESTER AND THE SURROUNDING TOWNS OF AUBURN, BEDFORD, CANDIA, DEERFIELD, GOFFSTOWN, HOOKSETT AND NEW BOSTON, MAKE UP WHAT IS KNOWN AS THE MANCHESTER HEALTH SERVICE AREA (HSA) THE HSA HAS A POPULATION OF 179,894 PERSONS (2007) REPRESENTING APPROXIMATELY 14% OF THE NH STATE POPULATION (1,315,829) AND MAKES UP MOST OF THE MAJOR SERVICE AREA OF EHS, THE UMBRELLA ORGANIZATION UNDER WHICH ELLIOT HOSPITAL (EH) OPERATES IN 2006, THE HSA EXPERIENCED 11 3% OF THE STATE'S TOTAL BIRTHS AND 10% OF THE STATE'S TOTAL DEATHS THE CITY OF MANCHESTER IS THE LARGEST COMMUNITY IN NORTHERN NEW ENGLAND WITH A TOTAL POPULATION OF 108,874 RESIDENTS, MANCHESTER REPRESENTS 60 5% OF THE HSA AND 8 3% OF THE STATE'S TOTAL POPULATION THE TABLE BELOW DISPLAYS HOW THE POPULATION IN MANCHESTER IS DISTRIBUTED BY AGE AND GENDER MORE PEOPLE ARE LIVING LONGER AND INDIVIDUALS IN THE LARGE "BABY BOOMER" AGE GROUP ARE NOW REACHING THE AGE OF 65 IN THE NEXT FORTY YEARS, THE NUMBER OF PEOPLE IN THE NATION AGE 65 AND OLDER IS EXPECTED TO MORE THAN DOUBLE AND THE POPULATION OF THE MANCHESTER HSA IS EXPECTED TO EXPERIENCE THE SAME TYPE OF GROWTH FOR EXAMPLE, THE NUMBER OF MANCHESTER ADULTS AGE 65 AND OLDER GREW BY 13% FROM 1980 TO 2000 IT IS PROJECTED THAT THIS POPULATION WILL GROW BY ANOTHER 85% FROM 2000 TO 2020 THE POPULATION OF OLDER ADULTS IN THE OTHER HSA TOWNS GREW BY 82% FROM 1980 TO 2000 AND IS PROJECTED TO MORE THAN DOUBLE FROM 2000 TO 2020 THIS HIGH GROWTH RATE OF THE ELDERLY GROUP IN THE MANCHESTER HSA SUGGESTS HEALTH CARE LEADERS SHOULD ANTICIPATE AND PLAN FOR AN INCREASED DEMAND FOR SERVICES THAT ADEQUATELY ADDRESS THE NEEDS OF OLDER ADULTS OVER THE LAST DECADE, IN ADDITION TO GROWING IN SIZE, MANCHESTER HSA'S POPULATION HAS BECOME MORE DIVERSE IN ITS CULTURES, LANGUAGES, RELIGIOUS BELIEFS AND OTHER IDEOLOGIES THIS IS ESPECIALLY TRUE FOR MANCHESTER, WHICH IS A REFUGEE RESETTLEMENT SITE AS OF 2007, NEARLY 10% OF MANCHESTER RESIDENTS WERE BORN OUTSIDE OF THE UNITED STATES, WHICH IS TWICE THE PERCENT OF PEOPLE IN ALL OF NH WHO ARE FOREIGN BORN OVER 17% OF MANCHESTER'S RESIDENTS SPEAK A LANGUAGE OTHER THAN ENGLISH IN HOME AROUND 5% OF HOUSEHOLDS ARE LINGUISTICALLY ISOLATED, MEANING THAT ALL MEMBERS OF THE HOUSEHOLD AGES 14 AND OLDER HAVE AT LEAST SOME DIFFICULTY WITH ENGLISH ACROSS THE UNITED STATES, FAMILY HOUSEHOLDS TAKE A VARIETY OF FORMS HOUSEHOLDS MAY BE HEADED BY MARRIED OR UNMARRIED PARTNERS AS WELL AS BY INDIVIDUALS THEY MAY OR MAY NOT HAVE SCHOOL-AGE CHILDREN PRESENT THEY MAY BE HEADED BY GRANDPARENTS THEY MAY CONTAIN FOSTER CHILDREN OVER THE PAST SEVEN YEARS, THE PERCENT OF HOUSEHOLDS IN MANCHESTER COMPOSED OF TWO MARRIED PARENTS WITH THEIR OWN SCHOOL-AGED CHILDREN HAS DECREASED FROM 19 2% TO 14 8% WITH THE HSA, BEDFORD HAS THE HIGHEST MEDIAN HOUSEHOLD INCOME AND THE CITY OF MANCHESTER HAS THE LOWEST SIMILARLY, MANCHESTER HAS THE HIGHEST PERCENTAGE OF FAMILIES LIVING IN POVERTY, WHOLE DEERFIELD HAS THE LOWEST IN 2005 IN MANCHESTER, A FAMILY OF FOUR WITH BOTH PARENTS WORKING NEEDED TO MAKE $50,031 ANNUALLY ($12 03 PER HOUR) TO MEET BASIC NEEDS THAT SAME YEAR THE MEDIAN HOUSEHOLD INCOME IN MANCHESTER ($50,199) WAS A BIT ABOVE THE BASIC NEEDS LEVEL ($50,404) HOWEVER, IN 2007, ONLY 55% OF THE HOUSEHOLDS IN MANCHESTER REACHED THE LIVABLE WAGE LEVEL, WHICH HAD INCREASED TO $53,192 (EQUIVALENT WAGE OF $12 79 PER HOUR) ACCORDING TO THE AMERICAN COMMUNITY SURVEY, THE MOST COMMON TYPE OF EMPLOYMENT IN MANCHESTER IS IN EDUCATIONAL SERVICES, HEALTH CARE, AND SOCIAL ASSISTANCE (20 3%) MANCHESTER MAKES UP 8 2% OF THE STATE'S LABOR FORCE THE POPULATION OF THE GREATER MANCHESTER HSA IS GROWING IN SIZE, AND LIVING LONGER, IS INCREASINGLY MULTICULTURAL WITH RESIDENTS REFLECTING A VARIETY OF NATIONALITIES, LANGUAGES, ETHNIC TRADITIONS, RELIGIOUS BELIEFS AND IDEOLOGIES, AND IS COMPOSED OF MANY DIFFERENT FAMILY STRUCTURES THE MANCHESTER HSA HAS THE LARGEST POPULATION AND NUMBER OF JOBS, BUT ALSO HAS THE LOWEST AVERAGE INCOME LEVELS IN THE STATE INCREASINGLY, INCOMES ARE AILING TO MEET THE COTS OF LIVING, INCLUDING THE COTS OF STAYING HEALTHY AND PREPARING FOR EMERGENCIES POVERTY IS HIGHLY ASSOCIATED WITH RISKY BEHAVIORS, EDUCATIONAL ATTAINMENT, HEALTH STATUS, EMPLOYMENT, AND SELF-REPORTED QUALITY OF LIFE RESIDENTS EXPERIENCE DISCREPANCIES IN HEALTH AND HEALTH CARE ACCESS THAT ARE ASSOCIATED WITH THEIR AGE, INCOMES, EDUCATIONAL ATTAINMENT AND NEIGHBORHOOD THE ASSESSMENT IDENTIFIES A VARIOUS OF HEALTH-RELATED CONCERNS IN THE CITY OF MANCHESTER AND THE HEALTH SERVICE AREA INCLUDING HEART DISEASE, MENTAL HEALTH, AMBULATORY-CARE SENSITIVE CONDITIONS, HEALTH RISK BEHAVIORS, SEXUAL HEALTH, SUBSTANCE ABUSE, EMERGENCY DEPARTMENT USE AND PREMATURE DEATH INADEQUATE TRANSPORTATION, HIGH COST OF HEALTH CARE, AND MEDICALLY UNDERSERVED AREAS EXIST IN THE REGION, AS DOES UNDER AND OVERUSE OF EXISTING HEALTH SERVICES RESULTING IN A FINANCIAL BURDEN FOR THE WHOLE COMMUNITY

Form and Line Reference	Explanation
PART VI, LINE 5	EH BELIEVES STRONGLY THAT OUR INVOLVEMENT IN COMMUNITY ORGANIZATIONS SUCH AS CHILD HEALTH SERVICES, MANCHESTER MENTAL HEALTH CENTER, YMCA AND MANY MORE, IS CRITICAL TO OUR EXEMPT PURPOSE WE DEPLOY HUNDREDS OF VOLUNTEERS THROUGHOUT THE STATE TO WORK WITH NON-PROFIT ORGANIZATIONS THAT ARE DOING THEIR PART TO HELP ERADICATE ILLNESSES AND POOR HEALTH CONDITIONS OR IMPROVE THE HEALTH AND WELLNESS OF PEOPLE MANY OF OUR LEADERS SERVE ON THE BOARDS OF THESE ORGANIZATIONS TO SHARE INSIGHT AND TO PARTICIPATE IN HELPING THEM ACHIEVE THEIR MISSION IN ADDITION TO THE VOLUNTEER TIME AND ENERGY, EH ALSO PROVIDES HUNDREDS OF THOUSANDS OF DOLLARS IN FINANCIAL SUPPORT TO ENSURE THAT THE CRITICAL WORK OF THESE ORGANIZATIONS IS ACHIEVED AND PEOPLE ARE HELPED WITH A RANGE OF ISSUES FROM MENTAL HEALTH CARE TO OBTAINING FOOD AND SHELTER ADDITIONALLY, GIVEN OUR HEALTH CARE SYSTEM AND HOW WIDESPREAD EH HAS BECOME IN THE COMMUNITY, WE OPEN OUR DOORS AND PROVIDE THE STAFF AND THE RESOURCES FOR LOCAL ISSUES THAT ARE UNFORESEEN BUT CREATE URGENT SITUATIONS FOR EXAMPLE, WHEN NH RESIDENTS WERE STUCK BY POWER OUTAGES FROM AN ICE STORM LASTING DAYS, EH KEPT PATIENTS (FREE OF CHARGE) IN THE HOSPITAL UNTIL POWER IN THE HOME AS RESTORED SO THAT THEY WOULD NOT SUFFER THE HARDSHIP OF LIVING WITHOUT HEAT AND POWER FOR DAY-TO-DAY STRUGGLES, EITHER WITH HOW TO COPE WITH THE LOSS OF A LOVED ONE OR WITH HOW TO COPE WITH CANCER, EH STAFF AND PROFESSIONALS OFFER FREE COMMUNITY SUPPORT GROUPS AND CLASSES TO REACH PEOPLE WHO ARE IN NEED OF HELP EH PRIDES ITSELF ON THESE ACTS OF HUMANITY BECAUSE IT DOES MEET OUR PURPOSE AND MISSION AND WITHOUT QUESTION, PROMOTES THE HEALTH OF THE COMMUNITY

Form and Line Reference	Explanation
PART VI, LINE 6	EHS IS THE UMBRELLA ORGANIZATION UNDER WHICH ELLIOT HOSPITAL (EH), ELLIOT PHYSICIAN NETWORK (EPN), ELLIOT PROFESSIONAL SERVICES (EPS), THE VISITING NURSE ASSOCIATION OF MANCHESTER AND SOUTHERN NH (VNA), AND THE MARY & JOHN ELLIOT CHARITABLE FOUNDATION OPERATE ELLIOT HEALTH SYSTEM IS A HEALTH CARE SYSTEM THAT PROVIDES CARE TO RESIDENTS OF SOUTHERN NH SERVING A REGIONAL POPULATION OF OVER 250,000 RESIDENTS, MAKING IT ONE OF THE LARGEST PROVIDERS OF COMPREHENSIVE HEALTH CARE SERVICES IN SOUTHERN NH EACH OF THESE ORGANIZATIONS PLAYS A CRITICAL ROLE IN THE CONTINUUM OF CARE EHS DELIVERS TO THE COMMUNITY THUS PROMOTING HEALTH THE CORNERSTONE OF EHS IS EH, A PRIVATE, NOT FOR PROFIT HOSPITAL ESTABLISHED IN 1890, AND NOW A 296-BED ACUTE CARE FACILITY LOCATED IN MANCHESTER (NH'S LARGEST CITY) ON EHS'S MAIN CAMPUS EH IS A PREMIER HEALTH CARE PROVIDER IN MANY DISCIPLINES, SERVING AS THE DESIGNATED TRAUMA CENTER FOR THE MANCHESTER HSA, AND DESIGNATED RECEIVING FACILITY FOR PSYCHIATRIC PATIENTS IN THE REGION IN ADDITION EH PROVIDES MATERNITY AND PEDIATRIC SERVICES, NEWBORN INTENSIVE CARE, SURGERY, PAIN MANAGEMENT, WOUND MANAGEMENT, CARDIAC CARE, AND MUCH MORE EHS THROUGH THE EPN AND EPS, BOTH PRIVATE, NOT FOR PROFIT PHYSICIAN GROUPS, PROVIDES PRIMARY CARE AND SPECIALTY CARE VIA OVER 211 EMPLOYED PHYSICIANS AS FAR NORTH AS HOOKSETT, EAST TO RAYMOND, SOUTH TO WINDHAM AND WEST TO NEW BOSTON THE EPN HAS 27 PHYSICIAN PRACTICES IN THE GREATER MANCHESTER AREA PROVIDING ACCESS TO PROVIDERS THROUGHOUT THE LOCAL COMMUNITY IS CRITICAL TO SUPPORTING THE NEED TO HELP INDIVIDUALS BECOME ACTIVE IN THEIR HEALTH CARE AND VIGILANT ABOUT THEIR YEARLY EXAMS, VACCINES, AND MEDICATIONS EHS HAS A ROBUST ELECTRONIC MEDICAL RECORD (EMR) LINKING ALL OF THESE PROVIDERS WITH EH ALLOWING THE PROVIDER A COMPLETE UNDERSTANDING OF ANYTHING THAT MAY HAVE OCCURRED THROUGH THE EMERGENCY DEPARTMENT OR URGENT CARE THROUGHOUT THE YEAR THE EMR IS COMPLETE WITH THE LATEST LABORATORY RESULTS, DIAGNOSTIC IMAGES, AND OTHER TEST RESULTS THAT MAY AFFECT CARE GIVEN IN THE LOCAL PROVIDER'S OFFICE THE VNA IS ONE OF THE REGION'S OLDEST AND MOST COMPREHENSIVE NOT FOR PROFIT HOME HEALTH PROVIDERS, DEDICATED TO IMPROVING THE HEALTH AND WELL-BEING OF OUR COMMUNITY SINCE 1897 THE VNA HAS HELPED INDIVIDUALS AND THEIR FAMILIES FACE THE CHALLENGES OF RECOVERING FROM SURGERY, PHYSICAL DISABILITIES, AND SHORT-TERM, CHRONIC, AND LIFE-LIMITING ILLNESSES THROUGH A TRACE PROGRAM, EHS CAN ENSURE THAT OLDER ADULTS REQUIRING CARE AND WITH COMPLEX HEALTH CARE HISTORIES ARE GIVEN A CARE PLAN FROM THE HOSPITAL TO THE NURSING HOME (IF NECESSARY) AND TO THE HOME ALL OF THIS CARE IS ALSO LINKED THROUGH THE EMR AND THROUGH OUR USE OF TELE-MEDICINE, MANY PATIENTS ARE MONITORED "VIRTUALLY" EACH DAY WHILE IN THEIR HOME TELE-MEDICINE REQUIRES A PATIENT IN THEIR HOME TO CONNECT TO ELECTRONIC DEVICES THAT SEND INFORMATION BACK TO CARE PROVIDERS SHOWING SUCH THINGS AS BLOOD PRESSURE, PULSE, AND RESPIRATORY FUNCTION, SO THAT SHOULD INTERVENTION BE REQUIRED, A HEALTH CARE TEAM CAN BE SENT DIRECTLY TO THE PATIENT'S HOME FINALLY, THE MARY & JOHN ELLIOT CHARITABLE FOUNDATION IS A NOT FOR PROFIT, CHARITABLE ORGANIZATION CREATED TO PROVIDE FINANCIAL SUPPORT TO THE VARIOUS NEEDS OF EHS THE FOUNDATION IS COMMITTED TO BUILDING AN ONGOING CIRCLE OF FRIENDS WHOSE FINANCIAL SUPPORT WILL HELP EHS IDENTIFY AND MEET EMERGING HEALTHCARE NEEDS EH AND AFFILIATES (COLLECTIVELY EHS), WORK COLLABORATIVELY AND COLLECTIVELY (THROUGH THE EMR) ALLOWING EHS TO SERVE THE HEALTH CARE NEEDS OF PEOPLE IN THE MOST EFFICIENT MANNER AND HAS PROVIDED A PLATFORM FOR PROACTIVE PLANS FOR HEALTH MANAGEMENT

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	NH

Additional Data

Software ID:
Software Version:
EIN: 02-0232673
Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

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
ELLIOT HOSPITAL OF CITY OF MANCHESTER	
ELLIOT HOSPITAL OF CITY OF MANCHESTER	PART V, SECTION B, LINE 4 CATHOLIC MEDICAL CENTER HOSPITAL OF MANCHESTER
ELLIOT HOSPITAL OF CITY OF MANCHESTER	PART V, SECTION B, LINE 7 THE HEALTH SYSTEM ADDRESSED MOST OF THE NEEDS IDENTIFIED IN THE CHNA, TO SOME DEGREE, PRIMARILY INVESTING IN BEHAVIORAL HEALTH, ACCESS TO CARE, ISSUES WI TH AGING, CHRONIC DISEASE, DENTAL HEALTH AND PREVENTATIVE CARE THE HEALTH SYSTEM DID NOT FULLY ADDRESS ALL IDENTIFIED ISSUES AS OTHER AGENCIES IN THE GREATER MANCHESTER SERVICE AR EA WERE EITHER ALREADY ADDRESSING THESE NEEDS OR WERE BETTER POSITIONED TO ADDRESS THESE N EEDS FOR EXAMPLE, THE HEALTH SYSTEM OFFERS CARE TO VICTIMS OF VIOLENCE AND CRIME AND WORK S WITH VICTIMS TO DIRECT THEM TO APPROPRIATE COMMUNITY SUPPORT PROGRAMS THE HEALTH SYSTEM ALSO SUBSIDIZES PROGRAMS THAT TREAT VICTIMS, SUCH AS THE CHILD ADVOCACY CENTER HOWEVER, IT IS OUTSIDE THE CAPABILITY OF THE HEALTH SYSTEM TO ADDRESS THE ROOT CAUSES OF VIOLENCE A ND CRIME IN OUR NEIGHBORHOODS
ELLIOT HOSPITAL OF CITY OF MANCHESTER	PART V, SECTION B, LINE 12I DECEASED AND HOMELESS PERSONS ARE AUTOMATICALLY CONVERTED TO CHARITABLE CARE CATASTROPHIC LIMIT CAP SET AT $50,000 FOR SELF-PAY

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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)
ELLIOT ENDOSCOPY CENTER RIVERS EDGE 185 QUEEN CITY AVENUE MANCHESTER,NH 031010000	AMBULATORY SURGICAL CENTER
ELLIOT URGENT CARE AT RIVER'S EDGE 185 QUEEN CITY AVENUE MANCHESTER,NH 031010000	AMBULATORY SURGICAL CENTER
ELLIOT URGENT CARE LONDONDERRY 40 BUTTRICK ROAD LONDONDERRY,NH 030530000	AMBULATORY SURGICAL CENTER
ELLIOT STAT LAB AT HOOKSETT 1256 HOOKSETT ROAD HOOKSETT,NH 031060000	AMBULATORY SURGICAL CENTER
ELLIOT LAB ELLIOT MED CNTR LONDONDERRY 40 BUTTRICK ROAD LONDONDERRY,NH 030530000	AMBULATORY SURGICAL CENTER
ELLIOT HOSPITAL LAB MANCHESTER CHC 145 HOLLIS STREET MANCHESTER,NH 03101	AMBULATORY SURGICAL CENTER
ELLIOT AT RIVER'S EDGE URGENT CARE LAB 185 QUEEN CITY AVENUE MANCHESTER,NH 031010000	AMBULATORY SURGICAL CENTER
ELLIOT HOSPITAL-TARRYTOWN ROAD 275 MAMMOTH ROAD MANCHESTER,NH 031090000	AMBULATORY SURGICAL CENTER
ELLIOT COLLECTION STATION RIVERS EDGE 185 QUEEN CITY AVENUE MANCHESTER,NH 031010000	AMBULATORY SURGICAL CENTER
ELLIOT DS HOOKSETT AMBULATORY CARE CNT 1256 HOOKSETT ROAD HOOKSETT,NH 031060000	AMBULATORY SURGICAL CENTER
ELLIOT DRAW STATION CYPRESS CENTER 445 CYPRESS STREET MANCHESTER,NH 03103	AMBULATORY SURGICAL CENTER
ELLIOT HOSPITAL - 4 ELLIOT WAY 4 ELLIOT WAY MANCHESTER,NH 031033599	AMBULATORY SURGICAL CENTER
ELLIOT HOSPITAL BEDFORD COMMONS 25 SOUTH RIVER RD BEDFORD,NH 03110	AMBULATORY SURGICAL CENTER
ELLIOT MEDICAL CENTER LONDONDERRY 40 BUTTRICK ROAD LONDONDERRY,NH 030530000	AMBULATORY SURGICAL CENTER
ELLIOT SENIOR HEALTH PRIMARY CARE 138 WEBSTER STREET MANCHESTER,NH 031040000	AMBULATORY SURGICAL CENTER

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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)
ELLIOT AFTER HOURS AT RAYMOND 15 FREETOWN RD 8 RAYMOND,NH 03077	AMBULATORY SURGICAL CENTER

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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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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) CHILD HEALTH SERVICES 1245 ELM STREET MANCHESTER,NH 03101	02-0348711	501(C)(3)	29,551	16,654	FAIR MARKET VALUE	FINANCIAL REPORTING AND ACCOUNTS PAYABLE SERVICES	TO ASSIST IN MEETING DAY-TO-DAY OPERATIONS, PROVIDE SUPPORT FOR THE ACCOUNTING AND BOOKKEEPING DEPARTMENT
(2) MANCHESTER COMMUNITY HEALTH CENTER 1415 ELM STREET MANCHESTER,NH 03101	02-0458174	501(C)(3)	300,000				TO ASSIST IN MEETING DAY-TO-DAY OPERATIONS

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

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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
PART I, LINE 2	ELLIOT HOSPITAL MAINTAINS MEMBERS ON THE BOARD OF DIRECTORS FOR CHILD HEALTH SERVICES AND MANCHESTER COMMUNITY HEALTH CENTER

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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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed 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**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 4B	RICK PHELPS - $79,472, RICHARD ELWELL - $175,913, WILLIAM BAXTER - $35,333, JOHN E FRIBERG, JR - $31,212
PART I, LINE 7	THE ORGANIZATION HAS ADOPTED AN INCENTIVE PAY PROGRAM THAT PROVIDES DESIGNATED MANAGEMENT EMPLOYEES AN OPPORTUNITY TO EARN A DESIGNATED PERCENTAGE OF SALARY BASED ON THE ACHIEVEMENT BY THE ORGANIZATION OF A NUMBER OF CRITICAL SUCCESS FACTORS THE CRITICAL SUCCESS FACTORS ARE ESTABLISHED ANNUALLY BY THE INDEPENDENT EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES WITH ASSISTANCE FROM AN INDEPENDENT NATIONAL COMPENSATION CONSULTING COMPANY THE MAXIMUM POTENTIAL INCENTIVE PAYMENTS UNDER THE PLAN ARE CONSIDERED BY THE COMPENSATION CONSULTANT IN ENSURING THAT MANAGEMENT COMPENSATION IS REASONABLE
PART II	THE SALARIES OF DOUGLAS DEAN, RICK PHELPS, AND RICHARD ELWELL REPRESENT SERVICES PROVIDED TO ALL RELATED ENTITIES
PART II LINE 1	DURING THE YEAR MR DEAN WITHDREW FUNDS FROM HIS DEFERRED COMPENSATION PLAN ($306,534) AS SUCH THIS AMOUNT IS REPORTED IN COLUMN B(III) AND IN PRIOR YEARS CONTRIBUTIONS TO HIS DEFERRED COMPENSATION PLAN WHICH SUPPORT THE CURRENT DISTRIBUTION WERE REPORTED IN COLUMN C

Additional Data

Software ID:
Software Version:
EIN: 02-0232673
Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DOUGLAS F DEAN PRESIDENT & CEO	(I) (II)	581,126 0	184,359 0	357,549 0	38,245 0	11,051 0	1,172,330 0	306,534 0
LAWRENCE M HOEPP MD TRUSTEE	(I) (II)	0 865,815	0 10,505	0 40,500	0 8,895	0 11,359	0 937,074	0 0
ANITA RITENOUR MD ASST VP MEDICAL AFFAIRS	(I) (II)	256,234 0	21,701 0	34,290 0	19,468 0	15,393 0	347,086 0	0 0
JAMES F FITZGERALD MD TRUSTEE	(I) (II)	0 141,210	0 30,329	0 15,773	0 8,838	0 15,039	0 211,189	0 0
GUS EMMICK MD TRUSTEE	(I) (II)	0 197,301	0 105,475	0 17,500	0 11,321	0 15,057	0 346,654	0 0
CHRISTOPHER S CALHOUN MD TRUSTEE	(I) (II)	0 133,090	0 5,696	0 9,308	0 11,878	0 15,277	0 175,249	0 0
ROBER M LAVERY MD TRUSTEE THRU JAN 2014	(I) (II)	0 534,681	0 0	0 39,377	0 8,925	0 11,000	0 593,983	0 0
RICK PHELPS COO	(I) (II)	453,482 0	112,219 0	40,500 0	87,122 0	15,335 0	708,658 0	0 0
RICHARD ELWELL CFO	(I) (II)	349,013 0	89,820 0	48,481 0	217,795 0	11,051 0	716,160 0	0 0
JOHN FRIBERG SENIOR VP, GENERAL COUNSEL	(I) (II)	292,598 0	43,605 0	25,481 0	40,137 0	15,276 0	417,097 0	0 0
ALEXANDER W PETRON CHIEF MEDICAL INFO OFFICER	(I) (II)	267,862 0	47,300 0	33,998 0	8,925 0	15,724 0	373,809 0	0 0
WILLIAM BAXTER SENIOR VP MEDICAL AFFFAIRS	(I) (II)	314,340 0	24,681 0	35,000 0	44,258 0	15,620 0	433,899 0	0 0
KEVIN B COUGHLIN SENIOR VP PHYSICIAN SERVICES	(I) (II)	270,319 0	40,370 0	42,007 0	8,454 0	15,518 0	376,668 0	0 0
JUERGEN H BLUDEAU PHYSICIAN	(I) (II)	262,581 0	0 0	23,000 0	3,825 0	795 0	290,201 0	0 0
RACHEL D VERVILLE VP OF REVENUE CYCLE	(I) (II)	217,201 0	39,563 0	7,951 0	3,514 0	15,326 0	283,555 0	0 0

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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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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	BUSINESS FINANCE AUTHORITY OF THE STATE OF NH REVENUE BONDS - 2009A	02-0279866	64468KBQ8	12-22-2009	130,000,000	FINANCE/REFINANCE COSTS OF CONSTRUCTION, REFINANCE 2008 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	127,806,119			
4	Gross proceeds in reserve funds	11,505,106			
5	Capitalized interest from proceeds	6,134,168			
6	Proceeds in refunding escrows	30,000,000			
7	Issuance costs from proceeds	1,980,498			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	78,095,644			
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 ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
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?		X						
b	Exception to rebate?		X						
c	No rebate due?		X						
	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).

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JOHN FRIBERG JR	EMPLOYEE		LONG STANDING AND ONGOING ATTORNEY-CLIENT RELATIONSHIP BETWEEN EHS AND WADLEIGH LAW FIRM JOHN FRIBERG JR'S FATHER IS EMPLOYED BY THE WADLEIGH FIRM AND HAS WORKED ON MEDICAL MALPRACTICE CLAIMS FOR THE HOSPITAL		No
(2) DIANNE MERCIER	BOARD MEMBER		DIANNE IS PRESIDENT OF PEOPLE'S UNITED BANK, WHICH IS A DEPOSITORY FOR GRANITE SHIELD INSURANCE EXCHANGE OF WHICH EHS IS A MEMBER		No
(3) PETER KACHAVOS MD	ELLIOT BAY MEDICAL ASSOCIATES EMPLOYEE	104,264	THROUGH BMA REAL ESTATE (WHICH PETER IS A MEMBER/MANAGER WITH 50% OWNERSHIP), ELLIOT RENTS 4 ELLIOT WAY, SUITE 102, 104, 106 FOR $104,264 PER YEAR		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	ELLIOT HEALTH SYSTEM IS THE SOLE MEMBER OF THE REPORTING ORGANIZATION
FORM 990, PART VI, SECTION A, LINE 7A	ELLIOT HEALTH SYSYTEM IS THE SOLE MEMBER OF THE REPORTING ORGANIZATION, AND HAS BOARD MEMB ERS WHO ARE ALSO BOARD MEMBERS OF THE REPORTING ORGANIZATION
FORM 990, PART VI, SECTION B, LINE 11	THE COMPLETED 990 IS PRESENTED TO THE BOARD PRIOR TO FILING SPECIFIC KEY SECTIONS OF THE 990 ARE SINGLED OUT FOR ADDITIONAL DISCUSSION AND INPUT FROM BOARD MEMBERS
FORM 990, PART VI, SECTION B, LINE 12C	OFFICERS, DIRECTORS, AND KEY EMPLOYEES ARE REQUIRED ANNUALLY TO SIGN A CONFLICT OF INTERES T FORM WHICH REQUIRES REPORTING ANY POTENTIAL CONFLICT OF INTEREST ARRANGEMENTS WITH THE O RGANIZATION
FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE OF THE BOARD UTILIZES OUTSIDE COMPENSATION CONSULTANTS TO EVALU ATE THE SALARIES FOR THE CEO, CFO, AND COO THE CONSULTANTS UTILIZE THEIR INTERNAL DATA AL ONG WITH NATIONAL AND LOCAL BENCHMARK DATA FROM THE INDUSTRY TO DEVELOP SALARY LEVELS REC OMMENDATIONS OF THE CONSULTANT ARE REVIEWED BY THE COMPENSATION COMMITTEE, WHO RECOMMENDS COMPENSATION LEVELS TO THE FULL BOARD FOR APPROVAL AN OUTSIDE CONSULTING FIRM IS ALSO USE D BY THE ORGANIZATION TO REVIEW THE COMPENSATION OF THE REMAINDER OF THE VP'S AGAIN NATIO NAL AND LOCAL BENCHMARKS FOR SALARIES ARE CONSULTED TO DETERMINE SALARY LEVELS FOR THESE V P'S
FORM 990, PART VI, SECTION C, LINE 19	EACH OF THESE DOCUMENTS IS FILED WITH THE NEW HAMPSHIRE SECRETARY OF STATE AND IS AVAILABLE UPON REQUEST
FORM 990, PART IX, LINE 24E	MAINTENANCE & SERVICE CONTRACTS PROGRAM SERVICE EXPENSES 7,975,169 MANAGEMENT AND GENER AL EXPENSES 2,658,389 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 10,633,558 IMPLANTS & PROTH ESIS PROGRAM SERVICE EXPENSES 7,902,834 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 7,902,834 OTHER PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 7 ,295,814 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 7,295, 814 UTILITIES PROGRAM SERVICE EXPENSES 3,282,640 MANAGEMENT AND GENERAL EXPENSES 1,094 ,213 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 4,376,853 SOFTWARE LICENSE FEES PROGRAM SE RVICE EXPENSES 3,937,905 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,937,905 CONSULTING FEES PROGRAM SERVICE EXPENSES 3,906,876 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,906,876 EQUIPMENT RENTAL P ROGRAM SERVICE EXPENSES 2,808,842 MANAGEMENT AND GENERAL EXPENSES 936,281 FUNDRAISING EX PENSES 0 TOTAL EXPENSES 3,745,123 PHYSICIAN FEES PROGRAM SERVICE EXPENSES 3,414,354 M ANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,414,354 MANAGE MENT FEES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 2,845,384 FUNDRAI SING EXPENSES 0 TOTAL EXPENSES 2,845,384 OTHER OPERATING COSTS PROGRAM SERVICE EXPENSE S 0 MANAGEMENT AND GENERAL EXPENSES 2,119,443 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,1 19,443 FOOD & DIETARY PROGRAM SERVICE EXPENSES 2,021,588 MANAGEMENT AND GENERAL EXPENS ES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,021,588 MINOR EQUIPMENT PURCHASES PROGRA M SERVICE EXPENSES 2,005,729 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 T OTAL EXPENSES 2,005,729 PURCHASED LABOR PROGRAM SERVICE EXPENSES 1,992,395 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,992,395 MEDICAL SERVICES FEES PROGRAM SERVICE EXPENSES 1,046,274 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,046,274 LAUNDRY & LINENS PROGRAM SERVICE EXPENSES 1,006,0 92 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,006,092 T ELEPHONE PROGRAM SERVICE EXPENSES 723,755 MANAGEMENT AND GENERAL EXPENSES 241,251 FUND RAISING EXPENSES 0 TOTAL EXPENSES 965,006 COLLECTION FEES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 681,221 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 681,221 R ECRUITMENT & RELOCATION FEES PROGRAM SERVICE EXPENSES 612,430 MANAGEMENT AND GENERAL EX PENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 612,430 TRUST FUND FEES PROGRAM SERVIC E EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 588,317 FUNDRAISING EXPENSES 0 TOTAL EXPEN SES 588,317 PRINTING & PUBLICATIONS PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 519,118 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 519,118 ICD 10 PROJECT PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 509,830 FUNDRAISING EXPENSES 0 TOTA L EXPENSES 509,830 POSTAGE & SHIPPING PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERA L EXPENSES 436,575 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 436,575 BANK & CREDIT CARD FEE S PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 382,490 FUNDRAISING EXPEN SES 0 TOTAL EXPENSES 382,490 PERMITS & FEES PROGRAM SERVICE EXPENSES 328,684 MANAGEME NT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 328,684 EDUCATION & TRA INING PROGRAM SERVICE EXPENSES 198,555 MANAGEMENT AND GENERAL EXPENSES 66,184 FUNDRAIS ING EXPENSES 0 TOTAL EXPENSES 264,739 DUES & MEMBERSHIPS PROGRAM SERVICE EXPENSES 228, 898 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 228,898 VE HICLE EXPENSE PROGRAM SERVICE EXPENSES 178,175 MANAGEMENT AND GENERAL EXPENSES 0 FUNDR AISING EXPENSES 0 TOTAL EXPENSES 178,175 VALET PARKING PROGRAM SERVICE EXPENSES 91,151 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 91,151
FORM 990, PART XI, LINE 9	PENSION ADJUSTMENT -4,131,381 UNREALIZED GAIN/LOSS - TEMPORARILY RESTRICTED FUNDS 642,508 UNREALIZED GAIN/LOSS - PERMANENTLY RESTRICTED FUNDS 713,890

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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
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) ELLIOT COMMON TRUST FUND LLC 1 ELLIOT WAY MANCHESTER, NH 03103 20-3653624	INVESTMENTS	NH	ELLIOT HOSPITAL	N/A	4,487,161	86,942,706		No			No	86 000 %

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	(i) No
(1) ELLIOT HEALTH SYSTEMS HOLDINGS & SUBSIDIARIES 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 02-0512224	MANAGEMENT	NH		C					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		No
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	Yes	
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	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
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) ELLIOT PROFESSIONAL SERVICES NETWORK	I	41,387	CASH
(2) ELLIOT PROFESSIONAL SERVICES NETWORK	K	226,322	CASH
(3) ELLIOT PROFESSIONAL SERVICES NETWORK	P	3,775,682	CASH
(4) ELLIOT PHYSICIAN NETWORK	P	328,973	CASH
(5) ELLIOT PROFESSIONAL SERVICES NETWORK	Q	11,286,418	CASH
(6) ELLIOT PHYSICIAN NETWORK	Q	15,798,539	CASH

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

Additional Data

Software ID:
Software Version:
EIN: 02-0232673
Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ELLIOT HEALTH SYSTEM PROFESSIONAL & GENERAL LIABILITY INSURANCE TRUST 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 01-6217452	INSURANCE TRUST	NH	501(C)3	LINE 11, TYPE II	ELLIOT HOSPITAL	Yes	
(1) ELLIOT HEALTH SYSTEM 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 02-0509911	HOLDING COMPANY	NH	501(C)3	LINE 3			No
(2) ELLIOT PHYSICIAN NETWORK 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 02-0509589	PHYSICIAN SERVICES	NH	501(C)3	LINE 3	ELLIOT HOSPITAL	Yes	
(3) ELLIOT PROFESSIONAL SERVICES 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 33-1003630	PHYSICIAN SERVICES	NH	501(C)3	LINE 9	ELLIOT HOSPITAL	Yes	
(4) VNA OF MANCHESTER & SOUTHERN NH & SUBS 33 SOUTH COMMERCIAL STREET SUITE 40 MANCHESTER, NH 03101 02-0395296	VNA HOLDING COMPANY	NH	501(C)3	LINE 7	ELLIOT HEALTH SYSTEM		No
(5) JOHN & MARY ELLIOT CHARITABLE FOUNDATION 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 02-0512229	FUNDRAISING	NH	501(C)3	LINE 7	ELLIOT HEALTH SYSTEM		No
(6) VNA HOME HEALTH & HOSPICE SERVICES INC 33 SOUTH COMMERCIAL STREET SUITE 40 MANCHESTER, NH 03101 02-0222241	HOME CARE & HOSPICE SERVICES	NH	501(C)3	LINE 11, TYPE II	ELLIOT HEALTH SYSTEM		No
(7) VNA COMMUNITY SERVICES INC 33 SOUTH COMMERCIAL STREET SUITE 40 MANCHESTER, NH 03101 02-0396549	NURSING SERVICES	NH	501(C)3	LINE 11, TYPE II	ELLIOT HEALTH SYSTEM		No
(8) VNA PERSONAL SERVICES INC 33 SOUTH COMMERCIAL STREET SUITE 40 MANCHESTER, NH 03101 02-0395295	PRIVATE HEALTH & HOMEMAKER SERVICES	NH	501(C)3	LINE 11, TYPE II	ELLIOT HEALTH SYSTEM		No

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
ELLIOT PROFESSIONAL SERVICES NETWORK	I	41,387	CASH
ELLIOT PROFESSIONAL SERVICES NETWORK	K	226,322	CASH
ELLIOT PROFESSIONAL SERVICES NETWORK	P	3,775,682	CASH
ELLIOT PHYSICIAN NETWORK	P	328,973	CASH
ELLIOT PROFESSIONAL SERVICES NETWORK	Q	11,286,418	CASH
ELLIOT PHYSICIAN NETWORK	Q	15,798,539	CASH

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TY 2013 Affiliated Group Schedule

Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

EIN: 02-0232673

Affiliated Group Business Name:	ELLIOT HEALTH SYSTEM
Address. Either US or Foreign Type:	1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:	02-0509911
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	VNA OF MANCHESTER AND SOUTHERN NH INC & SUBSIDIARIES
Address. Either US or Foreign Type:	33 SOUTH COMMERCIAL ST SUITE 401 MANCHESTER, NH 03101
EIN:	02-0395296
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:		ELLIOT HOSPITAL
Address. Either US or Foreign Type:		1 ELLIOT WAY MANCHESTER, NH 03103
EIN:		02-0232673
Electing Organization Checkbox:		☑
Total Grassroots Lobbying:	9,572	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	9,572	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	9,572	
Lobbying Nontaxable Amount:	1,914	
Grassroots Nontaxable Amount:	479	
Tot Lobbying Grassroot Minus Non Tx:	9,093	
Tot Lobby Expend Mns Lobbying Non Tx:	7,658	
Share Of Excess Lobbying:	0	
Affiliated Group Business Name:		ELLIOT PROFESSIONAL SERVICES
Address. Either US or Foreign Type:		1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:		33-1003630
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	

Affiliated Group Business Name:		ELLIOT PHYSICIAN NETWORK
Address. Either US or Foreign Type:		1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:		02-0509589
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	
Affiliated Group Business Name:		ELLIOT HEALTH SYSTEM HOLDINGS INC & SUBSIDIARIES
Address. Either US or Foreign Type:		1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:		02-0512224
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	

Affiliated Group Business Name:		JOHN & MARY ELLIOT CHARITABLE FOUNDATION
Address. Either US or Foreign Type:		1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:		02-0512229
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	
Affiliated Group Business Name:		ELLIOT COMMON TRUST FUND LLC
Address. Either US or Foreign Type:		1 ELLIOT WAY MANCHESTER, NH 03103
EIN:		02-3653624
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	

Affiliated Group Business Name:		ELLIOT HEALTH SYSTEM PROFESSIONAL & GENERAL LIABILITY INSURANCE TRUST
Address. Either US or Foreign Type:		1 ELLIOT WAY MANCHESTER, NH 03101
EIN:		01-6217452
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	

Elliot Hospital and Affiliates

Audited Consolidated Financial Statements and Other Financial Information

Years Ended June 30, 2014 and 2013
With Independent Auditors' Report

ELLIOT HOSPITAL AND AFFILIATES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

June 30, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Elliot Hospital and Affiliates

We have audited the accompanying consolidated financial statements of Elliot Hospital and Affiliates (the Hospital), which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations, 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.

Auditors' 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 audit 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 auditors' 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.

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 financial position of the Hospital as of June 30, 2014 and 2013, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
September 19, 2014

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATED BALANCE SHEETS

June 30, 2014 and 2013

ASSETS

	2014	2013
Current assets:		
Cash and cash equivalents	$ 44,539,208	$ 34,171,904
Accounts receivable, less allowance for doubtful accounts of $22,564,224 in 2014 and $22,432,096 in 2013 (notes 2 and 11)	50,220,509	49,060,492
Inventories	2,429,569	2,405,426
Amounts due from affiliates	185,795	–
Other current assets (note 3)	8,460,709	8,239,348
Total current assets	105,835,790	93,877,170
Property, plant and equipment, less accumulated depreciation (notes 4, 5 and 12)	157,423,493	160,069,629
Other assets:		
Unamortized bond issuance costs, net (notes 2 and 5)	1,795,804	1,953,547
Other (note 2)	9,456,843	9,144,460
	11,252,647	11,098,007
Assets whose use is limited (notes 6 and 13):		
Board designated and donor restricted investments	90,659,623	78,258,767
Held by trustee under revenue bond and note agreements (note 5)	14,014,391	17,257,143
Employee benefit plans and other (note 2)	10,529,796	7,555,005
Beneficial interest in perpetual trusts	6,689,026	5,975,135
	121,892,836	109,046,050
Total assets	$396,404,766	$374,090,856

LIABILITIES AND NET ASSETS

	2014	2013
Current liabilities:		
Accounts payable and accrued expenses	$ 16,234,257	$ 14,681,600
Accrued salaries, wages and related accounts	25,752,432	23,643,135
Accrued interest	1,941,486	2,274,308
Amounts payable to third-party payors (note 3)	6,251,295	6,884,814
Amounts due to affiliates	–	139,811
Current portion of long-term debt (note 5)	3,300,310	2,601,652
Total current liabilities	53,479,780	50,225,320
Accrued pension (note 7)	52,764,846	46,928,774
Self-insurance reserves and other liabilities (note 2)	23,124,186	20,423,834
Long-term debt, less current portion (note 5)	142,262,146	149,143,505
Total liabilities	271,630,958	266,721,433
Net assets:		
Unrestricted	109,348,128	93,303,068
Temporarily restricted	2,444,029	1,801,521
Permanently restricted	12,981,651	12,264,834
	124,773,808	107,369,423
Total liabilities and net assets	$396,404,766	$374,090,856

See accompanying notes.

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2014 and 2013

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Balances at July 1, 2012	$ 56,352,616	$1,696,380	$11,895,428	$ 69,944,424
Excess of revenues and nonoperating gains (losses) over expenses	5,551,635	–	–	5,551,635
Restricted gifts and bequests	–	–	4,621	4,621
Investment income and net loss on investments, net (note 6)	–	–	(2,978)	(2,978)
Net unrealized gain on investments (notes 2 and 6)	–	105,141	367,763	472,904
Pension adjustment (note 7)	31,948,644	–	–	31,948,644
Net transfers to affiliates (note 8)	(549,827)	–	–	(549,827)
Increase in net assets	36,950,452	105,141	369,406	37,424,999
Balances at June 30, 2013	93,303,068	1,801,521	12,264,834	107,369,423
Excess of revenues and nonoperating gains (losses) over expenses	21,418,047	–	–	21,418,047
Restricted gifts and bequests	–	–	2,091	2,091
Investment income and net gain on investments, net (note 6)	–	–	836	836
Net unrealized gain on investments (notes 2 and 6)	–	642,508	713,890	1,356,398
Pension adjustment (note 7)	(4,796,275)	–	–	(4,796,275)
Net transfers to affiliates (note 8)	(576,712)	–	–	(576,712)
Increase in net assets	16,045,060	642,508	716,817	17,404,385
Balances at June 30, 2014	$109,348,128	$2,444,029	$12,981,651	$124,773,808

See accompanying notes

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2014 and 2013

	2014	2013
Operating activities and net gains:		
Increase in net assets	$ 17,404,385	$ 37,424,999
Adjustments to reconcile increase in net assets to net cash provided by operating activities and net gains:		
Depreciation and amortization	14,612,782	16,481,438
Loss on disposal of fixed assets	53,762	18,881
Restricted investment income and net (gain) loss on investments	(836)	2,978
Restricted gifts and bequests	(2,091)	(4,621)
Net transfers to affiliates	576,712	549,827
Pension adjustment	4,796,275	(31,948,644)
Net realized and unrealized gains on investments	(11,431,899)	(3,400,572)
Loss on bond refinancing	325,513	–
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,160,017)	(9,564,389)
Inventories	(24,143)	(261,542)
Other current and noncurrent assets	(533,744)	(3,363,450)
Accounts payable and accrued expenses	1,552,657	(3,475,165)
Accrued salaries, wages and related accounts	2,109,297	4,686,676
Accrued interest	(332,822)	(21,442)
Amounts due to/from affiliates	(325,606)	75,055
Accrued pension	1,039,797	6,226,248
Self-insurance reserves and other liabilities	2,700,352	2,986,415
Amounts payable to third-party payors	(633,519)	(1,100,480)
Net cash provided by operating activities and net gains	30,726,855	15,312,212
Investing activities:		
Acquisition of property, plant and equipment, net of disposals	(11,858,157)	(5,656,599)
Net change in assets whose use is limited	(1,414,887)	(1,425,846)
Net cash used by investing activities	(13,273,044)	(7,082,445)
Financing activities:		
Proceeds of notes payable, net of issuance costs	16,888,971	–
Repayment of notes payable, debt and capital lease obligations	(23,401,693)	(1,792,777)
Net cash transfers to affiliates	(576,712)	(549,827)
Restricted investment income and net loss on investments	836	(2,978)
Restricted gifts and bequests	2,091	4,621
Net cash used by financing activities	(7,086,507)	(2,340,961)
Increase in cash and cash equivalents	10,367,304	5,888,806
Cash and cash equivalents at beginning of year	34,171,904	28,283,098
Cash and cash equivalents at end of year	$ 44,539,208	$ 34,171,904
Noncash investing and financing activities:		
Assets acquired under capital lease agreements	$ –	$ 68,446

See accompanying notes.

1. Organization

Elliot Hospital is a not-for-profit acute care hospital which serves residents of Southern New Hampshire. Elliot Health System (the System) is the sole member of Elliot Hospital.

Elliot Hospital is the sole corporate member for Elliot Physician Network (EPN), a not-for-profit network of primary care physicians, and Elliot Professional Services (EPS), a not-for-profit network of specialty care physicians. These consolidated financial statements reflect the combined financial position, results of operations and cash flows of EPN, EPS and Elliot Hospital. These entities are collectively referred to as "the Hospital" in these consolidated financial statements.

Elliot Hospital (excluding EPN and EPS) and the System comprise the Obligated Group as defined under a Master Trust Indenture dated October 1, 2003 (as amended) under the 2003, 2009 and 2013 bond offerings. See note 5.

The Hospital also participates in certain strategic affiliation and joint operating agreements with outside entities.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Elliot Hospital, EPN and EPS. All significant intercompany balances and transactions have been eliminated in the consolidation.

Charity Care

The Hospital's patient acceptance policy is based on its mission and its community service responsibilities. Accordingly, the Hospital accepts patients in immediate need of care, regardless of their ability to pay. It does not pursue collection of amounts determined to qualify as charity care based on established policies. These policies define charity care as those services for which no payment is due for all or a portion of the patient's bill. For financial reporting purposes, charity care is excluded from net patient service revenue.

In estimating the cost of providing charity care, the Hospital uses the ratio of average patient care cost to gross charges and then applies that ratio to the gross uncompensated charges associated with providing charity care.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and secured repurchase agreements which have an original maturity of three months or less when purchased.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

2. Significant Accounting Policies (Continued)

Net Patient Service Revenues and Accounts Receivable

The Hospital has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. 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. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors.

The provision for bad debts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. The Hospital records a provision for bad debts in the period services are provided related to self-pay patients, including both insurance patients and patients with deductible and copayment balances due for which third-party coverage exists for a portion of their balance.

Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for doubtful accounts. The decrease in the provision for bad debts in 2014 is driven primarily by revisions to the Hospital's charity care policy eligibility. Accounts receivable are written off after collection efforts have been followed in accordance with internal policies.

Income Taxes

Elliot Hospital, EPN and EPS are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated financial statements. With few exceptions, the Hospital is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2011.

2. Significant Accounting Policies (Continued)

Performance Indicator

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral transactions are reported as nonoperating gains or losses.

The consolidated statements of operations also include excess of revenues and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and nonoperating gains (losses) over expenses, consistent with industry practice, include net assets released from restrictions for capital purchases, pension adjustments, and transfers to or from affiliates.

Classification of Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Investments and Investment Income

Investments, including funds held by trustee under revenue bond agreements, are measured at fair value in the consolidated balance sheets. Interest and dividend income on unlimited use investments and operating cash is reported within operating revenues. Investment income or loss on assets whose use is limited (including realized and unrealized gains and losses on investments, and interest and dividends) is included in the excess of revenues and nonoperating gains (losses) over expenses as the Hospital has elected to reflect changes in the fair value of investments and assets whose use is limited, including both increases and decreases in value whether realized or unrealized in nonoperating gains or losses unless the income or loss is restricted by donor or law, in which case it is reported as an increase in temporarily or permanently restricted net assets.

Beneficial Interest in Perpetual Trusts

The Hospital has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the Hospital are restricted by the donor for use in nursing education and women's and children's services. The Hospital's interest in the fair value of the trust assets is included in assets whose use is limited. Changes in the market value of beneficial trust assets are reported as increases or decreases to permanently restricted net assets.

2. Significant Accounting Policies (Continued)

Investment Policies

The Hospital's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Temporarily restricted funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation, and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4.5%, over a long-term time horizon (greater than 7 to 10 years).

The Hospital targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Spending Policy for Appropriation of Assets for Expenditure

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the Hospital, from time to time, to provide a stream of funding for the support of key programs The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Hospital currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal, including its appreciation, intact.

2. Significant Accounting Policies (Continued)

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost, determined on a weighted-average method, or market.

Bond Issuance Costs/Original Issue Discount

The bond issuance costs incurred to obtain financing for construction and renovation programs and the original issue discount are being amortized by the straight-line method over the life of the bonds. The original issue discount is presented as a reduction of the face amount of bonds payable.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair market value at time of donation, less reductions in carrying value based upon impairment and less accumulated depreciation. The Hospital's policy is to capitalize expenditures for major improvements and charge maintenance and repairs as expenditures which do not extend the lives of the related assets. The provision for depreciation is computed on the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the related expenditure is incurred.

Advertising Expense

Advertising costs are expensed as incurred and totaled approximately $1,577,000 and $1,407,000 in 2014 and 2013, respectively.

Retirement Benefits

The Hospital participates in a defined benefit pension plan for certain of its employees, the Elliot Health System Pension Plan (the Plan), which is sponsored by the System.

Effective July 1, 2006, the Plan was amended to close the Plan to employees hired after June 30, 2006. Eligible employees hired prior to July 1, 2006 are grandfathered under the Plan and will continue to accrue benefits as long as they remain at a participating System entity and in an eligible status.

2. Significant Accounting Policies (Continued)

The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the *Employee Retirement Income Security Act of 1974*, plus such additional amounts as might be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

The System provides, and the Hospital participates in, a defined contribution program for all eligible employees hired on or after July 1, 2006. Under this program, eligible employees may receive annual employer contributions to a System sponsored tax sheltered annuity plan or 401(k) plan up to 3% of annual base pay.

The System also provides discretionary matching contributions to a tax sheltered annuity plan or 401(k) plan equal to up to one-half of the employee's contribution to a maximum of 4% of their annual base pay. Total expense incurred by the Hospital was $3,413,293 and $2,778,359 under these defined contribution plans for the years ended June 30, 2014 and 2013, respectively.

The System sponsors deferred compensation plans for certain qualifying employees. The amounts ultimately due to employees are to be paid upon the employees attaining certain criteria, including age. At June 30, 2014 and 2013, $10,529,796 and $7,555,005, respectively, is reflected in assets whose use is limited and $10,479,792 and $7,454,997, respectively, in other long-term liabilities related to such agreements.

Workers' Compensation

The System, including the Hospital, is self-insured for workers' compensation. In 2014, the System secured its obligation through a surety bond. Previously, the System had an irrevocable workers' compensation trust to fund anticipated losses for workers' compensation claims. The System maintains an excess insurance policy to limit its exposure on claims to $550,000 per occurrence. Reserves for claims made and potential unreported claims have been established to provide for incurred but unpaid claims. The amount of the reserve has been determined by an actuarial consultant.

Employee Health and Dental Insurance

The Hospital participates in a self-insurance plan for employee health and dental, sponsored by the System. Under the terms of the plan, employees meeting certain eligibility requirements and their dependents are eligible for participation and, as such, the System is responsible for the administration of the plan and any resultant liability incurred. The System maintains individual stop-loss insurance coverage.

Employee Fringe Benefits

The Hospital has an earned time plan. Under this plan, each qualifying employee earns paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee and are paid to the employee upon termination subject to certain limits. The Hospital accrues a liability for such paid leave as it is earned.

2. Significant Accounting Policies (Continued)

Malpractice Loss Contingencies

Prior to February 1, 2011, the System, including the Hospital, was insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintained excess professional and general liability insurance policies to cover claims in excess of liability retention levels. Effective February 1, 2011, the System, including the Hospital, insures its medical malpractice risks through a multiprovider captive insurance company. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At June 30, 2014, there were no known malpractice claims outstanding for the Hospital which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The Hospital's interest in the captive at June 30, 2014 represents approximately 48% of the captive, although control of the captive is equally shared by participating hospitals. The Hospital has recorded its interest in the captive's equity, totaling approximately $612,000 and $1,863,000 at June 30, 2014 and 2013, respectively, in other assets on the accompanying consolidated balance sheets. Changes in the Hospital's interest are included in nonoperating gains (losses) on the accompanying consolidated statements of operations. The Hospital has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospital.

In accordance with Accounting Standards Update (ASU) No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), at June 30, 2014 and 2013, the Hospital recorded a liability of $7,095,312 and $5,626,851, respectively, related to estimated professional liability losses covered under the captive. At June 30, 2014 and 2013, the Hospital also recorded a receivable of $7,095,312 and $5,626,851, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in self-insurance reserves and other liabilities, and other assets, respectively, on the consolidated balance sheets.

Litigation

The Hospital is involved in litigation and regulatory reviews arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's financial position, results of operations or cash flows.

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Financial instruments consist of cash and cash equivalents, investments, accounts receivable, assets whose use is limited or restricted, accounts payable, estimated third-party payor settlements and long-term debt

2. Significant Accounting Policies (Continued)

The fair value of all financial instruments other than long-term debt approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value as disclosed in note 13. The fair value of the Hospital's long-term debt is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements, and is disclosed in note 5 to the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for the allowance for uncollectible accounts, long-lived assets, insurance costs, employee benefit plans, contractual allowances, third-party payor settlements and contingencies. It is reasonably possible that actual results could differ from those estimates. Adjustments made with respect to the use of estimates often relate to improved information not previously available.

Reclassifications

Certain 2013 amounts have been reclassified to permit comparison with the 2014 consolidated financial statements presentation format.

Subsequent Events

Management of the Hospital evaluated events occurring between the end of its fiscal year and September 19, 2014, the date the consolidated financial statements were available to be issued.

3. Patient Service and Other Revenues

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for bad debts recognized in 2014 and 2013 from major payor sources, is as follows:

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Service Revenues Less Provision for Bad Debts
2014				
Private payors (includes coinsurance and deductibles)	$430,418,289	$134,590,107	$16,385,797	$ 279,442,385
Medicaid	104,806,385	81,478,900	826,189	22,501,296
Medicare	341,304,279	228,285,702	2,056,849	110,961,728
Self-pay	35,009,773	8,030,791	14,083,818	12,895,164
	$911,538,726	$452,385,500	$33,352,653	$ 425,800,573

3. Patient Service and Other Revenues (Continued)

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Service Revenues Less Provision for Bad Debts
2013				
Private payors (includes coinsurance and deductibles)	$419,407,932	$131,232,667	$19,342,700	$ 268,832,565
Medicaid	99,171,019	78,773,848	1,733,501	18,663,670
Medicare	309,422,341	207,187,189	2,494,945	99,740,207
Self-pay	43,083,346	8,290,239	26,202,611	8,590,496
	$871,084,638	$425,483,943	$49,773,757	$ 395,826,938

The Hospital maintains contracts with the Social Security Administration (Medicare) and the State of New Hampshire Department of Health and Human Services (Medicaid). The Hospital is paid a prospectively determined fixed price for Medicare and Medicaid inpatient acute care services depending on the type of illness or the patient's diagnostic related group classification. Reimbursement for Medicare for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed rate. The Hospital receives payment for other Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. The percentage of net patient service revenue earned from the Medicare and Medicaid programs was 27% and 5%, respectively, in 2014 and 27% and 6%, respectively, in 2013.

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 including fines, penalties and exclusion from the Medicare and Medicaid programs. The Hospital believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payors increased net patient service revenues by approximately $1,580,000 and $3,100,000 in 2014 and 2013, respectively.

The Hospital also maintains contracts with Anthem Blue Cross, Cigna, Harvard Pilgrim Health Care, certain commercial carriers, managed care plans and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee schedules.

3. Patient Service and Other Revenues (Continued)

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The Hospital filed certain Stage I Year 2 meaningful use attestations with CMS. Revenue totaling $1,081,689 and $2,225,853 associated with these meaningful use attestations was recorded as other revenue for the years ended June 30, 2014 and 2013, respectively. In addition, receivable amounts of $1,522,737 and $1,861,816 were recorded in other current assets at June 30, 2014 and 2013, respectively.

4. Property, Plant and Equipment

The major categories of property, plant and equipment at June 30, 2014 and 2013 are as follows:

	2014	2013
Operating properties:		
Land and land improvements	$ 11,281,127	$ 11,281,127
Buildings and fixed equipment	194,863,223	192,033,047
Major movable equipment	141,699,042	134,474,005
Construction and projects in progress	6,902,394	6,700,833
	354,745,786	344,489,012
Less accumulated depreciation	(207,360,132)	(194,782,454)
	147,385,654	149,706,558
Rental properties:		
Major movable equipment	123,244	123,244
Buildings and fixed equipment	11,810,216	11,781,837
	11,933,460	11,905,081
Less accumulated depreciation	(1,895,621)	(1,542,010)
	10,037,839	10,363,071
Net property, plant and equipment	$ 157,423,493	$ 160,069,629

5. Debt

Long-term debt of the Hospital at June 30, 2014 and 2013 consists of the following:

	2014	2013
Business Finance Authority of the State of New Hampshire -		
Revenue Bonds:		
Elliot Hospital Obligated Group Series 2009A Bonds with interest ranging from 4.0% to 6.125% per year and required sinking fund installments of amounts ranging from $895,000 to $10,840,000 through October 1, 2039. The bonds may be redeemed in whole or in part on or after October 1, 2019 at par	$129,265,000	$130,000,000
Less unamortized original issue discount	(1,858,705)	(1,931,834)
	127,406,295	128,068,166
New Hampshire Health and Education Facilities Authority -		
Revenue Bonds:		
Elliot Hospital Obligated Group Series 2013 bonds with a fixed interest rate of 2.05% per year and a total monthly payment of principal and interest of $217,925 through October 1, 2020	15,505,960	–
Elliot Hospital Obligated Group Series 2003B bonds with interest ranging from 4.25% to 5.6% per year and required sinking fund installments of amounts ranging from $1,630,000 to $2,660,000 through October 1, 2022. The bonds were redeemed in whole on October 1, 2013 at par	–	21,075,000
Less unamortized original issue discount	–	(124,863)
	15,505,960	20,950,137
Notes payable – see below	2,500,000	2,500,000
Capital lease obligations – see note 12	150,201	226,854
	145,562,456	151,745,157
Less current portion	(3,300,310)	(2,601,652)
	$142,262,146	$149,143,505

Proceeds from the Series 2013 bonds were used to retire the Series 2003B bonds. The Hospital recognized a loss of $325,513 in 2014 on this transaction, which primarily relates to the write-off of unamortized bond issuance costs and unamortized original issue discount associated with the Series 2003B bonds that is recorded in nonoperating gains (losses).

5. Debt (Continued)

Under the terms of the Series 2009A bonds payable to the Business Finance Authority of the State of New Hampshire at June 30, 2014, debt service reserve and interest funds are required to provide for payment of principal and interest if the Obligated Group fails to make required payments. The funds are held by a trustee and can be returned to the Obligated Group as the requirements of the fund (which are equal to the maximum amount of principal and interest due in any one future year) are decreased. The Obligated Group's agreement with the Business Finance Authority of the State of New Hampshire and the New Hampshire Health and Education Facilities Authority (collectively, the Authorities) for the Series 2009A and 2013 bonds grants the Authorities a security interest in the Hospital's gross receipts and a mortgage on the Hospital's existing and future facilities and equipment. In addition, under the terms of the master indenture, the Obligated Group is required to meet certain covenant requirements. At June 30, 2014 and 2013, the Obligated Group was in compliance with these requirements.

The funds held by the trustee under the revenue bond and note agreements at June 30 are comprised of the following:

	2014	2013
Debt service interest fund	$ 2,621,420	$ 3,323,566
Debt service reserve fund	11,392,971	13,841,827
Other expense fund	–	91,750
	$14,014,391	$17,257,143

In 2011, the Hospital entered into a $2.5 million note payable to finance a land purchase. This note was refinanced with a bank in 2014. Interest is payable annually at the rate of LIBOR plus 1.50% (1.65% at June 30, 2014). The outstanding principal balance is due and payable on April 9, 2019.

Interest paid totaled $8,913,616 and $9,232,192 for the years ended June 30, 2014 and 2013, respectively. There was no interest capitalized for the years ended June 30, 2014 and 2013.

Aggregate annual principal payments required under the bond, note and capital lease agreements for each of the five years ending June 30, 2019 are approximately $3,300,000, $3,359,000, $3,414,000, $3,484,000 and $6,080,000, respectively.

The fair value, based on current market rates, of the Hospital's notes payable and long-term debt was approximately $141,897,000 and $160,864,000 as of June 30, 2014 and 2013, respectively.

During 2012, the Hospital entered into a $15,000,000 unsecured line of credit agreement with a bank which is due on demand. The line of credit agreement bears interest at LIBOR plus 1.15% (1.30% at June 30, 2014). At June 30, 2014 and 2013, there were no borrowings outstanding under this agreement.

6. Assets Whose Use is Limited

Assets whose use is limited at fair value at June 30, 2014 and 2013 are comprised of the following:

	2014	2013
Cash and equivalents	$ 10,038,769	$ 7,550,964
Marketable equity securities	49,757,209	41,292,147
U.S. Government obligations and corporate bonds	38,632,945	44,597,838
Employee benefit plans and other	10,529,796	7,555,005
Beneficial interest in perpetual trusts	6,689,026	5,975,135
Alternative investments	6,245,091	2,074,961
	$121,892,836	$109,046,050

Board designated and donor restricted investments of the Hospital are pooled with other System entities into the Elliot Common Trust Fund LLC. The Hospital's allocation of this pool, along with self-insured trust funds, at June 30, 2014 and 2013 is comprised of the following:

	2014	2013
Board designated:		
Capital, working capital and community service	$75,779,140	$62,697,065
Self-insurance	3,724,284	6,288,934
	79,503,424	68,985,999
Donor restricted and other	11,156,199	9,272,768
	$90,659,623	$78,258,767

Investment income, and realized and unrealized gains on investments for the years ending June 30, 2014 and 2013 are summarized as follows:

	2014	2013
Unrestricted investment income and net gains on investments are summarized as follows:		
Investment income	$ 1,981,617	$ 1,849,878
Nonoperating investment income	382,069	376,241
Realized gain on sale of investments	1,915,853	2,032,506
Net unrealized gain on investments	8,159,648	895,162
	12,439,187	5,153,787
Restricted investment income and net gains on investments are summarized as follows:		
Investment income and net gain (loss) on investments	836	(2,978)
Net unrealized gain on investments	1,356,398	472,904
	1,357,234	469,926
Total restricted and unrestricted	$13,796,421	$ 5,623,713

7. Retirement Benefits

A reconciliation of the changes in the Elliot Health System Pension Plan's projected benefit obligation and the fair value of plan assets and a statement of funded status of the plan as of and for the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Changes in benefit obligation:		
Projected benefit obligations, beginning of year	$(256,615,093)	$(266,820,286)
Service cost	(7,905,300)	(9,221,232)
Interest cost	(12,481,489)	(11,521,273)
Benefits paid	11,709,028	3,806,287
Actuarial (loss) gain	(29,769,346)	26,778,840
Administrative expenses paid	833,823	362,571
Projected benefit obligations, end of year	$(294,228,377)	$(256,615,093)
Changes in plan assets:		
Fair value of plan assets, beginning of year	$ 207,934,620	$ 191,415,690
Actual return on plan assets	34,100,202	9,416,520
Contributions by plan sponsor	10,000,000	11,271,268
Benefits paid	(11,709,028)	(3,806,287)
Actual administrative expense paid	(833,823)	(362,571)
Fair value of plan assets, end of year	$ 239,491,971	$ 207,934,620
Funded status:		
Fair value of plan assets	$ 239,491,971	$ 207,934,620
Projected benefit obligations	(294,228,377)	(256,615,093)
Funded status of the plan	$ (54,736,406)	$ (48,680,473)

The accumulated benefit obligation at June 30, 2014 and 2013 was $278,187,480 and $239,509,481, respectively. Benefit payments in 2014 include outflows for cash settlements of $7,063,417 with certain terminated vested employees.

Amounts recognized in the statements of financial position at June 30, 2014 and 2013 consist of:

	2014	2013
Net liability recognized by the System	$(54,736,406)	$(48,680,473)
Amounts recognized by the Hospital	$(52,764,846)	$(46,928,774)

7. Retirement Benefits (Continued)

The weighted-average assumptions used to develop the projected benefit obligation as of June 30, 2014 and 2013 are:

	2014	2013
Discount rate	4.36%	4.95%
Rate of compensation increase	3.75	3.75

Amounts recognized in unrestricted net assets at June 30, 2014 and 2013 consist of:

	2014	2013
Net actuarial loss	$54,135,445	$49,223,435
Prior service cost (credit)	97,698	60,913
Total amount recognized by the System	$54,233,143	$49,284,348
Amounts recognized by the Hospital	$52,200,778	$47,404,502

Pension Plan Assets

The fair values of the System's pension plan assets and target allocations as of June 30, 2014, by asset category are as follows (see note 13 for level definitions):

	Target Allocation 2014	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments:	6%				
Money market fund		$ 20,298,166	$ 20,298,166	$ –	$ –
Equity securities:	44%				
Common stocks		50,610,387	50,610,387	–	–
Mutual funds		11,744,797	11,744,797	–	–
Other equities		8,874,597	8,874,597	–	–
Fixed income securities:	50%				
U.S. Government and agency obligations		34,986,017	34,786,035	199,982	–
Municipal bonds		10,027,704	–	10,027,704	–
Mutual funds - balanced		6,315,984	6,315,984	–	–
Corporate and foreign bonds		95,453,725	95,453,725	–	–
Unallocated insurance contract		1,180,594	–	–	1,180,594
		$239,491,971	$228,083,691	$10,227,686	$1,180,594

7. Retirement Benefits (Continued)

The fair values of the System's pension plan assets and target allocations as of June 30, 2013, by asset category are as follows (see note 13 for level definitions):

	Target Allocation 2013	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments:	6%				
Money market fund		$ 2,512,844	$ 2,512,844	$ –	$ –
Equity securities:	44%				
Common stocks		55,249,505	55,249,505	–	–
Mutual funds		12,140,236	12,140,236	–	–
Other equities		31,098,404	31,098,404	–	–
Fixed income securities:	50%				
U.S. Government and agency obligations		25,995,734	24,010,188	1,985,546	–
Municipal bonds		7,398,757	–	7,398,757	–
Mutual funds		3,764,794	3,764,794	–	–
Corporate and foreign bonds		68,502,875	68,502,875	–	–
Collateralized mortgage obligations		5,367	–	5,367	–
Unallocated insurance contract		1,266,104	–	–	1,266,104
		$207,934,620	$197,278,846	$ 9,389,670	$1,266,104

The table below sets forth a summary of changes in plan assets using unobservable inputs (Level 3):

	2014	2013
Balance, beginning of year	$1,266,104	$1,284,073
Unrealized gains related to instruments still held at the reporting date	68,666	75,181
Purchases, sales, issuances and settlements, net	(154,176)	(93,150)
Balance, end of year	$1,180,594	$1,266,104

Management of the assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation, and providing liquidity as needed for plan benefits. The objective is to provide a rate of return that meets inflation, plus 5 5%, over a long-term horizon.

7. Retirement Benefits (Continued)

In addition to the total return goal, the portfolio is constructed to hedge a portion of the interest rate risk of the Plan's liability. The portion of the interest rate risk hedged is the percent of assets allocated to fixed income investments multiplied by the Plan's funded status. The fixed income asset class is structured to reduce the volatility of the funded status by matching the duration of the Plan's liability which is currently approximately 18 years. The current strategic asset allocation target for the fixed income portfolio is 50% of total plan assets, which is designed to hedge approximately 35% of the plan liability.

These funds are managed as permanent funds with disciplined longer term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Net periodic pension cost includes the following components at June 30, 2014 and 2013:

	2014	2013
Service cost	$ 7,905,300	$ 9,221,232
Interest cost	12,481,489	11,521,273
Expected return on plan assets	(13,931,149)	(13,280,360)
Amortization:		
Actuarial loss	4,688,283	10,319,626
Prior service credit	(36,785)	(38,591)
Net periodic pension cost - System	$ 11,107,138	$ 17,743,180
Amount recognized by the Hospital	$ 10,796,398	$ 17,212,086

The weighted-average assumptions used to develop net periodic pension cost for the years ended June 30, 2014 and 2013 were as follows:

	2014	2013
Discount rate	4.95%	4.31%
Expected return on plan assets	7.00	7.50
Rate of compensation	3.75	3.75

In selecting the long-term rate of return on assets, the System considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plan. This included considering the trust's asset allocation and the expected returns likely to be earned over the life of the plan, as well as the historical returns on the types of assets held and the current economic environment.

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2015 are as follows:

Actuarial loss	$6,364,655
Prior service credit	30,049
	$6,394,704

7. Retirement Benefits (Continued)

Contributions

The System expects to contribute $10 million to its pension plan in 2015.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	Pension Benefits
2015	$ 5,713,800
2016	6,673,700
2017	7,699,100
2018	8,888,800
2019	9,923,500
Years 2020 – 2024	65,801,500

8. Related Party Transactions

Elliot Health System

The Hospital transferred cash and certain assets to and received certain assets from Elliot Health System and its affiliates during the years ended June 30, 2014 and 2013 for the following purposes:

	2014	2013
Mary and John Elliot Charitable Foundation – cash and investments	$ 43,288	$ 78,173
40 Buttrick Road	(620,000)	(628,000)
Net transfers to Elliot Health System and affiliates	$(576,712)	$ (549,827)

In addition, for the year ended June 30, 2014, the Hospital provided professional services for consolidated affiliates of the System. Included in other revenues for the year ended June 30, 2014 is $5,024,956, which management has determined to be the cost of services incurred by the Hospital and provided and allocated to these affiliates. This amount is eliminated upon consolidation in the System consolidated financial statements.

Leases

The Hospital leases various spaces that they own under operating lease arrangements primarily to related parties. Rental income for the years ended June 30, 2014 and 2013 was $1,855,816 and $2,025,385, respectively. These amounts are included in other nonoperating gains (losses) in the accompanying consolidated statements of operations.

9. Community Benefits

The Hospital provided charity care to eligible patients. Estimated costs incurred to provide charity care were approximately $12,062,000 and $8,006,000 for the years ended June 30, 2014 and 2013, respectively. Other community benefits provided by the Hospital included various community service programs such as prenatal and educational programs, health screenings, health publications and other health information services, the cost of which amounted to $778,266 and $1,035,270 for the years ended June 30, 2014 and 2013, respectively. The estimated cost of providing community benefits for the years ended June 30, 2014 and 2013 are summarized below:

	2014	2013
Charity care	$12,062,000	$ 8,006,000
Community service programs and contributions to community agencies	778,266	1,035,270
	$12,840,266	$ 9,041,270

10. Functional Expenses

The Hospital provides general health care services to residents within its geographic location including inpatient, outpatient, physician and emergency care. Expenses related to providing these services are as follows:

	2014	2013
Health care services	$281,999,671	$269,136,809
General and administrative	160,119,125	145,930,382
	$442,118,796	$415,067,191

11. Concentration of Credit Risk

The Hospital grants credit without requiring collateral from its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	2014	2013
Medicare	28%	31%
Medicaid	12	11
Managed care and other	18	23
Patients (self pay)	28	25
Anthem Blue Cross	14	10
	100%	100%

12. Leases

The Hospital leases various office facilities and equipment from unrelated parties under noncancelable operating leases. Total rental expense for the years ended June 30, 2014 and 2013 was $8,150,989 and $8,283,568, respectively. The Hospital also leases equipment under lease agreements that are classified as capital leases.

The cost of equipment under capital leases was $2,491,611 and $3,124,429 at June 30, 2014 and 2013, respectively. Accumulated amortization of the leased equipment at June 30, 2014 and 2013 was $2,349,208 and $2,823,735, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

Future minimum lease payments required under operating and capital leases and the present value of the net minimum lease payments as of June 30, 2014 is as follows:

	Operating Leases	Capital Leases	Total
Year Ending June 30:			
2015	$ 4,312,466	$ 61,758	$ 4,374,224
2016	3,137,125	61,758	3,198,883
2017	1,713,405	30,816	1,744,221
2018	1,555,386	5,589	1,560,975
2019	1,332,669	–	1,332,669
Total minimum lease payments	$12,051,051	159,921	$12,210,972
Less amount representing interest		(9,720)	
Present value of net minimum lease payments		150,201	
Less current maturities of capital lease obligations		(61,758)	
Long-term capital lease obligations		$ 88,443	

13. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Hospital uses various methods including market, income and cost approaches. Based on these approaches, the Hospital often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Hospital is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories.

13. Fair Value Measurements (Continued)

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the fiscal years ended June 30, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the Hospital at year end, which generally results in classification as Level 1 within the fair value hierarchy.

Fixed Income Securities

The fair value for debt instruments is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The Hospital holds U.S. governmental and federal agency debt instruments, municipal bonds, corporate bonds and foreign bonds, which are primarily classified as Level 1 within the fair value hierarchy.

13. Fair Value Measurements (Continued)

Alternative Investments

The Hospital invests in certain alternative investments that include limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the Hospital values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified as Level 3.

Hospital management is responsible for the fair value measurements of alternative investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

Beneficial Interests in Perpetual Trusts

The Hospital is the beneficiary of two perpetual trusts held by a third party. Under the terms of the trusts, the Hospital has the irrevocable right to receive the income earned on the assets of the trusts in perpetuity, but never receives the assets held in the trusts. The Hospital has transparency into the holdings of the trusts. These investments are generally classified as Level 1 within the fair value hierarchy.

Employee Benefit Plan and Other

Underlying plan investments within these funds are stated at quoted market prices. These investments are generally classified as Level 1 within the fair value hierarchy.

13. Fair Value Measurements (Continued)

Fair Value on a Recurring Basis

The following presents the balances of assets measured at fair value on a recurring basis at June 30, 2014 and 2013:

	Total	Level 1	Level 2	Level 3
2014:				
Assets whose use is limited:				
Cash and equivalents	$ 10,038,769	$ 10,038,769	$ –	$ –
Marketable equity securities:				
Common stocks	49,757,209	49,757,209	–	–
Fixed income securities:				
U.S. Government obligations	10,087,648	10,087,648	–	–
Municipal bonds	1,453,007	1,453,007	–	–
Corporate bonds	24,277,287	24,277,287	–	–
Foreign bonds	2,815,003	2,815,003	–	–
Alternative investments	6,245,091	–	–	6,245,091
Beneficial interest in perpetual trusts	6,689,026	6,689,026	–	–
Employee benefit plans and other	10,529,796	10,529,796	–	–
Assets whose use is limited	$121,892,836	$115,647,745	$ –	$6,245,091
2013:				
Assets whose use is limited:				
Cash and equivalents	$ 7,550,964	$ 7,550,964	$ –	$ –
Marketable equity securities:				
Common stocks	41,292,147	41,292,147	–	–
Fixed income securities:				
U.S. Government obligations	15,325,911	15,325,911	–	–
Municipal bonds	1,015,758	1,015,758	–	–
Corporate bonds	23,813,626	23,813,626	–	–
Foreign bonds	4,442,543	4,442,543	–	–
Alternative investments	2,074,961	–	–	2,074,961
Beneficial interest in perpetual trusts	5,975,135	5,975,135	–	–
Employee benefit plans and other	7,555,005	7,555,005	–	–
Assets whose use is limited	$109,046,050	$106,971,089	$ –	$2,074,961

The Hospital's Level 3 investments consist of so called alternative investments, which total approximately $6,245,000 and $2,075,000 at June 30, 2014 and 2013, respectively. The alternative investments consist of interests in five funds that are not actively traded.

13. Fair Value Measurements (Continued)

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated balance sheets and statements of operations

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for the years ended June 30:

	2014	2013
Balance, beginning of year	$ 2,074,961	$2,810,526
Additional purchases and capital contributions	4,393,500	14,613
Capital distributions and investments sold	(1,308,408)	(719,937)
Unrealized gains (losses) on investments held	1,085,038	(30,241)
Balance, end of year	$ 6,245,091	$2,074,961

Investment Strategies

Fixed Income Securities (Debt Instruments)

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

Marketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The Hospital may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

Alternative Investments

The primary purpose of alternative investments is to provide further portfolio diversification and to reduce overall portfolio volatility by investing in strategies that are less correlated with traditional equity and fixed income investments. Alternative investments may provide access to strategies otherwise not accessible through traditional equities and fixed income such as derivative instruments, real estate, distressed debt and private equity and debt.

13. Fair Value Measurements (Continued)

Fair Value of Other Financial Instruments

The following methods and assumptions were used by the Hospital in estimating the "fair value" of other financial instruments in the accompanying consolidated financial statements and notes thereto:

Cash and cash equivalents: The carrying amounts reported in the accompanying consolidated balance sheets for these financial instruments approximate their fair values.

Accounts receivable, accounts payable and accrued expenses: The carrying amounts reported in the accompanying consolidated balance sheets approximate their respective fair values due to the short maturities of these instruments.

Long-term debt The fair value of the notes payable and long-term debt, as disclosed in note 5, was calculated based upon discounted cash flows through maturity based on market rates currently available for borrowings with similar maturities.

14. Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospital for fiscal 2014 that includes settlements for prior year estimates and 2013 was $17,095,883 and $11,674,727, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In addition, as part of the State of New Hampshire's biennial budget process for the two-year period ended June 30, 2013, the State eliminated disproportionate share payments to certain New Hampshire hospitals, including Elliot Hospital. For the year ended June 30, 2014, the State of New Hampshire restored a portion of disproportionate share funding, and the Hospital received a $5,474,485 disproportionate share payment recorded in net patient service revenues.

INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Elliot Hospital and Affiliates

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual entities and is 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 consolidating 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.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
September 19, 2014

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATING BALANCE SHEET

June 30, 2014

ASSETS

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Elimi-nations	Consol-idated
Current assets:					
Cash and cash equivalents	$ 43,173,550	$ 630,534	$ 735,124	$ –	$ 44,539,208
Accounts receivable, net	40,888,878	2,755,691	6,575,940	–	50,220,509
Inventories	2,429,569	–	–	–	2,429,569
Amounts due from affiliates	2,492,675	–	–	(2,306,880)	185,795
Other current assets	7,419,815	792,677	248,217	–	8,460,709
Total current assets	96,404,487	4,178,902	7,559,281	(2,306,880)	105,835,790
Property, plant and equipment, net	157,170,859	1,858	250,776	–	157,423,493
Other assets:					
Unamortized bond issuance costs, net	1,795,804	–	–	–	1,795,804
Other	9,456,843	–	–	–	9,456,843
	11,252,647	–	–	–	11,252,647
Assets whose use is limited:					
Board designated and donor restricted investments	90,659,623	–	–	–	90,659,623
Held by trustee under revenue bond and note agreements	14,014,391	–	–	–	14,014,391
Employee benefit plans and other	10,529,796	–	–	–	10,529,796
Beneficial interest in perpetual trusts	6,689,026	–	–	–	6,689,026
	121,892,836	–	–	–	121,892,836
Total assets	$386,720,829	$ 4,180,760	$7,810,057	$(2,306,880)	$396,404,766

LIABILITIES AND NET ASSETS

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Eliminations	Consolidated
Current liabilities:					
Accounts payable and accrued expenses	$ 15,920,493	$ 45,696	$ 268,068	$ –	$ 16,234,257
Accrued salaries, wages and related accounts	19,953,666	1,318,805	4,479,961	–	25,752,432
Accrued interest	1,941,486	–	–	–	1,941,486
Amounts payable to third-party payors	6,155,950	48,276	47,069	–	6,251,295
Amounts due to affiliates	–	1,489,024	817,856	(2,306,880)	–
Current portion of long-term debt	3,300,310	–	–	–	3,300,310
Total current liabilities	47,271,905	2,901,801	5,612,954	(2,306,880)	53,479,780
Accrued pension	48,835,575	2,701,850	1,227,421	–	52,764,846
Self-insurance reserves and other liabilities	23,124,186	–	–	–	23,124,186
Long-term debt, less current portion	142,262,146	–	–	–	142,262,146
Total liabilities	261,493,812	5,603,651	6,840,375	(2,306,880)	271,630,958
Net assets:					
Unrestricted	109,801,337	(1,422,891)	969,682	–	109,348,128
Temporarily restricted	2,444,029	–	–	–	2,444,029
Permanently restricted	12,981,651	–	–	–	12,981,651
	125,227,017	(1,422,891)	969,682	–	124,773,808
Total liabilities and net assets	$386,720,829	$ 4,180,760	$7,810,057	$(2,306,880)	$396,404,766

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATING BALANCE SHEET

June 30, 2013

ASSETS

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Elimi-nations	Consol-idated
Current assets:					
Cash and cash equivalents	$ 31,851,260	$ 946,133	$1,374,511	$ –	$ 34,171,904
Accounts receivable, net	41,132,456	2,561,406	5,366,630	–	49,060,492
Inventories	2,405,426	–	–	–	2,405,426
Amounts due from affiliates	1,974,954	–	–	(1,974,954)	–
Other current assets	7,140,138	560,722	538,488	–	8,239,348
Total current assets	84,504,234	4,068,261	7,279,629	(1,974,954)	93,877,170
Property, plant and equipment, net	159,910,124	741	158,764	–	160,069,629
Other assets:					
Unamortized bond issuance costs, net	1,953,547	–	–	–	1,953,547
Other	9,144,460	–	–	–	9,144,460
	11,098,007	–	–	–	11,098,007
Assets whose use is limited:					
Board designated and donor restricted investments	78,258,767	–	–	–	78,258,767
Held by trustee under revenue bond and note agreements	17,257,143	–	–	–	17,257,143
Employee benefit plans and other	7,555,005	–	–	–	7,555,005
Beneficial interest in perpetual trusts	5,975,135	–	–	–	5,975,135
	109,046,050	–	–	–	109,046,050
Total assets	$364,558,415	$ 4,069,002	$7,438,393	$(1,974,954)	$374,090,856

LIABILITIES AND NET ASSETS

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Elimi-nations	Consol-idated
Current liabilities:					
Accounts payable and accrued expenses	$ 14,463,905	$ 29,450	$ 188,245	$ –	$ 14,681,600
Accrued salaries, wages and related accounts	18,804,992	1,027,826	3,810,317	–	23,643,135
Accrued interest	2,274,308	–	–	–	2,274,308
Amounts payable to third-party payors	6,789,469	48,276	47,069	–	6,884,814
Amounts due to affiliates	–	1,752,526	362,239	(1,974,954)	139,811
Current portion of long-term debt	2,601,652	–	–	–	2,601,652
Total current liabilities	44,934,326	2,858,078	4,407,870	(1,974,954)	50,225,320
Accrued pension	43,591,648	2,307,472	1,029,654	–	46,928,774
Self-insurance reserves and other liabilities	20,207,870	–	215,964	–	20,423,834
Long-term debt, less current portion	149,143,505	–	–	–	149,143,505
Total liabilities	257,877,349	5,165,550	5,653,488	(1,974,954)	266,721,433
Net assets:					
Unrestricted	92,614,711	(1,096,548)	1,784,905	–	93,303,068
Temporarily restricted	1,801,521	–	–	–	1,801,521
Permanently restricted	12,264,834	–	–	–	12,264,834
	106,681,066	(1,096,548)	1,784,905	–	107,369,423
Total liabilities and net assets	$364,558,415	$ 4,069,002	$7,438,393	$(1,974,954)	$374,090,856

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2013

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Elimi-nations	Consol-idated
Net patient service revenues (net of contractual allowances and discounts)	$363,540,062	$31,598,536	$ 50,462,097	$ –	$ 445,600,695
Provision for bad debts	(41,175,801)	(1,459,087)	(7,138,869)	–	(49,773,757)
Net patient service revenues, less provision for bad debts	322,364,261	30,139,449	43,323,228	–	395,826,938
Investment income	1,844,146	307	5,425	–	1,849,878
Other revenues	16,455,481	1,155,410	4,708,820	(5,328,307)	16,991,404
Total revenues	340,663,888	31,295,166	48,037,473	(5,328,307)	414,668,220
Expenses:					
Salaries, wages and fringe benefits	174,161,306	26,275,790	59,160,986	–	259,598,082
Supplies and other expenses	110,333,897	7,380,325	5,932,513	(5,544,541)	118,102,194
Depreciation and amortization	16,073,286	178,040	230,112	–	16,481,438
New Hampshire Medicaid Enhancement Tax	11,674,727	–	–	–	11,674,727
Interest	9,210,813	–	(63)	–	9,210,750
Total expenses	321,454,029	33,834,155	65,323,548	(5,544,541)	415,067,191
Income (loss) from operations	19,209,859	(2,538,989)	(17,286,075)	216,234	(398,971)
Nonoperating gains (losses):					
Investment return, net	3,303,909	–	–	–	3,303,909
Other	2,858,999	(6,638)	10,570	(216,234)	2,646,697
Nonoperating gains (losses), net	6,162,908	(6,638)	10,570	(216,234)	5,950,606
Excess (deficiency) of revenues and nonoperating gains (losses) over expenses	25,372,767	(2,545,627)	(17,275,505)	–	5,551,635
Pension adjustment	30,210,142	1,169,149	569,353	–	31,948,644
Net transfers from (to) affiliates	(23,309,827)	3,755,000	19,005,000	–	(549,827)
Increase in unrestricted net assets	$ 32,273,082	$ 2,378,522	$ 2,298,848	$ –	$ 36,950,452