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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
EDWARD HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 801 South Washington Street

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Naperville, IL 60540

D Employer identification number
36-3297173

E Telephone number
(630) 527-3000

G Gross receipts $ 947,820,274

F Name and address of principal officer
PAMELA MEYER DAVIS
801 South Washington Street
Naperville,IL 60540

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW EDWARD ORG

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

L Year of formation 1984

M State of legal domicile IL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
EDWARD-ELMHURST HEALTHCARE'S FY 2014 MISSION AND VISION STATEMENT IS "A LOCALLY RESPONSIVE, REGIONALLY SIGNIFICANT HEALTH SYSTEM " TOWARD THIS END, IT IS COMMITTED TO MEETING THE NEEDS OF ITS LOCAL COMMUNITY, WHILE ENSURING THE SCALE AND GEOGRAPHIC REACH TO PROVIDE QUALITY, EFFICIENCY AND ACCESS TO THE POPULATION SERVED EDWARD HOSPITAL PROVIDED $18,640,000 IN CHARITY CARE DURING THE FISCAL YEAR

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	3,569
6	Total number of volunteers (estimate if necessary)	**6**	853
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	2,469,191
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	5,100

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	3,261,793	1,273,794
	9 Program service revenue (Part VIII, line 2g)	488,901,235	535,746,932
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	24,866,474	78,476,351
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	160,759	176,930
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	517,190,261	615,674,007
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	683,000	756,654
	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)	200,762,021	230,373,041
	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)	263,392,314	278,518,688
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	464,837,335	509,648,383
	19 Revenue less expenses Subtract line 18 from line 12	52,352,926	106,025,624

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	820,360,576	921,337,197
	21 Total liabilities (Part X, line 26)	470,983,586	494,395,237
	22 Net assets or fund balances Subtract line 21 from line 20	349,376,990	426,941,960

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

****** 2015-05-11
Signature of officer Date

VINCENT E PRYOR SYSTEM EVP CFO/TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
John V Woodhull				P01305268
Firm's name ▶ CROWE HORWATH LLP			Firm's EIN ▶	
Firm's address ▶ 225 WEST WACKER DRIVE SUITE 2600 CHICAGO, IL 606061224			Phone no (312) 899-7000	

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

THE MISSION OF EDWARD HOSPITAL IS TO SUPPORT HEALTH AND STRENGTHEN COMMUNITIES BY PROVIDING OUTSTANDING HEALTH CARE SERVICES

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 $ 374,956,849 including grants of $ 756,654) (Revenue $ 533,264,206)

EDWARD HOSPITAL IS A FULL-SERVICE, REGIONAL HEALTHCARE PROVIDER OFFERING ACCESS TO COMPLEX MEDICAL SPECIALTIES AND INNOVATIVE PROGRAMMING EDWARD HOSPITAL HAS 352 PRIVATE PATIENT ROOMS AND 4,700 EMPLOYEES, INCLUDING 1,200 NURSES AND A MEDICAL STAFF OF NEARLY 1,050 PHYSICIANS COMPRISED OF INDEPENDENT MEMBERS OF THE MEDICAL STAFF, EMPLOYED PHYSICIANS AND INDEPENDENT CONTRACTORS THE PHYSICIANS REPRESENT 82 MEDICAL AND SURGICAL SPECIALTIES AND SUBSPECIALTIES WITH 98% BOARD CERTIFIED IN THEIR SPECIALTY -- A DESIGNATION AWARDED ONLY TO PHYSICIANS WHO COMPLETE RIGOROUS POST-MEDICAL SCHOOL TRAINING AND PASS AN EXTENSIVE CERTIFICATION TEST EDWARD SERVES THE RESIDENTS OF CHICAGO'S WEST AND SOUTHWEST SUBURBS, INCLUDING NAPERVILLE, AURORA, BOLINGBROOK, DOWNERS GROVE, HOMER GLEN, JOLIET, LEMONT, LISLE, LOCKPORT, MINOOKA, OSWEGO, PLAINFIELD, ROMEOVILLE, SHOREWOOD, WARRENVILLE, WHEATON, WOODRIDGE AND YORKVILLE (CONTINUED IN SCHEDULE O)

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 374,956,849

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		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		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**	Yes	
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**	Yes	
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	211		
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	3,569		
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**	15		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**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**		Yes	
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**		Yes	
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**	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**	Yes	

Section C. Disclosure

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

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

▶ Vince Pryor 801 S Washington Street
Naperville,IL 60540 (630) 527-3000

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DAVE ATCHISON Trustee/Vice Chair	1 00 3 00	X		X				0	0	0
(2) PAMELA M DAVIS system CEO	1 00 39 00	X		X				0	1,527,875	267,186
(3) RON SCHUBEL MD Trustee/Chairman	1 00 3 00	X		X				0	0	0
(4) BRIAN HAGAN Trustee	1 00 3 00	X						0	0	0
(5) DAN HRAD Trustee	1 00 0	X						0	0	0
(6) DAVE BRUEGGEN Trustee	1 00 2 00	X						0	0	0
(7) JOE BEATTY Trustee	1 00 3 00	X						0	0	0
(8) JOE DEPAULO Trustee	1 00 3 00	X						0	0	0
(9) MARY KAY LADONE Trustee	1 00 3 00	X						0	0	0
(10) PAUL MERRICK Trustee	1 00 0	X						0	0	0
(11) ROBERT PLATT Trustee	1 00 2 00	X						0	0	0
(12) ROCCO MARTINO Trustee	1 00 3 00	X						0	0	0
(13) RON NYBERG Trustee	1 00 3 00	X						0	0	0
(14) THOMAS KLOET Trustee	1 00 3 00	X						0	0	0
(15) TIM RIVELLI Trustee	1 00 5 00	X						0	0	0
(16) BRENT E SMITH DO Vice President	39 00 1 00			X				305,788	168,127	99,211
(17) CHRIS J MOLLET System EVP, General Counsel, Secretary	1 00 39 00			X				0	499,875	65,780

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MARIANNE SPENCER Vice President	39 00 1 00			X				354,016	209,376	52,452
(19) PATTI LUDWIG-BEYMER VP, Chief Nursing Officer	37 00 3 00			X				230,028	127,632	70,148
(20) VINCENT E PRYOR System EVP CFO, Treasurer	1 00 39 00			X				0	712,367	149,890
(21) KIMBERLY J STACHE Assoc VP, Operations	40 00 0				X			214,576	0	15,641
(22) LINDA DEVEE Dir, Radiology	40 00 0				X			166,557	0	24,434
(23) LYNN L COCHRAN Assoc VP, Operations	40 00 0				X			186,650	0	34,143
(24) YVETTE M SABA Assoc VP, Operations	40 00 0				X			217,352	0	33,115
(25) MICHAEL J HARTMANN Physician	40 00 0					X		387,662	0	39,422
(26) PETER T SCHUBEL MD Co Med Dir ED/Imdt Care Svcs	40 00 0					X		441,157	0	47,437
(27) RALPH P HOOVER MD Physician	40 00 0					X		424,389	0	50,748
(28) SCOTT J PADALIK Physician	40 00 0					X		412,421	0	39,675
(29) THOMAS A SCALETTA MD Med Dir, Emerg Svs	40 00 0					X		424,596	0	42,013
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,765,194	3,245,250	1,031,293

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 ▶171

			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
EDWARD-ELMHURST HEALTHCARE 801 S WASHINGTON ST NAPERVILLE IL 60540	MANAGEMENT FEES	35,210,041
POWER CONSTRUCTION CO LLC 2360 PALMER DR SCHAUMBURG IL 601733819	CONSTRUCTION SERVICES	32,312,083
EPIC SYSTEMS CORPORATION 1979 MILKY WAY VERONA WI 53593	SOFTWARE IMPLEMENTATION/CONSULT	7,492,532
ADVOCATE MEDICAL GROUP - MIDWEST HEART SPECIALISTS 1901 S MEYERS RD SUITE 350 OAK BROOK TERRACE IL 601815207	PHYSICIAN SERVICES	4,279,965
CONNELLY ELECTRIC CO 40 S ADDISON ROAD SUITE 100 ADDISON IL 60101	ELECTRICAL CONTRACTOR	2,368,271

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 ▶109

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	439,253			
	e	Government grants (contributions)	1e	68,714			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	765,827			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		1,273,794			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	621990	268,999,917	268,999,917		
	b	RENTAL INCOME	532000	824,306	824,306		
	c	HEALTH SCREEN & AMBULATORY	623990	1,437,807	1,437,807		
	d	MEDICARE/MEDICAID PAYMENTS	532000	245,889,164	245,889,164		
	e	REFERENCE LAB	621500	2,913,598	1,504,913	1,408,685	
	f	All other program service revenue		15,682,140	14,621,634	1,060,506	0
	g	**Total.** Add lines 2a–2f . . . . . ▶		535,746,932			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		13,887,270			13,887,270
	4	Income from investment of tax-exempt bond proceeds . . ▶		4,242			4,242
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss) . . . . . ▶			0		
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	396,578,649				
	b	Less cost or other basis and sales expenses	331,989,275	13,535			
	c	Gain or (loss)	64,589,374	-13,535			
	d	Net gain or (loss) . . . . . ▶			64,584,839	-13,535	64,598,374
	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 . . ▶			0		
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶			0		
	10a	Gross sales of inventory, less returns and allowances . a		329,387			
	b	Less cost of goods sold . . b		152,457			
	c	Net income or (loss) from sales of inventory . . ▶			176,930		176,930
		Miscellaneous Revenue	Business Code				
	11a				0		
	b				0		
	c				0		
	d	All other revenue			0	0	0
	e	**Total.** Add lines 11a–11d . . . . . ▶			0		
	12	**Total revenue.** See Instructions . . . . . ▶			615,674,007	533,264,206	2,469,191

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	756,654	756,654		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	4,303,910	376,684	3,927,226	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	441,157	441,157		
7 Other salaries and wages	183,596,903	129,862,127	53,734,776	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,790,355	6,282,229	2,508,126	
9 Other employee benefits	19,490,435	13,929,287	5,561,148	
10 Payroll taxes	13,750,281	9,826,954	3,923,327	
11 Fees for services (non-employees)				
a Management	6,332,711		6,332,711	
b Legal	449,221		449,221	
c Accounting	0			
d Lobbying	42,919		42,919	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	913,087		913,087	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	39,050,600	24,438,626	14,611,974	0
12 Advertising and promotion	2,231,641	413,737	1,817,904	
13 Office expenses	112,142,357	109,221,607	2,920,750	
14 Information technology	0			
15 Royalties . .	0			
16 Occupancy	13,352,980	10,676,080	2,676,900	
17 Travel	726,077	49,608	676,469	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	437,649	147,019	290,630	
20 Interest	4,148,974	3,734,077	414,897	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	31,264,451	28,138,006	3,126,445	
23 Insurance	937,883	937,883		
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 MEDICARE PROVIDER TAX	25,089,848	25,089,848		
b REPARIS & MAINTENANCE	27,618,868	3,186,774	24,432,094	
c MEDICAL FEES/PHYSICIAN INTREGATION	7,039,779	7,039,779		
d COLLECTION FEES	3,965,865		3,965,865	
e All other expenses	2,773,778	408,713	2,365,065	0
25 **Total functional expenses.** Add lines 1 through 24e	509,648,383	374,956,849	134,691,534	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)	0			

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		-269,111	1	6,458,517
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		83,115,572	4	87,657,368
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		9,188,572	8	9,149,260
	9	Prepaid expenses and deferred charges		2,379,341	9	15,339,839
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 748,836,081			
	b	Less accumulated depreciation	10b 386,276,334	330,716,334	10c	362,559,747
	11	Investments—publicly traded securities		350,123,992	11	397,918,037
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		5,259,765	13	0
	14	Intangible assets		28,239,795	14	28,239,795
	15	Other assets See Part IV, line 11		11,606,316	15	14,014,634
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		820,360,576	16	921,337,197
Liabilities	17	Accounts payable and accrued expenses		65,506,455	17	71,293,894
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		266,873,280	20	261,309,804
	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		0	22	0
	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		138,603,851	25	161,791,539
	26	**Total liabilities.** Add lines 17 through 25		470,983,586	26	494,395,237
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		348,143,372	27	425,547,423
	28	Temporarily restricted net assets		921,156	28	1,082,076
	29	Permanently restricted net assets		312,462	29	312,461
		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		349,376,990	33	426,941,960
	34	Total liabilities and net assets/fund balances		820,360,576	34	921,337,197

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	615,674,007
2	Total expenses (must equal Part IX, column (A), line 25)	2	509,648,383
3	Revenue less expenses Subtract line 2 from line 1	3	106,025,624
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	349,376,990
5	Net unrealized gains (losses) on investments	5	-20,551,193
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-7,909,461
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	426,941,960

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		

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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
EDWARD HOSPITAL

Employer identification number
36-3297173

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
EDWARD HOSPITAL	36-3297173

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

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

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		42,919
j	Total Add lines 1c through 1i			42,919
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

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

Return Reference	Explanation
Schedule C, Part II-B, Line 1, Description of the activities reported on Lines 1a through 1i	EXPENSES RELATED TO ASSOCIATION DUES WHERE A PORTION OF PROFESSIONAL ASSOCIATION DUES WERE RELATED TO LOBBYING ACTIVITIES

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
EDWARD HOSPITAL

Employer identification number
36-3297173

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

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

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

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

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	1,233,618	1,169,172	1,268,175	1,216,333	3,343,859
b	Contributions	459,186	408,204	750,545	1,193,261	
c	Net investment earnings, gains, and losses					
d	Grants or scholarships	270,068	246,008	418,012	853,697	1,808,329
e	Other expenditures for facilities and programs	28,199	97,750	431,536	287,722	319,197
f	Administrative expenses					
g	End of year balance	1,394,537	1,233,618	1,169,172	1,268,175	1,216,333

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 22 400 %
- c Temporarily restricted endowment ▶ 77 600 %

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

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		9,999,827		9,999,827
b Buildings		397,942,068	204,593,466	193,348,602
c Leasehold improvements				0
d Equipment		261,538,195	174,862,130	86,676,065
e Other		79,355,991	6,820,738	72,535,253
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				362,559,747

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
EST THIRD PARTY PAYOR SETTLEMENTS	119,781,681
INTEREST RATE SWAP	26,232,096
PROF & GENERAL LIABILITY	8,415,404
DEFERRED COMPENSATION	7,362,358
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	161,791,539

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	595,299,888
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-20,551,193		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	69,636		
e	Add lines **2a** through **2d**			2e	-20,481,557
3	Subtract line **2e** from line **1**			3	615,781,445
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	-107,438		
c	Add lines **4a** and **4b**			4c	-107,438
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	615,674,007

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	509,755,821
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	-14,999		
e	Add lines **2a** through **2d**			2e	-14,999
3	Subtract line **2e** from line **1**			3	509,770,820
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	-122,437		
c	Add lines **4a** and **4b**			4c	-122,437
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	509,648,383

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
Schedule D, Part V, Line 4, Intended uses of endowment funds	THERE ARE THREE PERMANENT ENDOWMENT FUNDS AND THE INTEREST EARNED ON THE FUNDS IS INTENDED TO BE USED AS FOLLOWS 1) CARDIOVASCULAR - TO BE USED FOR THE EDWARD HOSPITAL CARDIOVASCULAR PROGRAM, 2) ANIMAL ASSISTED THERAPY - TO BE USED TO SUPPORT THE USE OF DOGS VISITING PATIENTS TO HELP RELIEVE STRESS AND IMPROVE HEALING TIMES, 3) THE BOOK SCHOLARSHIP FUND - TO HELP NURSES EDUCATIONALLY BY SUPPLEMENTING THEIR FURTHER HIGHER EDUCATIONAL EXPENSES
Schedule D, Part X, Line 2, FIN 48 (ASC 740) footnote	EDWARD-ELMHURST HEALTHCARE, EDWARD HOSPITAL, EDWARD HEALTH VENTURES, EDWARD HEALTH AND FITNESS CENTER, EDWARD FOUNDATION, LINDEN OAKS HOSPITAL, ELMHURST MEMORIAL HOSPITAL, ELMHURST MEMORIAL FOUNDATION, AND ELMHURST MEMORIAL HEALTHCARE ARE EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE ON INCOME RELATED TO THEIR EXEMPT PURPOSES ACCORDINGLY, THERE IS NO MATERIAL PROVISION FOR INCOME TAX FOR THESE ENTITIES
Schedule D, Part XI, Line 2d, Other revenues in audited financial statements not in form 990	GAIN ON INTEREST RATE SWAPS - 197835, NET ASSET TRANSFERS FROM EDWARD FOUNDATION - -128199,
Schedule D, Part XI, Line 4b, Other revenues in form 990 not in audited financial statements	VALUE OF DONATED VOLUNTEER TIME - -883067, COST OF GOODS SOLD - -152457, BOND FEES - 913087, NET ASSET TRANSFERS FROM EDWARD FOUNDATION - 14999,
Schedule D, Part XII, Line 2d, Other expenses in audited financial statements not in form 990	NET ASSET TRANSFERS FROM EDWARD FOUNDATION - -14999,
Schedule D, Part XII, Line 4b, Other expenses in form 990 not in audited financial statements	VALUE OF DONATED VOLUNTEER TIME - -883067, COST OF GOODS SOLD - -152457, BOND FEES - 913087,

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
EDWARD HOSPITAL

Employer identification number
36-3297173

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	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 300 %			
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	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 600 %			
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	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			14,363,252	0	14,363,252	2 820 %
b Medicaid (from Worksheet 3, column a)			30,196,360	13,280,206	16,916,154	3 320 %
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0 %
d **Total** Financial Assistance and Means-Tested Government Programs	0	0	44,559,612	13,280,206	31,279,406	6 140 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,636,682	206,029	1,430,653	0 280 %
f Health professions education (from Worksheet 5)			1,424,959	3,415	1,421,544	0 280 %
g Subsidized health services (from Worksheet 6)			4,534,164	1,378,450	3,155,714	0 620 %
h Research (from Worksheet 7)			962,193	78,850	883,343	0 170 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,090,801	700	1,090,101	0 210 %
j **Total.** Other Benefits	0	0	9,648,799	1,667,444	7,981,355	1 560 %
k **Total.** Add lines 7d and 7j	0	0	54,208,411	14,947,650	39,260,761	7 700 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					0	0 %
2	Economic development			13,309	0	13,309	0 %
3	Community support			32,146	0	32,146	0 %
4	Environmental improvements					0	0 %
5	Leadership development and training for community members			12,904	0	12,904	0 %
6	Coalition building			99,458	0	99,458	0 020 %
7	Community health improvement advocacy			118,356	0	118,356	0 020 %
8	Workforce development			31,222	0	31,222	0 %
9	Other					0	0 %
10	**Total**	0	0	307,395	0	307,395	0 060 %

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	5,360,397		
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	611,427		
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	137,722,468
6	Enter Medicare allowable costs of care relating to payments on line 5	6	178,417,628
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-40,695,160
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? 2

	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 A

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

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 300% 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 600% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Schedule H, Part I, Line 6a, Community benefit report prepared by related organization	EDWARD-ELMHURST HEALTHCARE

Form and Line Reference	Explanation
Schedule H, Part I, Line 7, Costing Methodology used to calculate financial assistance	THE COSTS CONTAINED IN THE FINANCIAL ASSISTANCE (7A) SECTION WERE CALCULATED USING THE MEDICARE COST REPORT COST-TO-CHARGE RATIO THE COSTS ENTERED IN THE MEDICAID (7B) AND SUBSIDIZED HEALTH SERVICES (7G) SECTIONS WERE CALCULATED USING A COST ACCOUNTING SYSTEM AND ADDRESSED ALL PATIENT SEGMENTS THE COSTS ENTERED IN SECTIONS 7E, 7F, 7H AND 7I WERE CALCULATED USING A COST ACCOUNTING SYSTEM OR WERE THE ACTUAL COSTS

Form and Line Reference	Explanation
Schedule H, Part I, Line 7, col(f), Bad Debt Expense excluded from financial assistance calculation	0

Form and Line Reference	Explanation
Schedule H, Part II, Community Building Activities	EMPLOYEES ARE ENCOURAGED TO SERVE ON COMMUNITY BOARDS AND PARTICIPATE IN PROGRAMS AND COMMITTEES THAT ADDRESS ECONOMIC DEVELOPMENT, TRAINING, COMMUNITY HEALTH NEEDS AND IMPROVEMENT ADVOCACY, AND WORKFORCE DEVELOPMENT EXAMPLES OF THESE PROGRAMS AND THE BENEFIT THEY PROVIDED ARE HIGHLIGHTED BELOW ECONOMIC DEVELOPMENT COMMITTEES PROVIDE BUSINESS LEADERSHIP FOR THE BENEFIT OF COMMUNITIES BY PROMOTING ECONOMIC OPPORTUNITIES, ADVOCATING THE INTEREST OF BUSINESS, PROVIDING MEMBERS WITH EDUCATION AND RESOURCES AND ENCOURAGING MUTUAL SUPPORT EXAMPLES OF COMMITTEES IN WHICH EDWARD-ELMHURST HEALTHCARE EMPLOYEES ARE ACTIVELY INVOLVED INCLUDE NAPERVILLE AREA CHAMBER OF COMMERCE, WILL COUNTY CENTER FOR ECONOMIC DEVELOPMENT, PLAINFIELD ADVISORY TASK FORCE ON ECONOMIC DEVELOPMENT, YORKVILLE ECONOMIC DEVELOPMENT COMMITTEE, NAPERVILLE DEVELOPMENT PARTNERSHIP AND THE DUPAGE REGIONAL ALLIANCE ALSO PLAINFIELD CHAMBER OF COMMERCE, OSWEGO CHAMBER OF COMMERCE, YORKVILLE CHAMBER OF COMMERCE, ROMEOVILLE CHAMBER OF COMMERCE COMMUNITY SUPPORT INCLUDES CHILD CARE AND MENTORING PROGRAMS FOR VULNERABLE POPULATIONS OR NEIGHBORHOODS, NEIGHBORHOOD SUPPORT GROUPS, VIOLENCE PREVENTION PROGRAMS, AND DISASTER READINESS AND PUBLIC HEALTH EMERGENCY ACTIVITIES, SUCH AS COMMUNITY DISEASE SURVEILLANCE OR READINESS TRAINING BEYOND WHAT IS REQUIRED BY ACCREDITING BODIES OR GOVERNMENT ENTITIES A HIGHLIGHTED PROGRAM IN FY2014 WAS A NEIGHBORHOOD SUPPORT GROUP CALLED KIDSMATTER KIDSMATTER IS A NAPERVILLE-BASED NOT-FOR-PROFIT ORGANIZATION THAT EQUIPS YOUTH AND FAMILIES WITH TOOLS TO MANAGE THE STRESS OF EVERYDAY LIFE THROUGH DYNAMIC SCHOOL AND COMMUNITY PROGRAMS, PRACTICAL EDUCATION, RESOURCES AND YOUTH RECOGNITION EDWARD-ELMHURST HEALTHCARE EXECUTIVES HAVE EXTENSIVE INVOLVEMENT IN THE ORGANIZATION FROM SERVING BOARD MEMBERS TO PROVIDING MATERIALS AND ADMINISTRATIVE SUPPORT LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS INCLUDES TRAINING IN CONFLICT RESOLUTION, CIVIC, CULTURAL, OR LANGUAGE SKILLS, AND MEDICAL INTERPRETER SKILLS FOR COMMUNITY RESIDENTS AN EXAMPLE OF INVOLVEMENT IS HUMAN RESOURCES SENIOR EXECUTIVES PARTNER WITH ST JOHN'S EPISCOPAL CHURCH IN AURORA TO TEACH LEADERSHIP SESSIONS TO APPROXIMATELY 40 HIGH SCHOOL STUDENTS WE ALSO SPONSOR THE NAPERVILLE LEADERSHIP INSTITUTE EACH YEAR - THE PROGRAM PROVIDING LEADERSHIP DEVELOPMENT TO LEARN AND APPLY COMPETENCIES OF HIGHLY EFFECTIVE AREA BUSINESS LEADERS COALITION BUILDING INCLUDES PARTICIPATION IN COMMUNITY COALITIONS AND OTHER COLLABORATIVE EFFORTS WITH THE COMMUNITY TO ADDRESS HEALTH AND SAFETY ISSUES THIS INCLUDES PROGRAMS SUCH AS DUPAGE HEALTH COALITION, IN WHICH A SET OF INTER-CONNECTED ORGANIZATIONS, PROGRAMS, AND FACILITIES WORK TOGETHER TO PROVIDE COORDINATED MEDICAL CARE AND OTHER HEALTH-RELATED SERVICES TO DUPAGE COUNTY'S LOW-INCOME RESIDENTS COMMUNITY HEALTH IMPROVEMENT ADVOCACY INCLUDES EFFORTS TO SUPPORT POLICIES AND PROGRAMS TO SAFEGUARD OR IMPROVE PUBLIC HEALTH, ACCESS TO HEALTH CARE SERVICES, HOUSING, THE ENVIRONMENT, AND TRANSPORTATION A HIGHLIGHTED PROGRAM IN FY2014 WAS FORWARD, (FIGHTING OBESITY, REACHING HEALTHY WEIGHT AMONG RESIDENTS OF DUPAGE), A DUPAGE COUNTY COLLABORATIVE WHOSE GOAL IS TO IMPROVE THE HEALTH AND WELLBEING OF CHILDREN AND FAMILIES IN DUPAGE COUNTY WORKFORCE DEVELOPMENT INCLUDES PROGRAMS THAT ADDRESS COMMUNITY-WIDE WORKFORCE ISSUES AND INCLUDE PROGRAMS SUCH AS HEALTHCARE CAREER DISCOVERY DAY, IN WHICH ADULTS AND CHILDREN AGES 10 AND OLDER ARE INVITED TO EXPLORE HEALTHCARE CAREERS ADDITIONALLY, EDWARD HOSPITAL'S CHIEF NURSING OFFICER SITS ON THE COLLEGE OF DUPAGE ADVISORY BOARD AND WORKS WITH SEVERAL OTHER LOCAL COLLEGES TO SUPPORT AND GROW THEIR NURSING PROGRAMS, INCLUDING NORTH CENTRAL COLLEGE, BENEDICTINE UNIVERSITY, AURORA UNIVERSITY AND LEWIS UNIVERSITY

Form and Line Reference	Explanation
Schedule H, Part III, Line 2, Bad debt expense - methodology used to estimate amount	THE AMOUNT OF BAD DEBT EXPENSE IS OBTAINED BY TAKING THE NET AMOUNT PLACED IN BAD DEBT LESS THE PAYMENTS AND ADJUSTMENTS RECEIVED THAT AMOUNT IS THEN REDUCED USING OUR COSTING METHODOLOGY COSTING METHODOLOGY THE MEDICARE COST REPORT COST-TO-CHARGE RATIO WAS USED TO ESTIMATE COST

Form and Line Reference	Explanation
Schedule H, Part III, Line 3, Bad Debt Expense Methodology	WE OBTAIN THIS FIGURE BY FIRST CALCULATING THE PERCENTAGE OF PATIENTS APPROVED FOR FINANCIAL ASSISTANCE WE THEN APPLY THIS PERCENTAGE TO ALL PATIENTS THAT WERE NOT SCREENED BY OUR FINANCIAL ASSISTANCE SOFTWARE THAT AMOUNT IS THEN REDUCED USING OUR COSTING METHODOLOGY COSTING METHODOLOGY THE MEDICARE COST REPORT COST-TO-CHARGE RATIO WAS USED TO ESTIMATE COST

Form and Line Reference	Explanation
Schedule H, Part III, Line 4, Bad debt expense - financial statement footnote	MANAGEMENT EVALUATES THE COLLECTABILITY OF ITS PATIENT ACCOUNTS RECEIVABLE BASED ON THE LENGTH OF TIME THE RECEIVABLE IS OUTSTANDING, PAYOR CLASS, AND THE ANTICIPATED FUTURE UNCOLLECTABLE AMOUNTS BASED ON HISTORICAL EXPERIENCE PATIENT ACCOUNTS ARE CHARGED TO THE ALLOWANCE FOR DOUBTFUL ACCOUNTS WHEN THEY ARE DEEMED UNCOLLECTABLE PATIENT SERVICE REVENUE IS REDUCED BY THE PROVISION FOR BAD DEBTS, AND PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS THESE AMOUNTS ARE BASED ON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS FOR EACH MAJOR PAYOR SOURCE, CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS ON THE BASIS OF HISTORICAL EXPERIENCE, A SIGNIFICANT PORTION OF UNINSURED PATIENTS WILL BE UNABLE OR UNWILLING TO PAY FOR THE SERVICES PROVIDED THUS, EDWARD-ELMHURST HEALTHCARE (THE ORGANIZATION) RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD SERVICES ARE PROVIDED RELATED TO SELF-PAY PATIENTS, INCLUDING BOTH UNINSURED PATIENTS AND PATIENTS WITH DEDUCTIBLE AND CO-PAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR A PORTION OF THEIR BALANCE FOR RECEIVABLES ASSOCIATED WITH PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE ORGANIZATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY ACCOUNTS RECEIVABLE ARE WRITTEN OFF AFTER COLLECTION EFFORTS HAVE BEEN FOLLOWED IN ACCORDANCE WITH THE ORGANIZATION'S POLICIES THE ORGANIZATION'S ALLOWANCE FOR DOUBTFUL ACCOUNTS WAS 19% OF TOTAL ACCOUNTS RECEIVABLE AT JUNE 30, 2014 THE ORGANIZATION'S COMBINED COMBINED ALLOWANCE FOR DOUBTFUL ACCOUNTS AND CHARITY CARE COVERED 86% OF SELF-PAY ACCOUNTS RECEIVABLE AT JUNE 30, 2014 THE ORGANIZATION'S WRITE-OFFS TO THE ALLOWANCE FOR DOUBTFUL ACCOUNTS WERE $49,934 FOR THE YEAR ENDED JUNE 30, 2014

Form and Line Reference	Explanation
Schedule H, Part III, Line 8, Community benefit & methodology for determining medicare costs	IF EDWARD HOSPITAL DISCONTINUED UNPROFITABLE SERVICES, IT WOULD BECOME THE RESPONSIBILITY OF ANOTHER PROVIDER OR THE GOVERNMENT TO CARE FOR THE MEDICARE PATIENT POPULATION THIS WOULD, ULTIMATELY, RESULT IN ACCESS ISSUES AND NEGATAIVELY IMPACT QUALITY OF CARE AND HEALTH OUTCOMES THEREFORE THE SHORTFALL INCURRED BY CONTINUING TO PROVIDE THESE SERVICES IS CONSIDERED A COMMUNITY BENEFIT COSTING METHODOLOGY A COST ACCOUNTING SYSTEM ALLOCATED STAFF COSTS USING WORK LOAD UNITS AND STATISTICAL ALLOCATIONS WERE USED FOR THE OTHER EXPENSES

Form and Line Reference	Explanation
Schedule H, Part III, Line 9b, Collection practices for patients eligible for financial assistance	IT IS OUR POLICY NOT TO PURSUE COLLECTION PRACTICES AGAINST PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE IF A PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE DURING THE COLLECTION PROCESS, THE COLLECTION EFFORTS CEASE

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2, Needs assessment	PLANNING FOR COMMUNITY BENEFITS IS AN INTEGRAL PART OF THE EDWARD STRATEGIC PLANNING PROCESS, WHICH FOLLOWS A THREE-YEAR CYCLE WITH INTERIM ANNUAL REVIEWS AND UPDATES THE PROCESS BRINGS TOGETHER DEMOGRAPHICS, PUBLIC HEALTH STATISTICS AND INPUT FROM REPRESENTATIVES FROM THE COMMUNITY, INCLUDING PATIENTS AND PROVIDER AGENCIES THE OVERARCHING GOAL OF THIS PROCESS IS TO UNDERSTAND THE ESSENTIAL HEALTH ISSUES IN THE COMMUNITY IN ORDER TO ENSURE ORGANIZATIONAL RESPONSIVENESS AND APPROPRIATE PRIORITIZATION OF RESOURCES

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3, Patient education of eligibility for assistance	INFORMING OUR PATIENTS THAT FINANCIAL ASSISTANCE IS AVAILABLE IS AN IMPORTANT PART OF EDWARD HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM FINANCIAL ASSISTANCE IS AVAILABLE TO THE UNDER-INSURED AS WELL AS THE UNINSURED INFORMATION ABOUT OUR FINANCIAL ASSISTANCE PROGRAM AND THE APPLICATION IS AVAILABLE ON EDWARD'S WEBSITE IN ENGLISH AND SPANISH PATIENT STATEMENTS ALSO INCLUDE THE INFORMATION ON HOW TO OBTAIN A FINANCIAL ASSISTANCE APPLICATION UNISURED INPATIENTS ARE SCREENED FOR ELIGIBILITY FOR GOVERMENTAL PROGRAMS PATIENTS WHO DO NOT QUALIFY FOR SUCH PROGRAMS ARE GIVEN A FINANCIAL ASSISTANCE APPLICATION SIGNAGE IS POSTED AT ALL OUTPATIENT REGISTRATION AREAS INCLUDING THE EMERGENCY DEPARTMENT ALSO, OUR CUSTOMER SERVICE DEPARTMENT AND FINANCIAL COUNSELORS ARE AVAILABLE TO ASSIST PATIENTS WHO ARE HAVING DIFFICULTY PAYING THEIR BILL AND THE NEED FOR FINANCIAL ASSISTANCE

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4, Community information	EDWARD HOSPITAL IS A FULL-SERVICE, REGIONAL HEALTHCARE PROVIDER OFFERING ACCESS TO A FULL RANGE OF HEALTH CARE SERVICES, INCLUDING PRIMARY CARE, COMPLEX MEDICAL SPECIALTIES, AND INNOVATIVE PROGRAMMING FOR RESIDENTS OF CHICAGO'S WEST AND SOUTHWEST SUBURBS THE STUDY AREA FOR THE SURVEY EFFORT (REFERRED TO AS THE "EDWARD HOSPITAL SERVICE AREA," "EH SERVICE AREA" OR "EHSA" IN THIS REPORT) IS SPLIT INTO TWO DESIGNATIONS, NORTH AND SOUTH - THE ASSOCIATED ZIP CODES AND CITIES ARE LISTED BELOW AND REPRESENT OVER 80% OF EDWARD'S INPATIENT AND OUTPATIENT ACTIVITY EH NORTH PRIMARY SERVICE AREA WARRENVILLE - 60555 NAPERVILLE - 60540 NAPERVILLE - 60563 NAPERVILLE - 60565 NAPERVILLE - 60566 NAPERVILLE - 60567 WOODRIDGE - 60517 LISLE - 60532 AURORA - 60502 AURORA - 60503 AURORA - 60504 EH SOUTH PRIMARY SERVICE AREA NAPERVILLE - 60564 PLAINFIELD - 60544 PLAINFIELD - 60585 PLAINFIELD - 60586 BOLINGBROOK - 60440 ROMEOVILLE - 60446 BOLINGBROOK - 60490 OSWEGO - 60543 YORKVILLE - 60560 OTHER HOSPITALS SERVING THE COMMUNITY DURING FY14, EDWARD TREATED NEARLY 34% OF HOSPITAL ADMISSIONS FROM ITS PRIMARY SERVICE AREA A LIST OF HOSPITALS IS SUMMARIZED BELOW EDWARD HOSPITAL RUSH-COPLEY MEDICAL CENTER ADVENTIST BOLINGBROOK HOSPITAL PRESENCE SAINT JOSEPH MEDICAL CENTER CENTRAL DUPAGE HOSPITAL ADVOCATE GOOD SAMARITAN HOSPITAL LINDEN OAKS AT EDWARD ADVENTIST HINSDALE HOSPITAL POPULATION AS OUTLINED BELOW, EDWARD'S PRIMARY SERVICE AREA (PSA) HAS NEARLY 600,000 RESIDENTS, WHILE THE TOTAL SERVICE AREA (TSA) HAS OVER 1 MILLION RESIDENTS PRIMARY SERVICE AREA (EDWARD SERVICE AREA -- POPULATION ESTIMATES) NORTH PRIMARY SERVICE AREA -- 276,447 SOUTH PRIMARY SERVICE AREA -- 318,006 TOTAL PRIMARY SERVICE AREA -- 594,453 SECONDARY SERVICE AREA (EDWARD SERVICE AREA -- POPULATION ESTIMATES) NORTH SECONDARY SERVICE AREA -- 202,274 SOUTH SECONDARY SERVICE AREA -- 222,976 TOTAL SECONDARY SERVICE AREA -- 425,250 TOTAL SERVICE AREA -- 1,019,703 (SOURCE NIELSEN IXPRESS) COUNTY ALTHOUGH EDWARD'S SERVICE AREA SPANS MULTIPLE COUNTIES, THE MAJORITY OF PATIENTS RESIDE IN DUPAGE AND WILL COUNTIES, AS PRESENTED IN THE FOLLOWING TABLE PATIENT POPULATION BY COUNTY COUNTY -- EDWARD HOSPITAL & LINDEN OAKS % OF TOTAL FISCAL YEAR 2014 VOLUME DUPAGE -- 48 1% WILL -- 33 1% COOK -- 4 9% KENDALL -- 4 5% KANE -- 4 1% SUBTOTAL -- 94 7% ALL OTHER COUNTIES -- 5 3% (SOURCE NIELSEN IXPRESS) RACE & ETHNICITY BELOW IS A SUMMARY OF COMMUNITY RESIDENTS GROUPED BY ETHNICITY WITHIN EDWARD'S PSA EDWARD'S PSA HAS A LOWER PERCENTAGE OF BLACK/AFRICAN AMERICAN AND A HIGHER PERCENTAGE OF ASIAN RESIDENTS THAN THE STATE OF ILLINOIS RACE/ETHNICITY -- EH PSA -- ILLINOIS -- US WHITE -- 71 6% -- 70 6% -- 71 3% BLACK OR AFRICAN AMERICAN -- 9 0% -- 14 4% -- 12 7% AMERICAN INDIAN AND ALASKA NATIVE -- 0 3% -- 0 4% -- 1 0% ASIAN -- 10 7% -- 4 8% -- 5 0% OTHER -- 8 4% -- 9 7% -- 10 0% (SOURCE NIELSEN IXPRESS) OF NOTE, THE HISPANIC POPULATION IS EXPECTED TO CONTINUE TO GROW IN THE COMMUNITIES SERVED BY THE HOSPITAL THE OLDEST AGE GROUP (65+) IS THE FASTEST GROWING GROUP WITHIN THE HISPANIC COMMUNITY AND IS LIKELY TO REQUIRE MORE HEALTH SERVICES EDWARD HOSPITAL PROJECTED CHANGE IN POPULATION ETHNICITY (PSA) HISPANIC OR LATINO AGE / 2014 POPULATION / 2014-2019 CHANGE 00-17 / 34,659 / 8 05% 18-44 / 39,829 / 11 06% 45-64 / 13,602 / 30 67% 65+ / 3,038 / 56 25% TOTAL / 91,128 / 14 35% NON-HISPANIC OR LATINO AGE / 2014 POPULATION / 2014-2019 CHANGE 00-17 / 130,324 / -7 19% 18-44 / 179,098 / -3 93% 45-64 / 143,241 / 5 90% 65+ / 50,662 / 26 96% TOTAL / 503,325 / 1 13% (SOURCE NIELSEN IXPRESS)

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5, Promotion of community health	THE MAJORITY OF EDWARD HOSPITAL'S GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE PRIMARY SERVICE AREA AND ARE NEITHER EMPLOYEES NOR INDEPENDENT CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF THE ORGANIZATION EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY FOR ALL DEPARTMENTS AS A NOT-FOR-PROFIT ORGANIZATION, EDWARD RE-INVESTS EARNINGS IN THE ORGANIZATION TO MAINTAIN AND ENHANCE SERVICES THAT BENEFIT THE COMMUNITY SERVED BY THE HOSPITAL THE ORGANIZATION DEVELOPS AND UPDATES A STRATEGIC PLAN ON A REGULAR BASIS TO IDENTIFY NEEDS AND OPPORTUNITIES TO DEPLOY EXCESS FUNDS (REVENUE IN EXCESS OF EXPENDITURES) PROJECTS ARE EVALUATED BASED ON ORGANIZATIONAL OBJECTIVES AND COMMUNITY NEEDS, AND ARE PRIORITIZED BY SENIOR MANAGEMENT AND THE BOARD OF TRUSTEES EDWARD-ELMHURST HEALTHCARE ACTIVELY PROMOTES THE HEALTH OF ITS COMMUNITY BY INTEGRATING COMMUNITY BENEFIT PLANNING INTO ITS STRATEGIC PLANNING PROCESS, WHICH ENSURES RESOURCES ARE ALLOCATED TO SUPPORTING ACTIVITIES EDWARD IDENTIFIED THREE PRIMARY AREAS OF STRATEGIC FOCUS TO SUPPORT THE HEALTH OF ITS COMMUNITY IN ITS FY14-FY16 STRATEGIC PLANNING PROCESS * ACCESS TO CARE * MENTAL HEALTH * OBESITY THE FOLLOWING GOALS WERE SET FOR EACH STRATEGIC PRIORITY TO BEGIN FY14 EDWARD HOSPITAL & LINDEN OAKS HOSPITAL PRIORITIES ACCESS TO HEALTHCARE SERVICES * INCREASE COMMUNITY INVOLVEMENT TO IMPROVE ACCESS TO ESSENTIAL HEALTH CARE SERVICES FOR LOW-INCOME AND UNINSURED RESIDENTS * FACILITATE ACCESS TO CARE THROUGH FINANCIAL ASSISTANCE TO LOW INCOME RESIDENTS * INCREASE ACCESS / AVAILABILITY OF PRIMARY CARE SERVICES * PROMOTE APPROPRIATE AND COST EFFECTIVE HEALTH CARE UTILIZATION * PROMOTE AWARENESS, RESOURCES AND TOOLS TO PREVENT AND MANAGE DISEASE MENTAL HEALTH AND MENTAL DISORDERS * EXPAND MENTAL HEALTH TREATMENT OPTIONS IN THE COMMUNITY * IMPROVE COMMUNITY AWARENESS AND ACCESS OF MENTAL HEALTH SERVICES AND RECOVERY PROGRAMS * EXPAND COMMUNITY EDUCATION ON STRESS * CONTINUE COLLABORATIVE EFFORTS WITH PUBLIC, NOT-FOR-PROFIT, PROVIDER AND COMMUNITY MENTAL HEALTH ORGANIZATIONS * DEVELOP INTEGRATED PARTNERSHIPS OBESITY * PARTICIPATION IN LOCAL AND COMMUNITY INITIATIVES * IMPROVE COORDINATION OF EXISTING OBESITY PROGRAMS * EXPAND AND ENHANCE CHILDHOOD OBESITY PROGRAMMING * EXPAND ACCESS TO OBESITY INFORMATION, RESOURCES AND TOOLS EDWARD-ELMHURST HEALTHCARE ALSO PROMOTES THE HEALTH OF ITS COMMUNITY BY PARTICIPATING IN A RANGE OF COMMITTEES, COALITIONS, PANELS, ADVISORY GROUPS, COMMISSIONS, AND BOARDS FOR EXAMPLE, EDWARD HOSPITAL CONTINUES TO SUPPORT ACCESS DUPAGE, A COMMUNITY BASED PROGRAM THAT PROVIDES ESSENTIAL HEALTHCARE SERVICES TO UNDER- AND UN-INSURED RESIDENTS OF DUPAGE COUNTY EDWARD HOSPITAL DONATED ROUGHLY $650,000 TO THIS ORGANIZATION IN FISCAL YEAR 2014 IN ADDITION, MEMBERS OF SENIOR MANAGEMENT PARTICIPATE IN COALITIONS TO STRENGTHEN PARTNERSHIPS WITH OTHER ORGANIZATIONS FOR THE DEVELOPMENT OF PROGRAMS FOR THE HEALTH OF THE COMMUNITY AN EXAMPLE IS WILL COUNTY MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIPS (MAPP), WHICH REPRESENTS A UNIQUE PARTNERSHIP OF HOSPITALS, PHYSICIANS, LOCAL GOVERNMENT, HUMAN SERVICES AGENCIES AND COMMUNITY GROUPS WORKING TOGETHER LOCALLY TO ADDRESS THE NATIONAL HEALTHCARE CRISIS

Form and Line Reference	Explanation
Schedule H, Part VI, Line 6, Affiliated health care system	EDWARD HOSPITAL AND LINDEN OAKS HOSPITAL ARE PART OF AN AFFILIATED HEALTH SYSTEM, EDWARD-ELMHURST HEALTHCARE (EEH) THE COMMUNITY HEALTH NEEDS ASSESSMENT AND THE DEVELOPMENT AND MANAGEMENT OF THE COMMUNITY BENEFIT STRATEGIC PLAN IS PROVIDED BY EDWARD-ELMHURST HEALTHCARE EDWARD, ELMHURST AND LINDEN OAKS HOSPITALS EACH PLAY A VITAL ROLE IN IMPLEMENTING THE INITIATIVES SET FORTH IN THE STRATEGIC PLAN BY PROVIDING THE COMMUNITY BENEFIT SERVICES THAT ARE QUANTIFIED IN PART I AND PART II OF SCHEDULE H FOR EACH OF THE HOSPITAL TAX FILINGS

Form and Line Reference	Explanation
Schedule H, Part VI, Line 7, State filing of community benefit report	IL

Additional Data

Software ID: 13000248
Software Version: 2013v3.1
EIN: 36-3297173
Name: EDWARD HOSPITAL

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
Schedule H, Part V Sec B, Line 3, Community Served by Needs Assessment	
Schedule H, Part V Sec B, Line 4, Other Hospital Facilities included in Needs Assessment	(1) A - EDWARD HOSPITAL LINDEN OAKS HOSPITAL,
Schedule H, Part V Sec B, Line 14g, Other ways hospital publicized Financial Assistance Policy	(1) A - EDWARD HOSPITAL AN INFORMATIONAL NOTICE IS POSTED IN ALL ADMITTING AREAS, THE EME RGENCY ROOM AND THE HOSPITAL WEBSITE INDICATING THAT FINANCIAL ASSISTANCE IS AVAILABLE AND HOW TO APPLY ,
Schedule H, Part V Sec B, Line 20d, How amounts charged to FAP-eligible patients were determined	(1) A - EDWARD HOSPITAL PRIOR TO SENDING A STATEMENT, ALL OF OUR PATIENTS ARE SCREENED FO R FINANCIAL ASSISTANCE USING A SOFTWARE TOOL CALLED ISOLUTIONS ISOLUTIONS PULLS CREDIT RE PORT DATA ABOUT THE PATIENT AND APPLIES IT AGAINST THE FINANCIAL ASSISTANCE GUIDELINES OF THE HOSPITAL BASED ON THAT INFORMATION A DISCOUNT IS POSTED BASED ON THE LEVEL OF ASSISTA NCE FOR WHICH THE PATIENT HAS QUALIFIED FOR ,

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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
EDWARD HOSPITAL

Employer identification number
36-3297173

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) ACCESS DUPAGE 511 THORNHILL DR CAROL STREAM,IL 60188	36-4448208	501(C)(3)	658,000				PROGRAM SUPPORT
(2) PADS DUPAGE COUNTY 601 WEST LIBERTY WHEATON,IL 60187	36-3675494	501(C)(3)	8,954				PROGRAM SUPPORT
(3) NAPERVILLE CHAMBER OF COMERCE 55 MAIN STREET NAPERVILLE,IL 60540	36-2481341	501(C)(6)	9,700				PROGRAM SUPPORT
(4) YOUNG HEARTS FOR LIFE 1901 S MEYERS ROAD SUITE 350 OAK BROOK TERRACE,IL 60181	36-3297360	501(C)(3)	45,000				PROGRAM SUPPORT
(5) AMERICAN CANCER SOCIETY 1801 MEYERS ROAD OAK BROOK TERRACE,IL 60181	13-1788491	501(C)(3)	35,000				PROGRAM SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 4

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

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

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

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

Return Reference	Explanation
Schedule I, Part I, Line 2, Procedures for monitoring use of grant funds	MONITORING OF THE USE OF GRANT FUNDS IS ACHIEVED THROUGH VARIOUS MEANS, INCLUDING ACTIVE PARTICIPATION IN PROGRAM IMPLEMENTATION, WRITTEN CONTRIBUTION AGREEMENTS, AND/OR PERFORMANCE REPORTS

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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
EDWARD HOSPITAL

Employer identification number
36-3297173

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
Schedule J, Part I, Line 1a, Tax indemnification and gross-up payments	EXECUTIVES ARE OFFERED LIFE INSURANCE AND LONG TERM DISABILITY BENEFITS THE AMOUNT OF THE PREMIUM IS GROSSED UP TO OFFSET THE TAX LIABILITY
Schedule J, Part I, Line 1a, Health or social club dues or initiation fees	ALL EDWARD HOSPITAL EMPLOYEES ARE OFFERED A MEMBERSHIP AT THE EDWARD HEALTH & FITNESS CENTER, AN AFFILIATE OF EDWARD-ELMHURST HEALTHCARE, AS A TAXABLE EMPLOYEE BENEFIT MEMBERS OF SENIOR MANAGEMENT (THE PRESIDENT AND VICE PRESIDENTS) ARE ALSO PROVIDED THIS BENEFIT FOR THEIR SPOUSE AND CHILDREN, ALSO AS A TAXABLE BENEFIT THE VALUE OF THIS BENEFIT IS DETERMINED BASED UPON THE FAIR MARKET VALUE OF THESE MEMBERSHIPS, WHICH IS IN TURN DETERMINED BASED UPON THE ACTUAL AMOUNT THAT THE EDWARD HEALTH & FITNESS CENTER CHARGES TO OTHER CORPORATE CUSTOMERS
Schedule J, Part I, Line 3, Arrangement used to establish the top management official's compensation	EXECUTIVE COMPENSATION, INCLUDING THE EDWARD HOSPITAL PRESIDENT AND ALL OFFICERS OF THE SYSTEM KNOWN AS EDWARD-ELMHURST HEALTHCARE ("SENIOR MANAGEMENT") IS MANAGED BY THE EDWARD-ELMHURST HEALTHCARE ("EEH") EXECUTIVE COMMITTEE ("COMMITTEE"), ON BEHALF OF EEH AND ALL OF ITS AFFILIATES ON AN ANNUAL BASIS, THE COMMITTEE REVIEWS COMPENSATION ARRANGEMENTS, INCLUDING THE COMPENSATION AWARD FOR THE EDWARD HOSPITAL PRESIDENT FOR THE COMING YEAR THE COMMITTEE CONDUCTS THE REVIEW IN A MANNER THAT WILL QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE INTERMEDIATE SANCTION RULES OF SECTION 4958 OF THE INTERNAL REVENUE CODE AS FOR THE EDWARD HOSPITAL PRESIDENT, THE PRESIDENT IS COMPENSATED WITH A COMPETITIVE BASE SALARY, ALONG WITH AN INCENTIVE PLAN WHICH IS REFLECTIVE OF EEH'S MARKET, AS DETERMINED BY A REVIEW OF MARKET COMPENSATION SURVEY DATA FOR MORE INFORMATION ABOUT THE REVIEW AND DETERMINATION OF EXECUTIVE COMPENSATION, SEE DESCRIPTION IN SCHEDULE O IN RESPONSE TO FORM 990, PART VI, SECTION B, LINE 15
Schedule J, Part I, Line 4b, Supplemental nonqualified retirement plan	INDIVIDUALS WHO HAVE THE TITLE OF VICE PRESIDENT OR HIGHER ARE ELIGIBLE TO PARTICIPATE IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP), ANY ELIGIBLE PARTICIPANTS MUST BE APPROVED BY THE EDWARD-ELMHURST HEALTHCARE EXECUTIVE COMMITTEE THE SERP WAS ESTABLISHED TO RECOGNIZE THE VALUABLE CONTRIBUTIONS THAT EACH OF THE PARTICIPANTS MAKES TO THE OPERATIONS OF EDWARD-ELMHURST HEALTHCARE AND TO REWARD CERTAIN EXECUTIVE EMPLOYEES FOR THEIR LONG-TERM SERVICE AND COMMITMENT TO EDWARD-ELMHURST HEALTHCARE THE SERP IS DESIGNED TO PROVIDE A FULL RETIREMENT SUPPLEMENT TO PARTICIPANTS IF THEY REMAIN WITH EDWARD-ELMHURST HEALTHCARE UNTIL AGE 65 IN EXCHANGE FOR THIS LONG-TERM SERVICE, EDWARD-ELMHURST HEALTHCARE WANTS TO SUPPLEMENT THESE PARTICIPANTS' RETIREMENT INCOME WITH ADDITIONAL ANNUAL COMPENSATION THAT IS INVESTED IN AN ANNUITY CONTRACT, CONTRIBUTIONS VEST AFTER FIVE YEARS THE FOLLOWING INTERESTED PERSONS RECEIVED DEFERRALS TO THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) IN 2013, THESE DEFERRALS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN (C) DAVIS, PAMELA M -- 200,000 LUDWIG-BEYMER, PATTI -- 23,963 MOLLET, CHRIS -- 49,610 PRYOR, VINCENT E -- 113,125 SMITH, BRENT E -- 71,990 THE FOLLOWING INTERESTED PERSONS RECEIVED DISTRIBUTIONS FROM THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) IN 2013, THESE PAYMENTS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN (B)(III) AND SCHEDULE J, PART II, COLUMN (F), AS APPLICABLE SPENCER, MARIANNE -- 116,414
Schedule J, Part I, Line 7, Non-fixed payments	SCHEDULE J, PART 1, LINE 7 IS ANSWERED YES BECAUSE CERTAIN INDIVIDUALS, WHOSE SALARY AND BENEFITS ARE PAID BY THE REPORTING ORGANIZATION OR A RELATED ORGANIZATION, RECEIVED A NON-FIXED PAYMENT DURING THE YEAR THE NON-FIXED PAYMENTS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN B(II)

Additional Data

Software ID: 13000248
Software Version: 2013v3.1
EIN: 36-3297173
Name: EDWARD HOSPITAL

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				
PAMELA M DAVIS SYSTEM CEO	(I) (II)	0 831,913	0 475,698	0 220,264	0 217,850	0 49,336	0 1,795,061	0 0
PATTI LUDWIG-BEYMER VP, CHIEF NURSING OFFICER	(I) (II)	109,220 108,489	90,448 0	30,359 19,142	25,152 14,337	15,473 15,186	270,653 157,155	0 0
CHRIS J MOLLET SYSTEM EVP, GENERAL COUNSEL, SECRETARY	(I) (II)	0 298,660	0 147,167	0 54,047	0 57,398	0 8,382	0 565,654	0 0
VINCENT E PRYOR SYSTEM EVP CFO, TREASURER	(I) (II)	0 473,080	0 218,152	0 21,135	0 123,325	0 26,565	0 862,257	0 0
MARIANNE SPENCER VICE PRESIDENT	(I) (II)	149,516 147,428	121,571 0	82,929 61,947	12,940 5,544	17,214 16,754	384,171 231,673	0 0
BRENT E SMITH DO VICE PRESIDENT	(I) (II)	167,956 166,040	135,397 0	2,434 2,087	44,974 38,855	7,654 7,728	358,415 214,710	0 0
LYNN L COCHRAN ASSOC VP, OPERATIONS	(I) (II)	158,451 0	20,725 0	7,475 0	13,747 0	20,395 0	220,793 0	0 0
LINDA DEVEE DIR, RADIOLOGY	(I) (II)	146,976 0	18,218 0	1,363 0	12,186 0	12,248 0	190,991 0	0 0
YVETTE M SABA ASSOC VP, OPERATIONS	(I) (II)	180,278 0	23,116 0	13,958 0	12,041 0	21,074 0	250,468 0	0 0
KIMBERLY J STACHE ASSOC VP, OPERATIONS	(I) (II)	190,290 0	23,810 0	476 0	9,666 0	5,975 0	230,217 0	0 0
MICHAEL J HARTMANN PHYSICIAN	(I) (II)	289,502 0	15,366 0	82,794 0	12,750 0	26,672 0	427,084 0	0 0
RALPH P HOOVER MD PHYSICIAN	(I) (II)	288,502 0	18,487 0	117,401 0	17,850 0	32,898 0	475,137 0	0 0
SCOTT J PADALIK PHYSICIAN	(I) (II)	317,532 0	17,694 0	77,195 0	15,300 0	24,375 0	452,097 0	0 0
THOMAS A SCALETTA MD MED DIR, EMERG SVS	(I) (II)	349,507 0	24,505 0	50,584 0	10,536 0	31,476 0	466,609 0	0 0
PETER T SCHUBEL MD CO MED DIR ED/IMDT CARE SVCS	(I) (II)	331,851 0	24,288 0	85,019 0	16,522 0	30,915 0	488,594 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
EDWARD HOSPITAL

Employer identification number
36-3297173

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	ILLINOIS FINANCE AUTHORITY SERIES 2012A	86-1091967		03-02-2012	26,025,000	SEE PART VI		X		X		X
B	ILLINOIS FINANCE AUTHORITY SERIES 2008A	86-1091967	45200FFF1	04-09-2008	85,733,137	SEE PART VI		X		X		X
C	ILLINOIS FINANCE AUTHORITY SERIES 2009-A	86-1091967	45200FB65	10-28-2009	43,500,000	SEE PART VI		X		X		X
D	ILLINOIS FINANCE AUTHORITY SERIES 2008 B-1 B-2 & C	86-1091967	45200FFY0	04-30-2008	126,220,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	5,515,000	0	415,000	14,310,000
2	Amount of bonds legally defeased	0	0	0	0
3	Total proceeds of issue	26,025,000	85,733,137	43,500,000	126,220,000
4	Gross proceeds in reserve funds	0	0	0	0
5	Capitalized interest from proceeds	0	0	0	0
6	Proceeds in refunding escrows	0	0	0	0
7	Issuance costs from proceeds	250,000	0	707,220	344,612
8	Credit enhancement from proceeds	0	0	0	0
9	Working capital expenditures from proceeds	0	0	0	0
10	Capital expenditures from proceeds	6,344,198	0	0	0
11	Other spent proceeds	19,430,802	85,733,137	42,792,780	125,875,388
12	Other unspent proceeds	0	0	0	0
13	Year of substantial completion	2013	2008	2009	2008

		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		X		X		X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X			X	X		X	
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X		X	
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?			X					
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 ▶		3 790 %		0 %		1 630 %		0 270 %
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 %		0 %		0 %		0 %
6	Total of lines 4 and 5		3 790 %		0 %		1 630 %		0 270 %
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		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		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X			X				X
b	Exception to rebate?		X		X				X
c	No rebate due?		X	X		X		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		X	X		X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X	X		X	
b	Name of provider					JP MORGAN CHASE			
c	Term of hedge		0 0				30 0		33 0
d	Was the hedge superintegrated?						X	X	
e	Was the hedge terminated?						X		X

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
SCHEDULE K, PART I, COLUMN (F), DESCRIPTION OF PURPOSE	THE PURPOSE OF THE ISSUANCE OF THE BONDS REPORTED IN SCHEDULE K ARE AS FOLLOWS ILLINOIS FINANCE AUTHORITY SERIES 2008A THESE REVENUE BONDS WERE USED TO REFUND THE 7/1/1998 BOND ISSUE ILLINOIS FINANCE AUTHORITY SERIES 2008 B-1, B-2, & C THESE REVENUE REFUNDING BONDS WERE USED TO REFUND THE 3/7/2007 BOND ISSUE ILLINOIS FINANCE AUTHORITY SERIES 2009-A THESE REVENUE REFUNDING BONDS WERE USED TO REFUND THE 4/4/2001 AND THE 7/1/2005 BOND ISSUES ILLINOIS FINANCE AUTHORITY SERIES 2012-A THESE BONDS WERE USED TO FINANCE VARIOUS CONSTRUCTION PROJECTS AND REFUND THE 4/4/2001 BOND ISSUE

Return Reference	Explanation
SCHEDULE K, PART IV, LINE 2C, ISSUER NAME ILLINOIS FINANCE AUTHORITY SERIES 2008 B NO REBATE DUE	THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 03/12/2013

Return Reference	Explanation
Sch K, Part IV, Line 2c, ISSUER NAME Illinois Finance Authority Series 2008A No Rebate Due	THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 02/22/2013

Return Reference	Explanation
Sch K, Part IV, Line 2c, ISSUER NAME Illinois Finance Authority Series 2009-A No Rebate Due	THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 03/10/2014

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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
EDWARD HOSPITAL

Employer identification number
36-3297173

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

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue				
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
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?								
15	Were the bonds issued as part of an advance refunding issue?								
16	Has the final allocation of proceeds been made?								
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?								

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?								
2	Are there any lease arrangements that may result in private business use of bond-financed property?								

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?								
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?								
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?								
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?								
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?								

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?								
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?								
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
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)?								
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?								
7	Has the organization established written procedures to monitor the requirements of section 148?								

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?								

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
EDWARD HOSPITAL

Employer identification number
36-3297173

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) PETER SCHUBEL MD	SON OF RONALD SCHUBEL, EH OFFICER AND DIRECTOR	441,157	EMPLOYMENT AS EMERGENCY DEPARTMENT PHYSICIAN		No
(2) DAN HRAD MD	EH DIRECTOR	72,917	PHYSICIAN EMPLOYEE		No
(3) DUPAGE MEDICAL GROUP	PAUL MERRICK, MD, EH DIRECTOR, IS PRESIDENT OF DUPAGE MEDICAL GROUP	1,606,708	INDEPENDENT CONTRACTOR PHYSICIAN AND MEDICAL DIRECTOR SERVICES RENDERED BY DUPAGE MEDICAL GROUP		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
EDWARD HOSPITAL

Employer identification number
36-3297173

Return Reference	Explanation
FORM 990, PART I, LINE 6, VOLUNTEERS	OUR VOLUNTEERS WORK IN A LARGE MAJORITY OF AREAS THROUGHOUT THE EDWARD-ELMHURST HEALTHCARE SYSTEM THE RESPONSIBILITY THE VOLUNTEER HAS VARIES, DEPENDENT ON THE AREA THEY ARE VOLUNTEERING IN AND THE PROJECTS TO BE COMPLETED VOLUNTEERS HAVE ASSISTED WITH CLERICAL WORK, DATA ENTRY, MEETING AND GREETING, FRIENDLY VISITS, ESCORTING AND PROVIDING GENERAL INFORMATION TO PATIENTS AND VISITORS WE TRACK OUR VOLUNTEER HOURS MONTHLY ALL OF THE VOLUNTEERS SIGN IN AND OUT EACH SHIFT THEY COME IN AND WE COLLECT THE SIGN IN SHEETS AT THE END OF THE MONTH THROUGHOUT THE SYSTEM, FOR THE FISCAL YEAR ENDED JUNE 30, 2014 OUR VOLUNTEERS GAVE 142,000 HOURS OF SERVICE

Return Reference	Explanation
FORM 990, PART III, LINE 4A, PROGRAM SERVICE DESCRIPTION	ACCREDITED BY THE JOINT COMMISSION, EDWARD HAS EARNED A REPUTATION AS A LEADER IN COMPLEX MEDICAL SPECIALTIES AND INNOVATIVE PROGRAMMING, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING -- MOST UP-TO-DATE SURGICAL SUITES, INCLUDING SIX STATE-OF-THE-ART OPERATING ROOMS FOR MINIMALLY INVASIVE SURGICAL PROCEDURES AND THE DA VINCI SI ROBOTIC SURGICAL SYSTEM -- COMPREHENSIVE, ADVANCED CARDIAC CARE IN ONE LOCATION THROUGH EDWARD HEART HOSPITAL (THE FIRST SUCH FACILITY IN ILLINOIS, OPENED IN 2002) -- HEARTAWARE, AN ONLINE TEST SO PEOPLE CAN DETERMINE THEIR RISK FOR HEART DISEASE AND AN INITIATIVE TO ENHANCE AND PROMOTE THE PREVENTION OF HEART DISEASE -- EDWARD PROVIDES WORLD CLASS STROKE CARE THROUGH THE EDWARD NEUROSCIENCES INSTITUTE IN AFFILIATION WITH THE NORTHWESTERN MEDICINE THE INSTITUTE FEATURES THE MOST ADVANCED INTERVENTIONAL NEUROSURGERY TECHNIQUES AND DRUG THERAPIES TO TREAT STROKES AND OTHER NEUROLOGICAL DISORDERS -- EDWARD CANCER CENTER HAS OPENED A NUMBER OF MULTIDISCIPLINARY ONCOLOGY CLINICS, INCLUDING A MULTIDISCIPLINARY THORACIC ONCOLOGY CLINIC, THE FIRST OF ITS KIND IN DUPAGE, WILL AND KANE COUNTIES, FOR COORDINATED, FASTER, MORE EFFICIENT TREATMENT OF LUNG CANCER AND OTHER MALIGNANCIES AND ABNORMALITIES OF THE CHEST, A NEURO-ONCOLOGY MULTIDISCIPLINARY CENTER, THE ONLY ONE IN THE AREA TO TREAT BRAIN AND SPINAL CORD TUMORS AND A BREAST CANCER CONFERENCE, A MULTIDISCIPLINARY TEAM THAT MEETS WEEKLY TO DETERMINE THE BEST TREATMENT PLAN FOR NEWLY DIAGNOSED BREAST CANCER PATIENTS -- EDWARD WAS RE-DESIGNATED A MAGNET HOSPITAL FOR NURSING EXCELLENCE IN 2010 AFTER RECEIVING ITS ORIGINAL DESIGNATION IN 2005 EDWARD IS ONE OF ONLY THREE HOSPITALS IN DUPAGE COUNTY AND THE ONLY ONE SERVING WILL COUNTY TO HAVE EARNED THE PRESTIGIOUS RECOGNITION -- CARE FOR THE MOST CRITICALLY ILL NEWBORNS IN ITS LEVEL III NEWBORN INTENSIVE CARE UNIT (NICU) -- EXPERT EMERGENCY SERVICES FOR ADULTS AND PEDIATRIC PATIENTS IN ITS LEVEL II EMERGENCY DEPARTMENT AND PEDIATRIC EMERGENCY DEPARTMENT -- STATE-OF-THE-ART IMAGING TECHNOLOGY AT NUMEROUS LOCATIONS THROUGHOUT THE REGION -- ACCESS TO THE LATEST CLINICAL TRIALS FOR CANCER AND HEART DISEASE -- FIRST IN THE REGION TO OFFER ANIMAL-ASSISTED THERAPY, MUSIC THERAPY AND ART THERAPY THROUGH ITS HEALING ARTS PROGRAM DURING THE FISCAL YEAR ENDED JUNE 30, 2014, EDWARD HOSPITAL PROVIDED NEARLY $95 7 MILLION IN COMMUNITY BENEFITS AND $18 7 MILLION IN CHARITY CARE, A 325% INCREASE SINCE FY 2006 FOR FISCAL YEAR 2014, EDWARD HOSPITAL HAD 84,321 PATIENT DAYS AND 90,343 EMERGENCY ROOM VISITS FOR MORE INFORMATION ABOUT EDWARD HOSPITAL, VISIT WWW EDWARD ORG

Return Reference	Explanation	
	Form 990, Part VI, Sec A, Line 4, Significant changes to organizational documents	EFFECTIVE JULY 1, 2014, THE EDWARD HEALTH SERVICES CORPORATION SYSTEM, THE PARENT CORPORAT ION OF EDWARD HOSPITAL, MERGED WITH THE ELMHURST MEMORIAL HEALTHCARE SYSTEM, ANOTHER NON-F OR-PROFIT HEALTHCARE ORGANIZATION THAT SERVES THE CHICAGOLAND AS THE PARENT ORGANIZATION OF THE RESULTING COMBINED SYSTEM, EDWARD HEALTH SERVICES CORPORATION CHANGED ITS LEGAL NAM E TO EDWARD-ELMHURST HEALTHCARE (EEH) AS PART OF THE MERGER, THE BYLAWS AND ARTICLES OF I NCORPORATION OF EDWARD HOSPITAL (EH) WERE AMENDED AND RESTATED, SIGNIFICANT CHANGES ARE NO TED BELOW -THE PURPOSES OF EH WERE AMENDED TO READ AS FOLLOWS THE PURPOSES OF EH ARE TO (A) ESTABLISH, OWN, OPERATE AND MAINTAIN HOSPITALS AND HEALTH CARE FACILITIES AND OTHER F ACILITIES AND PROGRAMS INCIDENTAL THERETO, FOR THE DIAGNOSIS, TREATMENT, MEDICAL CARE OR S URGICAL CARE OF PERSONS SUFFERING FROM ILLNESSES, DISEASES, INJURIES, DEFORMITIES, DISABIL ITIES OR OTHER ABNORMAL CONDITIONS WITHOUT REGARD TO RACE, CREED, COLOR, SEX, RELIGIOUS BE LIEF OR NATIONAL ORIGIN, (B) PROMOTE AND CARRY ON EDUCATIONAL ACTIVITIES AND SCIENTIFIC RE SEARCH RELATED TO RENDERING CARE TO THE SICK AND INJURED OR THE PROMOTION OF HEALTH, (C) P ARTICIPATE, SO FAR AS CIRCUMSTANCES MAY WARRANT, IN ANY ACTIVITY DESIGNED AND CARRIED ON T O PROMOTE THE GENERAL HEALTH OF THE COMMUNITIES SERVED BY EDWARD HOSPITAL, (D) PROMOTE THE INTERESTS OF EEH IN ITS CHARITABLE, EDUCATIONAL AND BENEVOLENT ACTIVITIES IN THE FIELDS O F HEALTH CARE, HEALTH EDUCATION AND TRAINING, SCIENTIFIC RESEARCH, HEALTH FACILITIES, HEAL TH MANAGEMENT, AND IN OTHER RELATED FIELDS, (E) PROMOTE THE INTERESTS OF ANY NOT-FOR PROFI T AND FEDERALLY TAX EXEMPT ORGANIZATIONS WHICH ARE AFFILIATED WITH EEH, THE PURPOSES OF WH ICH ARE NOT INCONSISTENT WITH THOSE OF EH, (F) OTHERWISE OPERATE IN SUPPORT OF, OR IN FURT HERANCE OF, THE CHARITABLE PURPOSES OF EH, EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL OR SCIE NTIFIC PURPOSES WITHIN THE MEANING OF SECTION 501(C)(3) OF THE CODE, IN THE COURSE OF WHIC H OPERATION (I) NO PART OF THE NET EARNINGS OF EH SHALL INURE TO THE BENEFIT OF, OR BE DIS TRIBUTABLE TO, ANY PRIVATE INDIVIDUAL, AND NO PART OF THE INCOME OF EH SHALL BE DISTRIBUTE D TO EEH, EH TRUSTEES, EH OFFICERS OR ANY OTHER PRIVATE PERSONS, EXCEPT THAT EH SHALL BE A UTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED AND TO MAKE P AYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSES SET FORTH HEREIN, (II) NO SUBSTAN TIAL PART OF THE ACTIVITIES OF EH SHALL CONSIST OF THE CARRY ING ON OF PROPAGANDA OR OTHERW ISE ATTEMPTING TO INFLUENCE LEGISLATION, AND EH SHALL NOT PARTICIPATE IN OR INTERVENE IN A NY POLITICAL CAMPAIGN ON BEHALF OF OR IN OPPOSITION TO ANY CANDIDATE FOR PUBLIC OFFICE, IN CLUDING THE PUBLISHING OR DISTRIBUTION OF STATEMENTS, EXCEPT AS AUTHORIZED UNDER THE CODE, AND (III) NOTWITHSTANDING ANY OTHER PROVISIONS CONTAINED HEREIN, EH SHALL NOT CARRY ON AN Y OTHER ACTIVITIES NOT PERMITTED TO BE CARRIED ON BY (X) A CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE CODE, OR (Y) A CORPORATION, THE CONTRIBUTIONS T O WHICH ARE DEDUCTIBLE UNDER SECTION 170(C)(2) OF THE CODE -EH'S PARENT COMPANY, EEH, HAS THE EXCLUSIVE POWER TO (I) ELECT, APPOINT, REMOVE AND REPLACE EH TRUSTEES, (II) INTERVEN E IN ANY ACTION OR PLAN OF EH TO THE EXTENT THE EEH BOARD OF TRUSTEES, IN ITS SOLE DISCRET ION, DEEMS IT NECESSARY TO DO SO IN ORDER TO AVOID SIGNIFICANT RISK TO THE TAX EXEMPT STAT US, LICENSURE, OR ACCREDITATION OF EH, EEH OR ANY FACILITY OPERATED BY ANY OF THE FOREGOIN G, OR TO AVOID SIGNIFICANT LEGAL, REGULATORY, OR FINANCIAL RISK TO EH, EEH OR ANY FACILITY OPERATED BY ANY OF THE FOREGOING, AND (III) SELECT AND APPOINT INDEPENDENT AUDITORS FOR E H AND DIRECT THE PERFORMANCE OF AN ANNUAL INDEPENDENT AUDIT OF THE FINANCIAL CONDITION OF EH -IN ADDITION TO THE EXCLUSIVE POWERS SET FORTH ABOVE, EEH'S APPROVAL SHALL BE REQUIRED TO AUTHORIZE ANY OF THE FOLLOWING MATTERS (I) THE ADOPTION, AMENDMENT AND REPEAL THE EH ARTICLES OF INCORPORATION, THE EH BYLAWS AND ANY SIMILAR GOVERNING DOCUMENT OF EH, (II) TH E ADOPTION AND APPROVAL OF ANY PLAN OF DISSOLUTION OR LIQUIDATION OF EH, ANY PLAN OF MERGE R OR CONSOLIDATION OF EH WITH ANOTHER CORPORATION OR OTHER ENTITY, AND/OR ANY EXCHANGE, SA LE OR TRANSFER OF ANY MATERIAL PORTION OF THE ASSETS OF EH IN ANY TRANSACTION OR SERIES OF RELATED TRANSACTIONS, (III) THE ADOPTION AND APPROVAL OF A FINANCIAL CONTROLS POLICY OF E H, WHICH MAY BE AMENDED, MODIFIED, SUPPLEMENTED OR RESTATED FROM TIME TO TIME, (IV) THE AM ENDMENT OR REVISION OF THE INITIAL PURPOSE AND SCOPE OF SERVICES OF EH, INCLUDING LOCATION , SIZE, OPERATIONS AND ACTIVITIES, (V) THE ADOPTION OF, ANY AND ALL ANNUAL OPERATING AND C APITAL BUDGETS, STRATEGIC PLANS, CAPITAL INVESTMENTS AND/OR CAPITAL ALLOCATIONS OF EH, (VI) THE AUTHORIZATION OR APPROVAL OF ANY LONG-TERM BORROWING OF MONEY BY EH OR ANY AUTHORIZA TION OR APPROVAL OF ANY PREPAYMENT, IN WHOLE OR IN PART, REFINANCING, INCREASE, MODIFICATI ON OR EXTENSION OF ANY SUCH INDEBTEDNESS, (VII) TH

Return Reference	Explanation	
	Form 990, Part VI, Sec A, Line 4, Significant changes to organizational documents	E GRANTING OF ANY SECURITY INTEREST IN, OR OTHERWISE PROVIDING FOR THE ENCUMBRANCE OF ANY OF THE ASSETS OR REVENUES OF EH, (VIII) THE CREATION AND/OR ADDITION OF ANY DIRECT OR INDI RECT SUBSIDIARIES OR AFFILIATES OF EH, INCLUDING, WITHOUT LIMITATION, ANY NOT-FOR-PROFIT O R FOR-PROFIT CORPORATIONS, LIMITED LIABILITY COMPANIES, PARTNERSHIPS OR OTHER LEGAL ENTITI ES, (IX) THE FILING OF A VOLUNTARY PETITION, OR ANY CONSENT TO THE INVOLUNTARY FILING OF A PETITION, BY OR ON BEHALF OF EH, IN BANKRUPTCY OR ANY REORGANIZATION, OR ANY APPOINTMENT OF A RECEIVER ON BEHALF OF EH, (X) THE SUBMISSION OF ANY APPLICATIONS, FILINGS OR MATERIAL CORRESPONDENCE TO THE ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD OR ANY SUCCESS OR THERETO (THE "IHFSRB") FOR ANY PROPOSED PROJECT OR ACTIVITY OF EH SUBJECT TO THE JURISD ICTION OF THE IHFSRB, REGARDLESS OF THE LEVEL OF CAPITAL EXPENDITURE, AND (XI) THE PURCHAS E OR SALE BY EH OF ANY INTEREST IN REAL PROPERTY -ANY EXERCISE OF EXCLUSIVE POWERS OR APP ROVAL RIGHTS NOTED ABOVE MUST BE EVIDENCED BY A RESOLUTION OF EEH BOARD OF TRUSTEES THE E EH BOARD OF TRUSTEES MAY DELEGATE TO ITS PRESIDENT OR ANOTHER OFFICER THEREOF THE AUTHORIT Y TO EXERCISE ANY OF THE EXCLUSIVE POWERS OR APPROVAL RIGHTS, AND SUCH DELEGATION MAY BE L IMITED TO SPECIFIC EVENTS OR TRANSACTIONS, OR TO GENERAL CATEGORIES OF EVENTS OR TRANSACTI ONS, AS THE EEH BOARD OF TRUSTEES SHALL CONSIDER TO BE NECESSARY OR DESIRABLE IN THE CIRCU MSTANCES - THE EH BOARD OF TRUSTEES MUST CONSIST OF A NUMBER OF TRUSTEES EQUAL TO THE NUM BER OF CORPORATE TRUSTEES AND THE EX OFFICIO TRUSTEES EACH OF THOSE INDIVIDUALS THEN SERV ING ON THE EEH BOARD OF TRUSTEES SHALL BE EH TRUSTEES (EACH, A "CORPORATE TRUSTEE") IN AD DITION TO THE CORPORATE TRUSTEES, THERE MUST BE TWO EX OFFICIO TRUSTEES (THE "EX OFFICIO T RUSTEES") CONSISTING OF THE PRESIDENT OF THE EH MEDICAL STAFF AND A PHY SICIAN MEMBER OF TH E EH MEDICAL STAFF OR OTHER POSITION SELECTED BY THE EEH BOARD OF TRUSTEES

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 6, Classes of members or stockholders	EDWARD HOSPITAL'S SOLE CORPORATE MEMBER IS EDWARD-ELMHURST HEALTHCARE AN ILLINOIS NOT-FOR-PROFIT AND SECTION 501(C)(3) TAX EXEMPT CORPORATION

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 7a, Members or stockholders electing members of governing body	EDWARD HOSPITAL'S SOLE CORPORATE MEMBER, EDWARD-ELMHURST HEALTHCARE, MAY ELECT, REMOVE AND REPLACE MEMBERS OF THE BOARD OF TRUSTEES OF EDWARD HOSPITAL. THE EDWARD-ELMHURST HEALTHCARE BOARD OF TRUSTEES CONSISTS OF THE INDIVIDUALS WHO CONCURRENTLY SERVE ON THE EDWARD HOSPITAL BOARD OF TRUSTEES, IN ADDITION, THE PRESIDENT OF THE EDWARD HOSPITAL MEDICAL STAFF SERVES ON THE BOARD OF TRUSTEES EX-OFFICIO WITH VOTE.

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 7b, Decisions requiring approval by members or stockholders	EDWARD-ELMHURST HEALTHCARE (EEH), THE CORPORATE MEMBER OF EDWARD HOSPITAL (EH), HAS THE EXCLUSIVE POWER TO - ELECT, APPOINT, REMOVE AND REPLACE EH TRUSTEES - INTERVENE IN ANY ACTION OR PLAN OF EH TO THE EXTENT THE EEH BOARD OF TRUSTEES, IN ITS SOLE DISCRETION, DEEMS IT NECESSARY TO DO SO IN ORDER TO AVOID SIGNIFICANT RISK TO THE TAX EXEMPT STATUS, LICENSURE, OR ACCREDITATION OF EH, EEH OR ANY FACILITY OPERATED BY ANY OF THE FOREGOING, OR TO AVOID SIGNIFICANT LEGAL, REGULATORY, OR FINANCIAL RISK TO EH, EEH OR ANY FACILITY PERATED BY ANY OF THE FOREGOING - SELECT AND APPOINT INDEPENDENT AUDITORS FOR EH AND DIRECT THE PERFORMANCE OF AN ANNUAL INDEPENDENT AUDIT OF THE FINANCIAL CONDITION OF EH IN ADDITION TO THE EXCLUSIVE POWERS SET FORTH ABOVE, EDWARD-ELMHURST HEALTHCARE'S APPROVAL SHALL BE REQUIRED TO AUTHORIZE ANY OF THE FOLLOWING MATTERS - THE ADOPTION, AMENDMENT AND REPEAL THE EDWARD HOSPITAL ARTICLES OF INCORPORATION, ITS BYLAWS AND ANY SIMILAR GOVERNING DOCUMENT OF EDWARD HOSPITAL - THE ADOPTION AND APPROVAL OF ANY PLAN OF DISSOLUTION OR LIQUIDATION OF EDWARD HOSPITAL, ANY PLAN OF MERGER OR CONSOLIDATION OF EDWARD HOSPITAL WITH ANOTHER CORPORATION OR OTHER ENTITY, AND/OR ANY EXCHANGE, SALE OR TRANSFER OF ANY MATERIAL PORTION OF THE ASSETS OF EDWARD HOSPITAL IN ANY TRANSACTION OR SERIES OF RELATED TRANSACTIONS - THE ADOPTION AND APPROVAL OF A FINANCIAL CONTROLS POLICY OF EDWARD HOSPITAL, WHICH MAY BE AMENDED, MODIFIED, SUPPLEMENTED OR RESTATED FROM TIME TO TIME - THE AMENDMENT OR REVISION OF THE INITIAL PURPOSE AND SCOPE OF SERVICES OF EDWARD HOSPITAL, INCLUDING LOCATION, SIZE, OPERATIONS AND ACTIVITIES - THE ADOPTION OF, ANY AND ALL ANNUAL OPERATING AND CAPITAL BUDGETS, STRATEGIC PLANS, CAPITAL INVESTMENTS AND/OR CAPITAL ALLOCATIONS OF EDWARD HOSPITAL - THE AUTHORIZATION OR APPROVAL OF ANY LONG-TERM BORROWING OF MONEY BY EDWARD HOSPITAL OR ANY AUTHORIZATION OR APPROVAL OF ANY PREPAYMENT, IN WHOLE OR IN PART, SUCH INDEBTEDNESS - THE GRANTING OF ANY SECURITY INTEREST IN, OR OTHERWISE PROVIDING FOR THE ENCUMBRANCE OF ANY OF THE ASSETS OR REVENUES OF EDWARD HOSPITAL - THE CREATION AND/OR ADDITION OF ANY DIRECT OR INDIRECT SUBSIDIARIES OR AFFILIATES OF EH, INCLUDING, WITHOUT LIMITATION, ANY NOT-FOR-PROFIT OR FOR-PROFIT CORPORATIONS, LIMITED LIABILITY COMPANIES, PARTNERSHIPS OR OTHER LEGAL ENTITIES - THE FILING OF A VOLUNTARY PETITION, OR ANY CONSENT TO THE INVOLUNTARY FILING OF A PETITION, BY OR ON BEHALF OF EDWARD HOSPITAL, IN BANKRUPTCY OR ANY REORGANIZATION, OR ANY APPOINTMENT OF A RECEIVER ON BEHALF OF EDWARD HOSPITAL - THE SUBMISSION OF ANY APPLICATIONS, FILINGS OR MATERIAL CORRESPONDENCE TO THE ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD OR ANY SUCCESSOR THERETO (THE "IHFSRB") FOR ANY PROPOSED PROJECT OR ACTIVITY OF EDWARD HOSPITAL SUBJECT TO THE JURISDICTION OF THE IHFSRB, REGARDLESS OF THE LEVEL OF CAPITAL EXPENDITURE - THE PURCHASE OR SALE BY EDWARD HOSPITAL OF ANY INTEREST IN REAL PROPERTY

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 11b, Review of form 990 by governing body	A DRAFT OF THE FULL FORM 990 WAS PROVIDED TO THE EDWARD-ELMHURST HEALTHCARE AUDIT COMMITTEE, AND WAS REVIEWED WITH THE ASSISTANCE OF CROWE HORWATH FOLLOWING REVIEW BY THE AUDIT COMMITTEE, AND PRIOR TO FILING, A FINAL COPY OF THE FORM 990 WAS THEN PROVIDED TO THE FULL BOARD OF TRUSTEES OF EDWARD HOSPITAL, AND KEY COMPONENTS OF THE FORM 990 WERE ALSO REVIEWED

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 12c, Conflict of interest policy	EDWARD-ELMHURST HEALTHCARE, ON BEHALF OF ITSELF AND ALL AFFILIATES, MONITORS AND ENFORCES COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY THROUGH ANNUAL REPORTING, AND ONGOING EDUCATION EACH YEAR, EDWARD-ELMHURST HEALTHCARE CONDUCTS AN ANNUAL CONFLICT OF INTEREST REVIEW THIS PROCESS INVOLVES REQUIRING ALL TRUSTEES, OFFICERS, KEY EMPLOYEES, EMPLOYED PHYSICIANS, CERTAIN OTHER PHYSICIANS, AND MANAGEMENT LEVEL EMPLOYEES TO COMPLETE AN ELECTRONIC CONFLICT OF INTEREST QUESTIONNAIRE THE SYSTEM DIRECTOR OF INTERNAL AUDIT AND CORPORATE COMPLIANCE FACILITATES THE COMPLETION OF A QUESTIONNAIRE BY ALL REQUIRED INDIVIDUALS, AND IF NO QUESTIONNAIRE IS COMPLETED, THE MATTER IS REPORTED TO THE INDIVIDUAL'S SUPERVISOR UP TO AND INCLUDING THE BOARD OF TRUSTEES DISCLOSURES MADE ON THE QUESTIONNAIRE ARE EVALUATED BY A CONFLICT OF INTEREST WORKGROUP COMPRISED OF THE SYSTEM DIRECTOR OF INTERNAL AUDIT AND CORPORATE COMPLIANCE, THE SYSTEM EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, THE GENERAL COUNSEL, AND THE DEPUTY GENERAL COUNSEL DISCLOSURES MADE BY TRUSTEES, OFFICERS AND KEY EMPLOYEES ARE EVALUATED BY THE TRUSTEES, OFFICERS AND KEY EMPLOYEES ARE EVALUATED BY THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OR ITS DESIGNEE THE EVALUATIONS MAY RESULT IN ACTIONS BEING TAKEN UP TO AND INCLUDING THE DEVELOPMENT OF A MANAGEMENT PLAN ACCEPTED BY THE INDIVIDUAL MAKING THE DISCLOSURE OR TERMINATION OF THE DISCLOSED RELATIONSHIP OR CONFLICT IN CASES WHERE AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST IS IDENTIFIED, THE CONFLICTED INDIVIDUAL IS EDUCATED ABOUT HOW THEY SHOULD RAISE THIS ISSUE IF THEY ARE EVER IN A POSITION WHERE THEIR CONFLICT MAY BE IMPLICATED CONFLICTED INDIVIDUALS MUST RECUSE THEMSELVES FROM VOTING, BUT, AT THE DISCRETION OF THE BOARD, MAY BE PERMITTED TO PARTICIPATE IN DISCUSSION ABOUT MATTERS IN WHICH THEY HAVE AN ACTUAL OR APPARENT CONFLICT IN ADDITION TO THIS ANNUAL REPORTING, ALL INDIVIDUALS NOTED ABOVE ARE ADVISED THAT, PURSUANT TO THE CONFLICTS POLICY, THEY ARE REQUIRED TO REPORT TO THE SYSTEM DIRECTOR OF INTERNAL AUDIT AND CORPORATE COMPLIANCE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST AS THEY MAY ARISE THROUGHOUT THE COURSE OF THE YEAR

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 15a, Process to establish compensation of top management official	EXECUTIVE COMPENSATION, INCLUDING THE PRESIDENT AND ALL OFFICERS OF EDWARD-ELMHURST HEALTHCARE ("SENIOR MANAGEMENT") IS MANAGED BY THE EDWARD-ELMHURST HEALTHCARE ("EEH") EXECUTIVE COMMITTEE ("COMMITTEE"), ON BEHALF OF EEH AND ALL OF ITS AFFILIATES ON AN ANNUAL BASIS, THE COMMITTEE REVIEWS COMPENSATION ARRANGEMENTS, INCLUDING THE COMPENSATION AWARD FOR THE EDWARD HOSPITAL PRESIDENT FOR THE COMING YEAR THE COMMITTEE CONDUCTS THE REVIEW IN A MANNER THAT WILL QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE INTERMEDIATE SANCTION RULES OF SECTION 4958 OF THE INTERNAL REVENUE CODE TO THAT END - THE CEO AND ALL OTHER MEMBERS OF SENIOR MANAGEMENT MAY PARTICIPATE IN THIS REVIEW PROCESS AND BE PRESENT AT MEETINGS OF THE COMMITTEE ONLY IF AND TO THE EXTENT NECESSARY TO ANSWER QUESTIONS AND PROVIDE OTHER INFORMATION THE COMMITTEE NEEDS FOR ITS ANALYSIS, ASSESSMENT AND DELIBERATIONS, AND THEY MUST OTHERWISE RECUSE THEMSELVES FROM COMMITTEE MEETINGS DURING COMMITTEE DEBATE AND VOTING ON COMPENSATION ARRANGEMENTS - ANY COMMITTEE MEMBER IDENTIFIED AS HAVING A CONFLICT SHALL PARTICIPATE IN THE PROCESS ONLY TO THE SAME EXTENT AS MEMBERS OF SENIOR MANAGEMENT - THE COMMITTEE CONDUCTS THE REVIEW WITH THE ASSISTANCE OF AN EXPERIENCED AND INDEPENDENT COMPENSATION FIRM, WHICH SUMMARIZES ITS ANALYSIS AND FINDINGS IN WRITING TO THE COMMITTEE - THE COMMITTEE OBTAINS AND RELIES ON CURRENT COMPARABLE MARKET COMPENSATION DATA FROM APPROPRIATE PEER ORGANIZATIONS FOR EACH COMPENSATION COMPONENT PRIOR TO MAKING ITS DETERMINATION RELEVANT INFORMATION WILL INCLUDE COMPENSATION LEVELS PAID BY SIMILARLY SITUATED ORGANIZATIONS, BOTH TAXABLE AND TAX-EXEMPT, FOR FUNCTIONALLY COMPARABLE POSITIONS, THE AVAILABILITY OF SIMILAR SERVICES IN THE GEOGRAPHIC AREA SERVED BY EEH, CURRENT COMPENSATION SURVEY COMPILED BY AN INDEPENDENT FIRM, AND, WHERE APPLICABLE, ACTUAL WRITTEN OFFERS FROM SIMILAR ORGANIZATIONS COMPETING FOR THE SERVICES FOR THE MEMBERS OF SENIOR MANAGEMENT - THE COMMITTEE ALSO ADEQUATELY AND PROMPTLY DOCUMENTS ITS DECISION THE DOCUMENTATION STATES ITS INTENTION TO QUALITY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS, THE SPECIFIC TERMS OF THE COMPENSATION ARRANGEMENT THAT WERE APPROVED, THE APPROVAL DATE, THE NAMES OF THE INDIVIDUALS PRESENT AND THOSE WHO VOTED, THE SPECIFIC COMPARABILITY DATA OBTAINED AND RELIED UPON, AND AN EXPLANATION AS TO WHY THE APPROVED AMOUNTS ARE CONSIDERED REASONABLE IF THE TERMS OF THE COMPENSATION ARRANGEMENT DIFFER FROM THE COMPARABILITY DATA IN ADDITION, THE COMMITTEE PERIODICALLY REVIEWS THE EXECUTIVE COMPENSATION PLAN, INCLUDING THE PHILOSOPHY, FOR (A) COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS, AND (B) ALIGNMENT WITH EEH'S MISSION, CHARITABLE PURPOSES, GOALS AND STRATEGIES BASED ON THE REVIEW, THE COMMITTEE APPROVES ANY CHANGES IN ONE OR MORE COMPONENTS OF THE PLAN OR THE PLAN PHILOSOPHY THAT THE COMMITTEE CONSIDERS NECESSARY AND APPROPRIATE RELATIVE TO ONE OR BOTH OF THESE CRITERIA OTHER INDIVIDUALS WHO ARE OFFICERS OR KEY EMPLOYEES OF EDWARD HOSPITAL, BUT ARE NOT A PART OF EEH SENIOR MANAGEMENT ARE COMPENSATED WITH A COMPETITIVE BASE SALARY, ALONG WITH AN INCENTIVE PLAN, WHICH IS REFLECTIVE OF EEH'S MARKET AS DETERMINED BY A REVIEW OF INDEPENDENTLY GATHERED MARKET COMPENSATION SURVEY DATA AT THE TIME OF HIRE, THE SALARY DETERMINATION IS MADE BY GIVING CONSIDERATION TO THE EXPERIENCE PERTINENT TO THE ROLE FOR WHICH THE INDIVIDUAL IS TO BE HIRED, ALSO CONSIDERED ARE NICHE SKILLS OR EXPERIENCE THE INDIVIDUAL BRINGS TO THE ORGANIZATION SUPPLY AND DEMAND WILL ALSO PLAY A ROLE IN DETERMINING THE HIRING RATE OF PAY BASED ON THESE FACTORS, THE EEH HUMAN RESOURCES DEPARTMENT, WHICH SUPPORTS EEH AND ALL OF ITS AFFILIATES, WILL ASSIGN THE KEY EMPLOYEE TO AN APPROPRIATE PAY GRADE, AND A RATE OF PAY WILL BE OFFERED WITHIN THAT PAY GRADE ON A PERIODIC BASIS, THE EEH HUMAN RESOURCES DEPARTMENT WORKS WITH AN INDEPENDENT THIRD PARTY COMPENSATION CONSULTANT TO CONDUCT A THOROUGH MARKET REVIEW OF ALL POSITIONS WHICH ARE NOT CONSIDERED SENIOR MANAGEMENT USING A VARIETY OF SOURCES, EEH SALARY RANGES ARE COMPARED TO THE CURRENT MARKET PAY GRADE ASSIGNMENTS, AND INDIVIDUAL RATE OF PAY MAY CHANGE BASED ON THE RESULTS OF THIS ANNUAL MARKET REVIEW IN ADDITIONAL, ANNUAL MERIT INCREASES MAY BE AWARDED BASED ON EEH'S BUDGET FOR THE YEAR

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 15b, Process to establish compensation of other employees	PLEASE SEE THE NARRATIVE TO FORM 990, PART VI, LINE 15A

Return Reference	Explanation
Form 990, Part VI, Sec C, Line 19, Required documents available to the public	CURRENTLY, THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND AUDITED FINANCIAL STATEMENTS ARE AVAILABLE VIA EMMA IF A REQUEST IS RECEIVED FOR THIS INFORMATION, IT IS FORWARDED ON TO EITHER THE LEGAL DEPARTMENT OR THE FINANCE DEPARTMENT, AND THE MATERIALS WOULD THEN BE PROVIDED TO THE REQUESTOR

Return Reference	Explanation
Form 990 , Part XI, Line 9, Other changes in net assets or fund balances	NET ASSETS RELEASED FROM RESTRICTIONS FROM EDWARD FOUNDATION - -298266, CHANGE IN TEMPORAIRAILY RESTRICTED NET ASSETS OF EDWARD FOUNDATION - 459186, NET ASSET TRANSFERS FROM EH TO AFFILIATES - -8920214, GAIN ON INTEREST RATE SWAPS - 197835, MINORITY INTEREST PAYABLE - 651998,

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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
EDWARD HOSPITAL

Employer identification number
36-3297173

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) 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	
(1) EDWARD PHYSICIAN OFFICE CENTER LP 801 S WASHINGTON ST NAPERVILLE, IL 60540 36-3524485	HEALTH CARE	IL	EHV	RELATED	884,320	4,774,412		No			No	0 %
(2) THE CENTER FOR SURGERY LP 475 E DIEHL ROAD NAPERVILLE, IL 60563 36-3776424	HEALTH CARE	IL	NA	N/A								
(3) ELMHURST OUTPATIENT SURGERY CENTER LLC 1200 S YORK ROAD ELMHURST, IL 60126 36-4150045	HEALTH CARE	IL	NA	N/A								
(4) RESIDENTIAL HOME HEALTH ILLINOIS LLC 5440 CORPORATE DRIVE SUITE 400 TROY, MI 48098 27-0179825	HEALTH CARE	IL	NA	N/A								
(5) RESIDENTIAL HOSPICE ILLINOIS LLC 5440 CORPORATE DRIVE SUITE 400 TROY, MI 48098 45-4745710	HEALTH CARE	IL	NA	N/A								
(6) MIDWEST ENDOSCOPY LLC 1243 RICKERT DRIVE NAPERVILLE, IL 60540 20-8292570	HEALTH CARE	IL	NA	N/A								
(7) WESTMONT SURGERY CENTER LLC DBA SALT CREEK SURGERY CENTER 530 NORTH CASS AVENUE WESTMONT, IL 60599 36-4419691	HEALTH CARE	IL	NA	N/A								

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) EDWARD MANAGEMENT CORPORATION 801 SOUTH WASHINGTON STREET NAPERVILLE, IL 60540 36-3833311	MANAGEMENT CORP	IL	NA	C CORPORATION					
(2) NAPERVILLE HEALTH CARE ASSOC LTD 801 SOUTH WASHINGTON STREET NAPERVILLE, IL 60540 36-3651180	HEALTH CARE	IL	EH	C CORPORATION	845,423	0	100 %	Yes	
(3) ILLINOIS HEALTH PARTNERS LLC 1100 W 31ST ST SUTIE 400 DOWNERS GROVE, IL 60515 90-0744712	HEALTH CARE	IL	NA	C CORPORATION					
(4) ELMHURST MEMORIAL HEALTH TECHNOLOGIES LLC 855 NORTH CHURCH COURT ELMHURST, IL 60126 36-3229839	PRATICE MANGEMENT	IL	NA	C CORPORATION					
(5) EEH SPC - SEGREGATED PORTFOLIO A GOVERNORS SQUARE BLDG 4 FLOOR 2 23 LIME TREE BAY, GRAND CAYMAN KY1-1002 CJ	INSURANCE	CJ	NA	C CORPORATION					
(6) EEH SPC - SEGREGATED PORTFOLIO B GOVERNORS SQUARE BLDG 4 FLOOR 2 23 LIME TREE BAY, GRAND CAYMAN KY1-1002 CJ 98-1185160	INSURANCE	CJ	NA	C CORPORATION					
(7) ELMHURST PHYSICIAN HOSPITAL ORGANIZATION LLC 855 N CHURCH COURT ELMHURST, IL 60126 36-3994179	HEALTH CARE	IL	NA	C CORPORATION					

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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
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	Yes	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) EDWARD AMBULANCE SERVICES LLC	A	8,193	ACTUAL COST

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: 13000248
Software Version: 2013v3.1
EIN: 36-3297173
Name: EDWARD HOSPITAL

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) EDWARD-ELMHURST HEALTHCARE 801 SOUTH WASHINGTON STREET NAPERVILLE, IL 60540 36-3513954	SYSTEM PARENT	IL	501(C)(3)	11 - Type II	NA		No
(1) NAPERVILLE PSYCHIATRIC VENTURES 801 SOUTH WASHINGTON STREET NAPERVILLE, IL 60540 36-3965251	HOSPITAL	IL	501(C)(3)	3	EHV		No
(2) EDWARD HEALTH VENTURES 801 SOUTH WASHINGTON STREET NAPERVILLE, IL 60540 58-1672987	SUPPORTING ORG	IL	501(C)(3)	11 - Type II	EEH		No
(3) EDWARD FOUNDATION 801 SOUTH WASHINGTON STREET NAPERVILLE, IL 60540 36-3723705	FUNDRAISING	IL	501(C)(3)	7	EEH		No
(4) EDWARD HEALTH & FITNESS CENTER 801 SOUTH WASHINGTON STREET NAPERVILLE, IL 60540 36-3555528	HEALTH CARE	IL	501(C)(3)	9	EHV		No
(5) EDWARD AMBULANCE SERVICES LLC 801 SOUTH WASHINGTON STREET NAPERVILLE, IL 60540 45-2389060	HEALTH CARE	IL	501(C)(3)	9	EH	Yes	
(6) ELMHURST MEMORIAL HOSPITAL 155 E BRUSH HILL ROAD ELMHURST, IL 60126 36-2167784	HOSPITAL	IL	501(C)(3)	3	EMHC		No
(7) ELMHURST MEMORIAL HOSPITAL FOUNDATION 155 E BRUSH HILL ROAD ELMHURST, IL 60126 36-3083197	FUNDRAISING	IL	501(C)(3)	7	EMH		No
(8) ELMHURST MEMORIAL HEALTHCARE 155 E BRUSH HILL ROAD ELMHURST, IL 60126 36-4037473	SUPPORTING ORG	IL	501(C)(3)	11 - Type II	EEH		No
(9) ELMHURST MEMORIAL HOME HEALTH 155 E BRUSH HILL ROAD ELMHURST, IL 60126 36-3962253	HEALTH CARE	IL	501(C)(3)	9	EMH		No

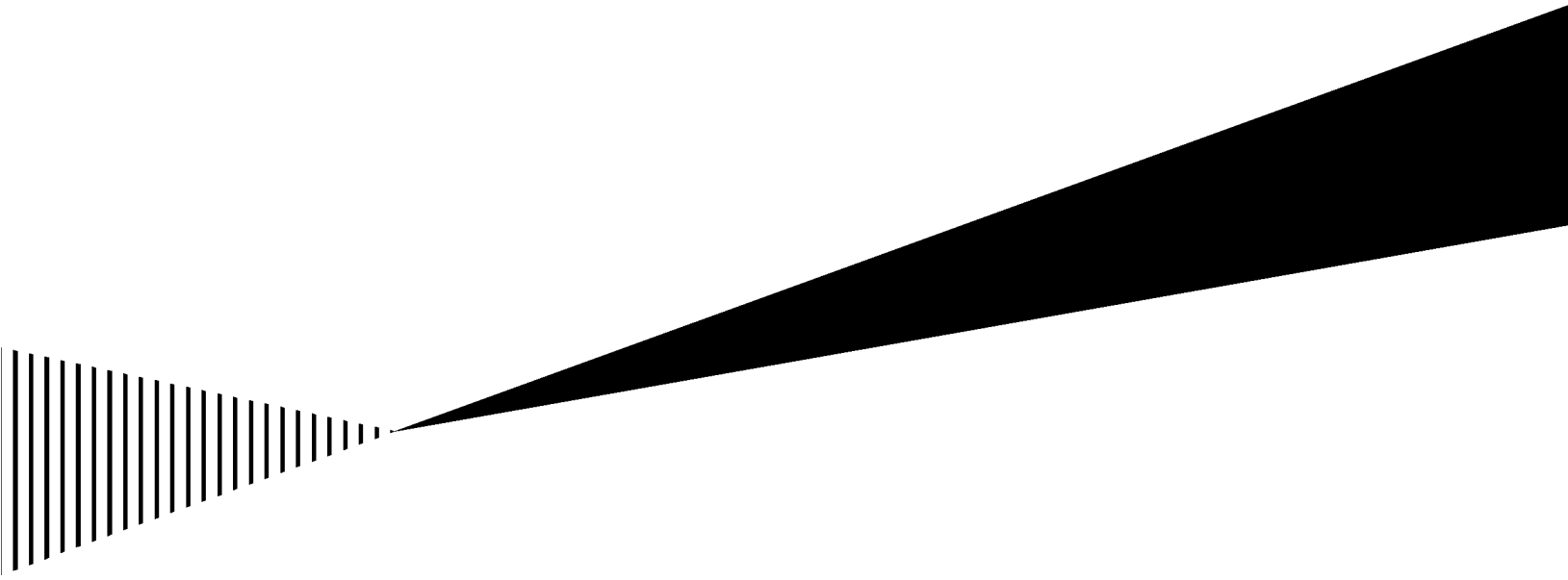
Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
EDWARD PHYSICIAN OFFICE CENTER LP 801 S WASHINGTON ST NAPERVILLE, IL 60540 36-3524485	HEALTH CARE	IL	EHV	RELATED	884,320	4,774,412		No			No	0 %
THE CENTER FOR SURGERY LP 475 E DIEHL ROAD NAPERVILLE, IL 60563 36-3776424	HEALTH CARE	IL	NA	N/A								
ELMHURST OUTPATIENT SURGERY CENTER LLC 1200 S YORK ROAD ELMHURST, IL 60126 36-4150045	HEALTH CARE	IL	NA	N/A								
RESIDENTIAL HOME HEALTH ILLINOIS LLC 5440 CORPORATE DRIVE SUITE 400 TROY, MI 48098 27-0179825	HEALTH CARE	IL	NA	N/A								
RESIDENTIAL HOSPICE ILLINOIS LLC 5440 CORPORATE DRIVE SUITE 400 TROY, MI 48098 45-4745710	HEALTH CARE	IL	NA	N/A								
MIDWEST ENDOSCOPY LLC 1243 RICKERT DRIVE NAPERVILLE, IL 60540 20-8292570	HEALTH CARE	IL	NA	N/A								
WESTMONT SURGERY CENTER LLC DBA SALT CREEK SURGERY CENTER 530 NORTH CASS AVENUE WESTMONT, IL 60599 36-4419691	HEALTH CARE	IL	NA	N/A								

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Edward-Elmhurst Healthcare
Year Ended June 30, 2014
With Reports of Independent Auditors

Ernst & Young LLP



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Building a better working world

Edward-Elmhurst Healthcare

Consolidated Financial Statements
and Supplementary Information

Year Ended June 30, 2014

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Building a better working world

Report of Independent Auditors

The Board of Trustees
Edward-Elmhurst Healthcare

We have audited the accompanying consolidated financial statements of Edward-Elmhurst Healthcare (the Corporation), which comprise the consolidated balance sheet as of June 30, 2014, and the related consolidated statements of operations and changes in net assets and cash flows for the year 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 financial statements in conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

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

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

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

Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Edward-Elmhurst Healthcare at June 30, 2014, and the consolidated results of its operations and its cash flows for the year then ended in conformity with U S generally accepted accounting principles

Ernst & Young LLP

September 24, 2014

Edward-Elmhurst Healthcare

Consolidated Balance Sheet

(Dollars in Thousands)

June 30, 2014

Assets	
Current assets	
Cash and cash equivalents	$ 42,090
Assets limited as to use	16,779
Patient accounts receivable, less allowances for doubtful accounts of $33,576	177,537
Estimated amounts due from third-party payors	13,381
Inventories	17,663
Prepaid expenses and other current assets	43,758
Total current assets	311,208
Assets limited as to use, less current portion	
Externally designated investments under debt agreements	14,645
Externally designated for self-insurance	111,450
Board-designated investments	674,483
	800,578
Other assets	
Deferred financing costs, net	5,369
Goodwill and other intangible assets, net	64,770
Investments in affiliates and other	28,752
Reinsurance recoverable for reinsured losses	27,208
	126,099
Land, buildings, and equipment	
Land and improvements	144,803
Buildings and improvements	1,007,850
Furniture and equipment	466,689
Construction-in-progress	82,633
	1,701,975
Less allowances for depreciation	708,961
	993,014
Total assets	$ 2,230,899

Liabilities and net assets	
Current liabilities	
Accounts payable	$ 52,798
Accrued expenses	93,527
Estimated amounts due to third-party payors	167,994
Current maturities of long-term debt	12,988
Total current liabilities	327,307
Long-term debt, less current maturities	728,678
Professional and general liability	61,613
Reserve for reinsured losses	27,208
Pension plan liability	19,083
Other liabilities	53,559
Total liabilities	1,217,448
Net assets	
Unrestricted net assets of Edward-Elmhurst Healthcare	995,220
Non-controlling interest	12,736
Total unrestricted net assets	1,007,956
Temporarily restricted net assets	4,638
Permanently restricted net assets	857
Total net assets	1,013,451
Total liabilities and net assets	$ 2,230,899

See accompanying notes.

Edward-Elmhurst Healthcare

Consolidated Statement of Operations and Changes in Net Assets

(Dollars in Thousands)

Year Ended June 30, 2014

Revenues	
Net patient service revenue before provision for bad debts	$ 1,070,953
Provision for bad debts	(50,879)
Net patient service revenue	1,020,074
Other operating revenue	63,349
	1,083,423
Expenses	
Salaries and wages	431,191
Employee benefits	92,447
Medical fees	54,924
Purchased services	65,478
Supplies and other	295,124
Depreciation and amortization	80,434
Interest	20,046
Medicaid tax	39,851
	1,079,495
Operating income	3,928
Non-operating	
Realized gains and investment income, net	129,045
Unrealized losses on investments, net	(28,624)
Change in fair value of interest rate swaps	3,878
Cash settlements on interest swaps	(7,021)
Loss on early extinguishment of debt	(3,515)
Other non-operating gains, net	10,014
	103,777
Excess of revenues and gains over expenses and losses	107,705
Less non-controlling interests	(837)
Excess of revenues and gains over expenses and losses attributable to controlling interest	106,868

Edward-Elmhurst Healthcare

Consolidated Statement of Operations and Changes in Net Assets (continued)
(Dollars in Thousands)

Year Ended June 30, 2014

Unrestricted net assets, controlling interest	
Excess of revenues and gains over expenses and losses	$ 106,868
Net assets released from restrictions and used for purchase of fixed assets	576
Postretirement benefit plan adjustments	9,099
Distribution to owners	(475)
Amortization of loss on discontinuation of hedge accounting	177
Increase in unrestricted net assets, controlling interest	116,245
Unrestricted net assets, non-controlling interest	
Excess of revenues and gains over expenses and losses	837
Amounts acquired in business combinations	11,552
Amounts disposed in business sale	(347)
Increase in unrestricted net assets, non-controlling interest	12,042
Temporarily restricted net assets, controlling interest	
Contributions	1,999
Net assets released from restrictions and used for operations	(1,731)
Net assets released from restrictions and used for purchase of fixed assets	(576)
Redesignation of donor intent	26
Decrease in temporarily restricted net assets, controlling interest	(282)
Permanently restricted net assets, controlling interest	
Redesignation of donor intent	(26)
Decrease in permanently restricted net assets, controlling interest	(26)
Increase in net assets	127,979
Net assets at beginning of year	885,472
Net assets at end of year	$ 1,013,451

See accompanying notes.

Edward-Elmhurst Healthcare

Consolidated Statement of Cash Flows
(Dollars in Thousands)

Year Ended June 30, 2014

Operating activities	
Increase in net assets	$ 127,979
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation and amortization	80,434
Provision for bad debts	50,879
Change in fair value of interest rate swaps	(3,878)
Restricted contributions	(1,999)
Loss on early extinguishment of debt	3,515
Net gain on disposal of fixed assets	(3,054)
Change in funded status of pension plan	(9,099)
Net assets released from restriction for operations	1,731
Changes in operating assets and liabilities	
Patient accounts receivable	(68,645)
Inventories, prepaid expenses, and other current assets	(1,669)
Accounts payable and accrued expenses	(9,712)
Other assets and liabilities	(8,095)
Investments	(47,439)
Estimated amounts due from/to third-party payors	35,054
Net cash provided by operating activities	146,002
Investing activities	
Additions to land, buildings, and equipment, net	(86,205)
Investments in affiliates and other	(10,378)
Net cash paid for business acquisitions	(17,436)
Net cash used in investing activities	(114,019)
Financing activities	
Principal payments under bond obligations	(12,057)
Proceeds from issuance of long-term debt	309,025
Repayment of long-term debt	(326,325)
Change in collateral posted under swap agreements	2,602
Restricted contributions	1,999
Net assets released from restriction for operations	(1,731)
Net cash used in financing activities	(26,487)
Net increase in cash and cash equivalents	5,496
Cash and cash equivalents at beginning of year	36,594
Cash and cash equivalents at end of year	$ 42,090
Supplemental disclosure of cash flow information	
Interest paid	$ 21,720

See accompanying notes

Edward-Elmhurst Healthcare

Notes to Consolidated Financial Statements
(Dollars in Thousands)

June 30, 2014

1. Organization and Basis of Consolidation

The accompanying consolidated financial statements represent the accounts of Edward-Elmhurst Healthcare (the Corporation) and its various affiliates Significant intercompany transactions have been eliminated in consolidation

Effective July 1, 2013, Edward Health Services Corporation and its subsidiaries (collectively, Edward) and Elmhurst Memorial Healthcare and its subsidiaries (collectively, Elmhurst) completed a system merger to form Edward-Elmhurst Healthcare, an integrated health system comprising three hospitals – Edward Hospital, Elmhurst Memorial Hospital and Linden Oaks Hospital The merger was effectuated by reconstituting the parent organization of Edward, which was renamed Edward-Elmhurst Healthcare and which became the sole corporate member of Edward Hospital (EH), Edward Heath Ventures (EHV), Edward Foundation, EEH Cayman Segregated Portfolio Co (f/k/a EHSC Cayman Segregated Portfolio Co) (the Captive), and Elmhurst Memorial Healthcare The merger aims to advance the predecessor organizations' combined missions through coordinated planning, effective allocation of resources, costs savings and integrated health care delivery

Included among Edward's historical affiliates are EH, an acute care hospital located in Naperville, Illinois, serving residents of Naperville and its surrounding communities, EHV, an organization that provides services to physician practices, holds real estate investments, and invests in joint ventures and other health care services, Edward Foundation, a charitable foundation organized to solicit gifts for the maintenance and benefit of Edward, and the Captive, which provides general and professional liability insurance coverage to the Corporation and its subsidiaries EHV is the sole corporate member of Edward Health & Fitness Center (EHFC), an Illinois not-for-profit corporation, and is the sole shareholder of Edward Management Corporation (EMC), an Illinois for-profit corporation EHV has a 99% ownership interest in Naperville Psychiatric Ventures, an Illinois general partnership, d/b/a Linden Oaks Hospital (Linden Oaks), a psychiatric hospital located on the campus of EH, and the Corporation owns the remaining 1% interest EHV is also the general partner of the Edward Physician Office Center Limited Partnership (EPOCLP), an Illinois for-profit limited partnership, which owns a medical office building on the EH campus EHV and EH together own 100% of the limited and general partnership units of EPOCLP

(Dollars in Thousands)

1. Organization and Basis of Consolidation (continued)

Included among Elmhurst's historical affiliates are Elmhurst Memorial Healthcare, which is the sole corporate member of Elmhurst Memorial Hospital (EMH), an acute care hospital located in Elmhurst, Illinois, serving residents of Elmhurst and its surrounding communities, and the sole shareholder of Elmhurst Memorial Health Technologies LLC (HTI), a for-profit limited liability corporation EMH is the sole corporate member of Elmhurst Memorial Hospital Foundation (Elmhurst Foundation), a charitable foundation organized to solicit gifts for the maintenance and benefit of Elmhurst

At July 1, 2013, neither Edward nor Elmhurst had significant assets or liabilities not otherwise required to be recognized under United States generally accepted accounting principles (GAAP) Further, the application of merger accounting to the combination as of July 1, 2013 did not require any significant adjustments to conform accounting policies of the merging entities or to eliminate intra-entity balances

The amounts recognized as of the July 1, 2013 merger date for each major class of assets, liabilities, and net assets for Edward and Elmhurst are as follows

	Edward	Elmhurst	Total
Total assets			
Cash and cash equivalents	$ 547	$ 36,047	$ 36,594
Patient accounts receivable, less allowances for doubtful accounts	93,467	66,304	159,771
Estimated amounts due from third-party payors	1,395	19,494	20,889
Other current assets	23,737	20,205	43,942
Assets limited as to use	534,498	247,519	782,017
Land, buildings, and equipment, net	454,138	532,651	986,789
Goodwill and intangibles	31,355	–	31,355
Other assets	26,744	15,463	42,207
	$ 1,165,881	$ 937,683	$ 2,103,564

(Dollars in Thousands)

1. Organization and Basis of Consolidation (continued)

	Edward	Elmhurst	Total
Total liabilities			
Current maturities of long-term debt	$ 6,575	$ 11,346	$ 17,921
Accounts payable and accrued expenses	91,903	62,904	154,807
Estimated amounts due to third-party payors	99,964	41,443	141,407
Long-term debt, less current maturities	261,298	488,261	749,559
Professional and general liability	42,275	20,043	62,318
Pension plan liability	–	26,359	26,359
Other liabilities	42,654	23,067	65,721
Total liabilities	544,669	673,423	1,218,092
Net assets			
Unrestricted net assets of Edward-Elmhurst Healthcare	619,078	259,897	878,975
Non-controlling interest	694	–	694
Total unrestricted net assets	619,772	259,897	879,669
Temporarily restricted net assets	1,047	3,873	4,920
Permanently restricted net assets	393	490	883
Total net assets	621,212	264,260	885,472
	$ 1,165,881	$ 937,683	$ 2,103,564

(Dollars in Thousands)

1. Organization and Basis of Consolidation (continued)

During 2014, the Corporation acquired controlling interest of three separate businesses (see Note 6) The ownership percentages acquired for each business were less than 100%, resulting in the recognition of non-controlling interest in the consolidated financial statements The following represents a reconciliation of beginning and ending balances of the Corporation's interest and the non-controlling interests for each class of net assets for which a non-controlling interest existed during the year ended June 30, 2014

	Unrestricted Net Assets		
	Controlling Interest	Non-Controlling Interest	Total
Balance at July 1, 2013	$ 878,975	$ 694	$ 879,669
Revenue and gains in excess of expenses and losses	106,868	837	107,705
Net assets released from restrictions and used for purchases of fixed assets	576	–	576
Postretirement benefit plan adjustments	9,099	–	9,099
Distribution to owners	(475)	–	(475)
Amortization of gain on discontinuation of hedge accounting	177	–	177
Non-controlling interests acquired in business combinations	–	11,552	11,552
Non-controlling interests disposed of in business sale	–	(347)	(347)
Balance at June 30, 2014	$ 995,220	$ 12,736	$ 1,007,956

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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

2. Summary of Significant Accounting Policies (continued)

Although estimates are considered to be fairly stated at the time the estimates are made, actual results could differ from those estimates

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less when purchased, excluding amounts whose use is limited by board designation or other arrangements under trust agreements

Patient Accounts Receivable

The Corporation evaluates the collectability of its patient accounts receivable based on the length of time the receivable is outstanding, payor class, and the anticipated future uncollectable amounts based on historical experience Patient accounts receivable are charged to the allowance for doubtful accounts when they are deemed uncollectable

Patient service revenue is reduced by the provision for bad debts, and patient accounts receivable are reduced by an allowance for doubtful accounts These amounts are based on management's assessment of historical and expected net collections for each major payor source, considering business and economic conditions, trends in health care coverage, and other collection indicators Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts On the basis of historical experience, a significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided Thus, the Corporation records a significant provision for bad debts in the period services are provided related to self-pay patients, including both uninsured patients and patients with deductible and co-payment balances due for which third-party coverage exists for a portion of their balance For receivables associated with patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary Accounts receivable are written off after collection efforts have been followed in accordance with the Corporation's policies

The Corporation's allowance for doubtful accounts was 19% of total accounts receivable at June 30, 2014 The Corporation's combined allowance for doubtful accounts and charity care covered 86% of self-pay accounts receivable at June 30, 2014 The Corporation's write-offs to the allowance for doubtful accounts were $49,934 for the year ended June 30, 2014

2. Summary of Significant Accounting Policies (continued)

Assets Limited as to Use and Investment Income

Assets limited as to use include assets set aside by the Board of Trustees (the Board) for future capital improvements, which the Board, at its discretion, may subsequently use for other purposes In addition, assets limited as to use include assets externally designated by reinsurers for the self-insured professional and general liability and assets held by trustees under debt agreements Assets limited as to use are classified as current assets to the extent they are required to satisfy obligations classified as current liabilities in the accompanying consolidated balance sheet

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices for those or similar investments, with the exception of assets held in a privately-held pooled bond fund that are valued using the market values of underlying investment securities and hedge funds that are accounted for in accordance with the equity method of accounting, which is not a fair value measurement Dividends, realized gains and losses, and unrealized gains and losses are reported as non-operating gains and losses in the consolidated statement of operations and changes in net assets

Interest Rate Swaps

Interest rate swaps are measured at fair value based on quoted market interest rates Gains and losses resulting from changes in market interest rates are reported as change in fair value of interest rate swaps in the consolidated statement of operations and changes in net assets

The accounting for changes in the fair value (i e , gains or losses) of a derivative instrument depends on whether it has been designated as part of a hedging relationship and, further, on the type of hedging relationship For derivative instruments that are designated as hedging instruments, the Corporation must designate the hedging instrument based upon the exposure being hedged as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation

For derivative instruments that are designated and qualify as a cash flow hedge (i e , hedging the exposure of variability in expected future cash flows that is attributable to a particular risk), the gain or loss is recorded as a change in unrestricted net assets, whereas for derivative instruments

(Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

not designated as hedging instruments, the gain or loss is recognized in current earnings during the period of change At June 30, 2014, the Corporation had no derivative instruments that are designated and qualify as a fair value hedge or hedge of a net investment in a foreign currency

Inventories

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

Deferred Financing Costs

Debt issuance and financing costs are capitalized and amortized over the life of the debt issue using methods that approximate the effective interest method

Land, Buildings, and Equipment

Land, buildings, and equipment are carried at cost, except donated assets, which are recorded at fair market value as of the date of donation The Corporation has capitalized internal developed software costs of $31,516 (and related accumulated amortization of $4,750) at June 30, 2014, which is recorded in furniture and equipment in the consolidated balance sheet Total nondepreciable assets (consisting of various parcels of land) totaled $94,856 at June 30, 2014 There were no significant improvements to leased facilities and equipment during 2014

The Corporation records depreciation expense, including amortization of assets recorded under capital leases, using the straight-line method over the estimated useful lives of the assets, which have the following ranges

	Years
Buildings	20 – 100
Building improvements	3 – 40
Furniture and equipment	3 – 15

2. Summary of Significant Accounting Policies (continued)

Total depreciation expense during 2014 was $79,100 and is included in depreciation and amortization in the accompanying consolidated statement of operations and changes in net assets

During 2014, the Corporation sold certain real estate property located in Elmhurst, Illinois for $5,675 with a carrying amount at the time of sale of $2,105, resulting in a gain of $3,570, which is included in other non-operating gains in the accompanying consolidated statement of operations and changes in net assets

Interest expense, including interest capitalized during 2014, was $22,577 Interest capitalized during 2014 was $2,531

At June 30, 2014, the Corporation had commitments totaling approximately $24,757 related to construction and modernization projects

Asset Impairments

Long-lived and intangible assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets When impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on discounted net cash flows or other estimated fair values No significant impairments of long-lived and intangible assets were recorded during 2014

Goodwill is assessed for impairment on an annual basis at the reporting unit level If fair value of the reporting unit is less than the carrying value, an impairment loss equal to the difference between the implied fair value of the reporting unit goodwill and the carrying value of the reporting unit goodwill is recognized There was no impairment of goodwill during 2014

2. Summary of Significant Accounting Policies (continued)

Intangible Assets

The acquisition of a business entity can result in the recording of intangible assets Acquired definite-lived intangible assets are amortized over the useful lives of the assets Indefinite-lived intangible assets (including goodwill) are carried at acquisition value, less any impairment reductions

The weighted-average amortization period of intangibles subject to amortization is approximately 8 13 years

Investment in Affiliates

The Corporation accounts for its investments in less-than-majority owned and controlled affiliates using either the cost basis or the equity method of accounting Income from these investments is reflected in other revenue in the consolidated statement of operations and changes in net assets

Non-Controlling Interest

The consolidated financial statements include all assets, liabilities, revenues, and expenses of less-than-100% owned or controlled entities of the Corporation, in accordance with relevant accounting guidance The Corporation has separately reflected a non-controlling interest for the portion of net assets not owned or controlled by the Corporation within the consolidated balance sheet

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the pledge is received to the extent estimated to be collectible by the Corporation Pledges received with donor restrictions that limit the use of the donated assets are reported as either temporarily or permanently restricted support When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as net assets are released from restrictions

2. Summary of Significant Accounting Policies (continued)

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operations of the Corporation Temporarily restricted gifts are recorded as an addition to temporarily restricted net assets in the period received Resources restricted by donors for specific operating purposes are reported as revenue to the extent expended within the period

Permanently restricted net assets consist of amounts held in perpetuity, as designated by donors Earnings on investments of endowment funds are included in revenue unless restricted by donors

Net Patient Service Revenue

The Corporation has agreements with various third-party payors that provide for payments to the Corporation at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is reported at the estimated net realizable amounts received or due from patients, third-party payors, and others for services rendered These amounts include estimated adjustments under certain reimbursement agreements with third-party payors, which are subject to audit by the applicable administering agency These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined (see Note 4) Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor services, is as follows for the year ended June 30, 2014

	Third-Party Payors	Self-Pay	Total All Payors
Net patient service revenue before provision for bad debts	$ 943,567	$ 127,386	$ 1,070,953

Charity Care

The Corporation provides care to all patients regardless of their ability to pay Charity care provided by the Corporation is excluded from net patient service revenue

2. Summary of Significant Accounting Policies (continued)

Excess of Revenues and Gains Over Expenses and Losses

The consolidated statement of operations and changes in net assets includes excess of revenues and gains over expenses and losses attributable to controlling interest Changes in unrestricted net assets, which are excluded from excess of revenues and gains over expenses and losses attributable to controlling interest, include net assets released from restrictions and used for purchase of fixed assets, postretirement benefit plan adjustments, distribution to owners, and amortization of loss on discontinuation of hedge accounting

Income Taxes

The Corporation, EH, EHV, EHFC, Edward Foundation, Linden Oaks, Elmhurst Memorial Healthcare, EMH and Elmhurst Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code on income related to their exempt purposes Accordingly, there is no material provision for income tax for these entities

EPOCLP is a wholly-owned partnership There is no material provision for income taxes relating to this partnership

There is presently no tax imposed by the government of the Cayman Islands on the Captive During 2014, the Captive started a new segregated portfolio cell (Cell B) to provide coverage for certain affiliates, employed physicians of the Corporation and certain independent physicians Cell B made an election under Section 953(d) of the Internal Revenue Code to be treated as a United States Corporation for federal income tax purposes As of June 30, 2014, there is no material provision for income taxes relating to the Captive The only taxes payable by the Captive for the original segregated portfolio cell (Cell A) are withholding taxes of other countries applicable to certain investment income relating to Cell A

For the year ended June 30, 2014, HTI had net operating income of $294 for financial statement purposes that was offset by previous years' net operating losses (NOL) At June 30, 2014, approximately $1,009 of NOL was available to be carried forward, expiring in the years 2018 through 2030 The deferred tax asset related to the NOL is offset by a valuation allowance, as realization of the tax benefits of the NOL carryforward is not assured

2. Summary of Significant Accounting Policies (continued)

For the year ended June 30, 2014, EMC had a net operating loss of $12 for financial statement purposes At June 30, 2014, EMC had a NOL carryforward of $357, expiring in the years 2021 through 2034 The deferred tax asset related to the NOL is offset by a valuation allowance, as realization of the tax benefits of the NOL carryforward is not assured

3. General and Professional Liability Claims

Edward was a party to an agreement with the Illinois Provider Trust (IPT) for primary and excess coverage of Edward general and professional liability claims through December 31, 2004 on a claims-made basis Effective January 1, 2005, the Captive began providing claims-made health care professional liability and occurrence-based general liability coverage to Edward at various layers The Captive includes tail coverage retroactive to the dates of the claims-made primary and excess coverages through IPT (January 2003 and January 2002, respectively) In January 2007, the Captive began providing professional liability coverage to certain employed physicians of the EH and EHV The Corporation has recorded a tail coverage liability representing incurred but not reported claims of $13,498 at June 30, 2014 Edward is also covered by an excess liability policy with limits of $80,000 in the aggregate for the period January 1, 2009 through December 31, 2014 Elmhurst became covered under this excess policy effective July 15, 2013, when its self-insured retention liabilities were moved to the Captive via a loss portfolio transfer

The Captive recorded a liability of $48,115 for claims reported to the Captive at June 30, 2014

Annual premiums paid to IPT or deposited in the Captive are based on actuarial valuations The premiums for primary coverage under IPT are subject to retrospective adjustments based on the loss experience of Edward and other IPT members, subject to certain maximum limitations No retrospective premium adjustments were assessed to Edward during fiscal year 2014

Actuarial estimates are subject to uncertainty, including changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, and economic conditions The actual claim payments could be materially different from the estimates The Corporation recorded $10,031 of general and professional liability expense in 2014 The Corporation is a defendant in various lawsuits arising in the ordinary course of business Although the outcome of these lawsuits cannot be predicted with certainty, management believes the ultimate disposition of such matters will not have a material effect on the Corporation's consolidated financial condition or results of operations

(Dollars in Thousands)

4. Contractual Arrangements With Third-Party Payors

The Medicare and Medicaid programs pay EH and EMH for inpatient and outpatient services at predetermined rates based on treatment diagnosis Medicare reimbursement for certain outpatient and extended care services rendered by Linden Oaks is primarily based on allowable costs, which are subject to retroactive audit and adjustment Changes in the Medicare and Medicaid programs or reduction of funding levels for the programs could have an adverse effect on future amounts recognized as net patient service revenue

The laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

Payment for services provided to health maintenance organization and preferred provider organization (HMO/PPO) patients is made at predetermined fixed rates Payment for services provided to Blue Cross program patients is based on allowable reimbursable costs and is subject to retroactive audit and adjustment

Net patient revenues received under the HMO/PPO and Medicare payment arrangements account for 64% and 28% of net patient service revenue, respectively, for the year ended June 30, 2014 A provision has been made in the consolidated financial statements for contractual adjustments, representing the difference between standard charges for services and actual or estimated payment

EH, EMH, Linden Oaks, and EHV grant credit without collateral to their patients, most of whom are local residents and are insured under third-party arrangements The mix of receivables from patients and third-party payors is as follows at June 30, 2014

Medicare	22%
Medicaid	11
Managed care HMO/PPO	22
Managed care Blue Cross HMO/PPO	24
Commercial	9
Self-pay and other	12
	100%

(Dollars in Thousands)

4. Contractual Arrangements With Third-Party Payors (continued)

Adjustments arising from reimbursement arrangements with third-party payors are accrued on an estimated basis in the period in which the services are rendered Estimates for cost report settlements and contractual allowances can differ from actual reimbursement based on the results of subsequent reviews and cost report audits Changes in third-party payor settlements that relate to prior years are reported in net patient service revenue in the consolidated statement of operations and changes in net assets The impact of such items resulted in an increase in net patient service revenue in the amount of $2,773 in 2014

The Corporation recognized Illinois hospital assessment revenue and assessment expense in the amounts of $36,213 and $39,851, respectively, resulting in a decrease of $3,638 in the Corporation's operating income for the year ended June 30, 2014

The Corporation recognized $2,684 as unrestricted contributions from the Illinois Hospital Research and Educational Foundation (IHREF), representing financial assistance to certain hospitals participating in the 2014 Illinois Medicaid Provider Tax program This amount has been recorded as other operating revenues in the accompanying consolidated statement of operations and changes in net assets for the year ended June 30, 2014

5. Investments in Affiliates

Investments in affiliates include a 33 3% interest in Northern Illinois Surgery Center Limited Partnership, a 50% ownership interest in Illinois Health Partners, LLC (IHP), a 42 5% ownership interest in Residential Hospice Illinois, LLC, a 12 5% investment in DMG Surgical Center, LLC, a 45% interest in the Plainfield Surgery Center, LLC, a 50 0% interest in Elmcare, LLC, a 40 0% interest in CyberKnife Center of Chicago, LLC, and a 52 5% interest in Elmhurst Outpatient Surgery Center, LLC These investments are recorded using the equity method of accounting Net income from these investments of $2,464 is included in other operating revenue in the accompanying consolidated statement of operations and changes in net assets

Summarized unaudited financial results for the investments in affiliates accounted for under the equity method as of and for the year ended June 30, 2014 are as follows

Assets	$	89,408
Liabilities		36,042
Net income		33,110

(Dollars in Thousands)

6. Business Acquisitions

EHV acquired a 55% ownership interest in Midwest Endoscopy Center, LLC (Midwest) on January 2, 2014 for a purchase price of $12,876 Midwest operates an ambulatory surgery center located in Naperville, Illinois This transaction was accounted for under the purchase method of accounting EHV recorded goodwill in the amount of $18,165 and a non-controlling interest of $6,215 based upon the fair value of Midwest's balance sheet as of the date of acquisition In valuing these assets and liabilities, fair values were based on, but not limited to professional appraisals, discounted cash flows and replacement costs

The fair value of assets and liabilities of Midwest at January 2, 2014, consists of the following

Cash and cash equivalents	$	209
Patient accounts receivable		125
Other current assets		287
Land, buildings and equipment, net		310
Total assets	$	931
Accrued expenses	$	5
Total liabilities	$	5

Total operating revenue and operating income from the date of acquisition of Midwest of $2,655 and $1,138, respectively, have been included in the consolidated statement of operations and changes in net assets

EHV acquired a 60% ownership interest in Westmont Surgery Center, LLC (Westmont) on December 31, 2013 for a purchase price of $5,826 plus a capital contribution of $1,399 Westmont operates an ambulatory surgery center located in Westmont, Illinois This transaction was accounted for under the purchase method of accounting EHV recorded goodwill in the amount of $7,260 and a non-controlling interest of $2,775 based upon the fair value of Westmont's balance sheet as of the date of acquisition In valuing these assets and liabilities, fair values were based on, but not limited to professional appraisals, discounted cash flows, and replacement costs

(Dollars in Thousands)

6. Business Acquisitions (continued)

The fair value of assets and liabilities of Westmont at December 31, 2013, consists of the following

Cash and cash equivalents	$	2,456
Patient accounts receivable		445
Inventories		325
Prepaid expenses and other current assets		68
Other current assets		220
Land, buildings, and equipment, net		485
Total assets	$	3,999
Accrued expenses	$	1,259
Total liabilities	$	1,259

Total operating revenue and operating income from the date of acquisition of Westmont amount to $2,453 and $171, respectively, which are included in the consolidated statement of operations and changes in net assets

Effective March 29, 2014, Elmhurst Memorial Home Health contributed and transferred its business and related assets to EH EH then contributed and transferred the business and related assets to Residential Home Health of Illinois, LLC (RHHI) Prior to March 29, 2014, EH maintained a 49% ownership interest in RHHI Based upon the fair value of the Elmhurst Memorial Home Health business and the fair value of the RHHI business prior to the transfer and contribution of the Elmhurst Memorial Home Health business and related assets to RHHI of $2,181, the EH ownership interest in RHHI increased to 60% This transaction was accounted for under the purchase method of accounting Effective June 30, 2014, EH contributed and transferred the business and related assets of RHHI to the Corporation

For the period July 1, 2013 through March 28, 2014, EH recorded its investment in RHHI using the equity method of accounting Beginning on March 29, 2014, RHHI financial results are included in the accompanying consolidated statement of operations and changes in net assets Effective March 29, 2014, the carrying value and fair value of EH's investment in RHHI were $1,812 and $2,409, respectively, resulting in a gain of $597 that was recorded as other non-operating gains, net in the accompanying consolidated statement of operations and net

(Dollars in Thousands)

6. Business Acquisitions (continued)

assets EH recorded goodwill in the amount of $5,952 and a non-controlling interest of $2,561 based upon the fair value of RHHI's balance sheet as of the date of acquisition In valuing these assets and liabilities, fair values were based on, but not limited to professional appraisals, discounted cash flows, and replacement costs

The fair value of assets and liabilities of RHHI at March 29, 2014, consists of the following

Patient accounts receivable	$	2,241
Inventories		19
Prepaid expenses and other current assets		70
Other current assets		13
Land, buildings, and equipment, net		178
Total assets	$	2,521
Accrued expenses	$	1,322
Total liabilities	$	1,322

Following are the unaudited pro forma results for the year ended June 30, 2014 These results reflect the addition of unaudited results for RHHI for the period July 1, 2013 through March 28, 2014, Midwest for the period July 1, 2013 through December 30, 2013, and Westmont for the period July 1, 2013 through January 1, 2014 to the Corporation's results for the year ended June 30, 2014

Total operating revenue	$	27,852
Operating income		15,467
Revenues in excess of expenses		3,906

The pro forma information provided is a compilation of results only and should not be construed to accurately reflect what the actual results would have been had the acquisitions been consummated on July 1, 2013, and is not intended to project the Corporation's results of operations for any future periods

(Dollars in Thousands)

7. Investments

The Corporation's investments at June 30, 2014 are summarized as follows

Assets limited as to use, current portion	$	16,779
Assets limited as to use, less current portion		
Externally designated investments under debt agreements		14,645
Externally designated for self-insurance		111,450
Board-designated investments		674,483
		800,578
Prepaid expenses and other current assets		16,515
Investments in affiliates and other		11,587
	$	845,459

A summary of the composition of the Corporation's investment portfolio at June 30, 2014 is as follows

Cash and cash equivalents	$	23,600
Mutual funds – equity		458,232
Mutual funds – fixed income		296,678
U S government and agency obligations		4,972
Municipal bonds		3,092
Corporate bonds		4,368
Privately-held pooled bond fund		20,062
Hedge funds		34,455
	$	845,459

(Dollars in Thousands)

7. Investments (continued)

Return on investments for the year ended June 30, 2014 are as follows

Investment return		
Interest and dividend income	$	35,672
Unrealized losses on investments, net		(28,624)
Net realized gains on investments		93,373
Total investment return	$	100,421
Reported as		
Unrealized losses on investments, net	$	(28,624)
Net realized gains and investment income		129,045
	$	100,421

8. Long-Term Debt

Long-term debt consists of the following at June 30, 2014

Edward Obligated Group		
Illinois Finance Authority Revenue Bonds, Series 2012A		
Serial Bonds, interest at 4 1% to 5 5%, due in varying annual installments from 2013 to 2018	$	9,460
Term Bonds, interest at 5 0%, due in 2020		11,050
Illinois Finance Authority Revenue Bonds, Series 2009A		
Variable Rate Securities, interest payable monthly at a floating rate (0 06% at June 30, 2014), and principal due in varying annual installments from 2011 to 2034		43,085
Illinois Finance Authority Revenue Bonds, Series 2008A		
Serial Bonds, interest at 6 0%, due in varying annual installments from 2021 to 2026		15,375
Term Bonds, interest at 6 0%, due in 2028		6,150
Term Bonds, interest at 6 25%, due in 2033		8,450
Term Bonds, interest at 5 50%, due in 2040		56,125
Illinois Finance Authority Revenue Bonds, Series 2008B-1		
Variable Rate Securities, interest payable monthly at a floating rate (0 06% at June 30, 2014), and principal due in varying annual installments from 2010 to 2040		50,835

(Dollars in Thousands)

8. Long-Term Debt (continued)

Edward Obligated Group (continued)		
Illinois Finance Authority Revenue Bonds, Series 2008B-2		
Variable Rate Securities, interest payable monthly at a floating rate (0 08% at June 30, 2014), and principal due in varying annual installments from 2010 to 2040	$	50,835
Illinois Finance Authority Revenue Bonds, Series 2008C		
Variable Rate Securities, interest payable monthly at a floating rate (0 08% at June 30, 2014), and principal due in varying annual installments from 2010 to 2040		10,240
Total Edward Obligated Group obligations		261,605
Elmhurst Obligated Group		
Illinois Finance Authority Taxable Revenue Bonds, Series 2013A		
Term Bonds, interest at 4 545%, due in 2018		76,025
Illinois Finance Authority Taxable Revenue Bonds, Series 2013B		
Variable Rate Securities, interest payable monthly at a floating rate (1 60% at June 30, 2014), and principal due in varying annual installments from 2015 to 2023		33,000
Illinois Finance Authority Revenue Bonds, Series 2013C		
Variable Rate Securities, interest payable monthly at a floating rate (1 0557% at June 30, 2014), and principal due in varying annual installments from 2015 to 2048		125,000
Illinois Finance Authority Revenue Bonds, Series 2013D		
Variable Rate Securities, interest payable monthly at a floating rate (0 8557% at June 30, 2014), and principal due in varying annual installments from 2018 to 2048		75,000
Illinois Finance Authority Revenue Bonds, Series 2008A		
Serial Bonds, interest at 4 5%, due in 2015		5
Term Bonds, interest at 5 625%, due in 2037		124,815

(Dollars in Thousands)

8. Long-Term Debt (continued)

Elmhurst Obligated Group (continued)	
Illinois Finance Authority Revenue Bonds, Series 2008D	
Variable Rate Securities, interest payable monthly at a floating rate (0 06% at June 30, 2014), and principal due in varying annual installments from 2037 to 2048	$ 50,000
Total Elmhurst Obligated Group obligations	483,845
Other long-term borrowings	1,208
	746,658
Less current maturities	12,988
Unamortized discount net of bonds payable	(4,992)
Long-term debt	$ 728,678

The Edward Obligated Group's long-term debt is issued pursuant to the Edward Amended and Restated Master Trust Indenture dated as of September 1, 1997, and subsequently amended and supplemented The master trust indenture establishes the Edward Obligated Group, consisting of EH, the Corporation, EHV, EHFC, and Linden Oaks All members of the Edward Obligated Group are jointly and severally obligated to pay all debt under the master trust indenture and are required to maintain their status as tax-exempt, not-for-profit health care providers

The Elmhurst Obligated Group's long-term debt is issued pursuant to the Elmhurst Amended and Restated Master Trust Indenture dated as of May 15, 2008 among the master trustee and the Elmhurst Obligated Group, consisting of Elmhurst Memorial Healthcare, EMH and Elmhurst Memorial Home Health Elmhurst Memorial Home Health ceased to be a member of the Elmhurst Obligated Group, effective March 1, 2014

Annual maturities, assuming remarketing of the 2008, 2009, 2012 and 2013 obligations, on the debt (including mandatory sinking fund deposits) for each of the next five years are as follows

2015	$ 12,988
2016	12,375
2017	12,585
2018	13,700
2019	91,280

8. Long-Term Debt (continued)

Edward Obligated Group

Edward Obligated Group has entered into two credit agreements, which expire on August 31, 2016 and December 23, 2018, respectively, with banks under the terms of which the banks agree to make liquidity loans to the Edward Obligated Group in the amount necessary to purchase the variable rate demand direct obligations if not remarketed The maximum amount of the liquidity loans would be principal of $154,995 at June 30, 2014, plus accrued interest The liquidity loans would be payable quarterly in equal installments over three years, with the initial payment being due 367 days after being drawn

Under the terms of the Edward master trust indenture, various amounts are held on deposit with a trustee for bond redemption, interest payments, and certain construction expenditures In addition, the master trust indenture requires the Edward Obligated Group to maintain certain financial ratios and places restrictions on various activities, such as the transfer of assets and incurrence of additional indebtedness

Elmhurst Obligated Group

In May 2008, Elmhurst Obligated Group issued Series 2008A and D Revenue Bonds through the Illinois Finance Authority The Series 2008D bonds are puttable on demand by the bondholders Elmhurst Obligated Group uses a remarketing agent to resell any tendered bonds to new investors Elmhurst Obligated Group has entered into a credit agreement, which expires February 19, 2017, with a bank under the terms of which the bank agrees to make liquidity loans to the Elmhurst Obligated Group in the amount necessary to purchase the variable rate demand direct obligations if not remarketed The maximum amount of the liquidity loans would be principal of $50,000 at June 30, 2014, plus accrued interest The liquidity loans would be payable quarterly in equal installments over 18 months, with the initial payment being due 367 days after being drawn

8. Long-Term Debt (continued)

In October 2013, Elmhurst Obligated Group issued Series 2013A and B taxable revenue bonds through the Illinois Finance Authority The proceeds, along with amounts on deposit in trustee-held funds, were used to refund Series 2002D obligations In December 2013, Elmhurst Obligated Group issued Series 2013C revenue bonds through a private placement, the proceeds of which were used to refund Series 2008B and E obligations In December 2013, Elmhurst Obligated Group issued Series 2013D revenue bonds through the Illinois Finance Authority, which were sold through a private placement The proceeds were used to refund Series 2008C obligations A loss on early extinguishment of debt of $3,515 was recorded as a component of other non-operating gains in the accompanying consolidated statement of operations and changes in net assets

9. Derivatives and Other Financial Instruments

The Corporation has interest rate-related derivative instruments to manage its exposure on its variable-rate and fixed-rate debt instruments and does not enter into derivative instruments for any purpose other than risk management purposes The Corporation actively manages its interest cost and seeks to achieve the lowest interest cost consistent with an acceptable level of risk given varying interest rate environments By using derivative financial instruments to manage the risk of changes in interest rates, the Corporation exposes itself to credit risk and market risk Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts When the fair value of a derivative contract is positive, the counterparty owes the Corporation, which creates credit risk for the Corporation When the fair value of a derivative contract is negative, the Corporation owes the counterparty and, therefore, it does not possess credit risk The Corporation minimizes the credit risk in derivative instruments by entering into transactions that require the counterparty to post collateral for the benefit of the Corporation, based on the credit rating of the counterparty and the fair value of the derivative contract Market risk is the adverse effect on the value of the financial instrument that results from a change in interest rates The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken Management also mitigates risk through periodic reviews of their derivative positions in the context of their total blended cost of capital

The Corporation has not experienced any financial losses or changes in counterparty collateral posting requirements due to changes in the credit ratings or risk profiles of its derivative counterparties for fiscal year ended June 30, 2014

(Dollars in Thousands)

9. Derivatives and Other Financial Instruments (continued)

The Corporation maintains interest rate swap programs to achieve two primary objectives (1) limit the variability on its variable rate demand revenue bonds and (2) lower total interest cost by earning income from spreads between taxable and tax-exempt interest rates The notional amount under each interest rate swap agreement is reduced over the term of the respective agreement to correspond with reductions in various outstanding bond series

The following is a summary of the market values of the outstanding positions under these interest swap agreements at June 30, 2014

Bond Series	Notional Amount	Maturity Date	Rate Paid	Rate Received	2014 Fair Value
2008B-1	50,570	February 2040	3 96%	61 8% of one-month LIBOR plus 0 31%	$ (10,283)
2008B-2	30,342	February 2040	4 05%	61 8% of one-month LIBOR plus 0 31%	(6,468)
2008B-2	20,228	February 2040	3 93%	61 8% of one-month LIBOR plus 0 31%	(4,053)
2009A	30,000	February 2031	3 59%	67 0% of one-month LIBOR	(5,429)
n/a	50,000	June 2022	SIFMA	76 2% of one-month LIBOR	(300)
n/a	42,000	January 2038	4 135%	SIFMA	(7,768)
n/a	48,000	May 2016	4 135%	SIFMA	(3,330)
n/a	30,000	May 2035	4 146%	SIFMA	(5,674)
n/a	42,000	January 2038	SIFMA	67 0% of one-month LIBOR + 0 76%	800
n/a	48,000	January 2038	SIFMA	67 0% of one-month LIBOR + 0 76%	903
n/a	30,000	January 2035	SIFMA	67 0% of one-month LIBOR + 0 76%	602
n/a	77,000	January 2038	SIFMA	61 3% of one-month LIBOR + 0 73%	(1,478)
n/a	63,000	January 2038	SIFMA	61 3% of one-month LIBOR + 0 73%	(1,209)

The Corporation recognizes all of its derivative instruments as either assets or liabilities in the consolidated balance sheet at fair value

(Dollars in Thousands)

9. Derivatives and Other Financial Instruments (continued)

The fair value of derivative instruments at June 30, 2014, is as follows

Derivatives Not Designated as Hedging Instruments Under ASC 815-10	Location on Consolidated Balance Sheet	Total
Interest rate swap agreements – Edward Obligated Group	Other liabilities	$ (26,232)
Interest rate swap agreements – Elmhurst Obligated Group	Other liabilities	(17,455)
		$ (43,687)

The effects of derivative instruments on the consolidated statement of operations and changes in net assets for the year ended June 30, 2014, are as follows

Derivatives Not Designated as Hedging Instruments Under ASC 815-10	Location of Gain Recognized in Non-operating Gains in the Consolidated Statement of Operations and Changes in Net Assets	Total
Interest rate swap agreements	Gain on interest rate swaps	$ 3,878

Net interest paid or received under the interest rate swap agreements is included in cash settlements on interest rate swaps in the non-operating section of the consolidated statement of operations and changes in net assets The net differential paid by the Corporation as a result of the interest rate swap agreements amounted to approximately $7,021 for the year ended June 30, 2014 The net fair value of the swaps was a liability of $43,687 included in other liabilities at June 30, 2014

For the year ended June 30, 2014, the Corporation recorded approximately $3,878 in non-operating gains, which relates to a loss of $1,848 due to the change in the swaps' value and a gain of $5,726 to reflect the fair value of the credit adjustment related to the uncollateralized portion of the swap balance

(Dollars in Thousands)

9. Derivatives and Other Financial Instruments (continued)

The Corporation maintains separate obligated groups for each predecessor organization's legacy debt issuances (Edward Obligated Group, and Elmhurst Obligated Group, respectively) (see Note 8) Certain of the Corporation's derivative instruments contain provisions that require the Corporation's debt under each of the obligated groups to separately maintain a certain long-term credit rating from each of the major credit rating agencies If the Corporation's debt were to fall below these thresholds, the counterparties to the derivative instruments could request either immediate additional collateralization or ongoing full overnight collateralization on derivative instruments in net liability positions The aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a liability position on June 30, 2014, is $45,992

No collateral was posted at June 30, 2014 relating to the Edward Obligated Group's derivative instruments If ratings fell below the current levels and the credit-risk-related contingent features underlying these agreements were triggered on June 30, 2014, the Corporation would be required to post total collateral as outlined in the table below to its counterparties

	Collateral Requirement
Edward Obligated Group's Bond Rating	
S&P/Moody's	
A/A2 (Current)	$ –
A-/A3	1,125
BBB+/Baa1	12,476
BBB/Baa2	26,655
BBB-/Baa3	27,405
Below BBB-/Baa3	28,155

(Dollars in Thousands)

9. Derivatives and Other Financial Instruments (continued)

Collateral of $16,139 was posted at June 30, 2014 relating to the Elmhurst Obligated Group's derivative instruments If ratings fell below current levels and the credit-risk-related contingent features underlying these agreements were triggered on June 30, 2014, the Corporation would be required to post total collateral as outlined in the table below to its counterparties

	Collateral Requirement
Elmhurst Obligated Group's Bond Rating	
Fitch/Moody's	
BBB/Baa2 (Current)	$ 16,139
BBB-/Baa3	19,139
Below BBB-/Baa3	19,139

ASC 820-10-50-2 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date and establishes a framework for measuring fair value

ASC 820-10-50-2 establishes a three-level valuation hierarchy for disclosure of fair value measurements The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date The three levels are defined as follows

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instruments

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement

(Dollars in Thousands)

9. Derivatives and Other Financial Instruments (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement The following table presents the financial instruments carried at fair value as of June 30, 2014, by caption, on the consolidated balance sheet by the ASC 820-10-50-2 valuation hierarchy defined above

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents[a]	$ 42,090	$ –	$ –	$ 42,090
Assets limited as to use				
Cash and cash equivalents[a]	2,668	–	–	2,668
Mutual funds – equity[b]	11,602	–	–	11,602
Mutual funds – fixed income[b]	701	–	–	701
U S government and agency obligations[c]	–	703	–	703
Municipal bonds[c]	–	1,105	–	1,105
	14,971	1,808	–	16,779
Externally designated investments under debt agreements				
Cash and cash equivalents[a]	4,021	–	–	4,021
U S government and agency obligations[c]	–	4,269	–	4,269
Municipal bonds[c]	–	1,987	–	1,987
Corporate bonds[c]	–	4,368	–	4,368
	4,021	10,624	–	14,645
Externally designated for self-insurance				
Mutual funds – equity[b]	43,782	–	–	43,782
Mutual funds – fixed income[b]	67,668	–	–	67,668
	111,450	–	–	111,450

(Dollars in Thousands)

9. Derivatives and Other Financial Instruments (continued)

	Level 1	Level 2	Level 3	Total
Board-designated investments				
Mutual funds – equity[b]	393,282	–	–	393,282
Mutual funds – fixed income[b]	226,684	–	–	226,684
Privately-held pooled bond fund[d]	–	20,062	–	20,062
	619,966	20,062	–	640,028
Investments not at fair value	–	–	–	34,455
Total board-designated investments	619,966	20,062	–	674,483
Prepaid expenses and other current assets				
Cash and cash equivalents[a]	–	16,515	–	16,515
Investments in affiliates and other				
Cash and cash equivalents[a]	396	–	–	396
Mutual funds – equity[b]	9,566	–	–	9,566
Mutual funds – fixed income[b]	1,625	–	–	1,625
	11,587	–	–	11,587
Total	$ 804,005	$ 49,009	$ –	$ 887,549
Liabilities				
Edward swaps[e]	$ –	$ (26,232)	$ –	$ (26,232)
Elmhurst swaps[e]	–	(17,455)	–	(17,455)
	$ –	$ (43,687)	$ –	$ (43,687)

[a] Pricing for money market funds is based on the open market and is valued on a daily basis

[b] Pricing for mutual funds – equity and mutual funds – fixed income is based on the open market and are valued on a daily basis

[c] Pricing for U S government and agency obligations, municipal bonds, and corporate bonds is based on market prices provided by recognized broker dealers

[d] Pricing for commingled funds is based on information provided by the fund manager, which in turn is based on the most recent information available to the fund manager for the underlying investments

9. Derivatives and Other Financial Instruments (continued)

(e) Pricing is based on discounted cash flows to reflect a credit spread to the LIBOR discount curve in order to reflect "nonperformance" risk The credit spread adjustment is derived from how other comparable entities' bonds price and trade in the market

The carrying values of cash and cash equivalents, assets limited as to use (excluding alternative investments), patient accounts receivable, accounts payable, other accrued expenses, and estimated amounts due to/from third-party payors approximate their fair values at June 30, 2014, due to the short-term nature of these financial instruments Alternative investments were $34,455 at June 30, 2014, which were invested in a funds of hedge funds with quarterly liquidity requiring 65-95 days' notice for redemption These alternative investments with no market activity are accounted for in accordance with the equity method of accounting, which is not a fair value measurement

The valuation for the estimated fair value of the Corporation's long-term debt is completed by a third-party service and is primarily driven by the Municipal Market Data (MMD) index and current market credit spreads against the MMD index MMD is an index which is updated daily and reflects current borrowing rates in the tax-exempt bond market A number of factors including, but not limited, to any one or more of the following variables affect MMD and credit spreads against MMD (i) general interest rate and market conditions, (ii) macroeconomic environment, (iii) underlying credit ratings on the Corporation's outstanding debt, (iv) investor opinions about the Corporation and its outstanding debt, (v) if applicable, third-party credit enhancement provided on the Corporation's debt, and (vi) trades for comparable or similarly rated securities in the secondary market Based on the inputs in determining the estimated fair value of the debt of the Corporation, this liability would be considered Level 2 The estimated fair value of long-term debt (including current portion) was $762,880 at June 30, 2014

The implied goodwill was $72,327 at June 30, 2014 The fair value of goodwill recognized in connection with current year business combinations was estimated with the assistance of a third-party valuation firm based upon, but not limited to, a consideration of three approaches income, where valuation techniques are used to convert future monetary benefits (e g , cash flow or earnings) to a single present value indicated by current market expectations of those future benefits, market, where prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities are used, and cost, where value is indicated based upon the amount that currently would be required to replace the current service capacity of an asset For all other goodwill, the implied fair value was determined using the discounted cash

9. Derivatives and Other Financial Instruments (continued)

flow method under the Income Approach, which uses Level 3 inputs Projecting discounted future cash flows requires the Corporation to make significant estimates regarding future revenues and expenses, projected capital expenditures, changes in working capital and the appropriate discount rate The implied fair value of goodwill was determined as the excess of the fair value of the Corporation over the identifiable assets and liabilities

10. Employee Retirement Plans

Edward maintains two defined-contribution retirement plans for employees Employees of Edward participate in a 401(k) plan During 2008, the 403(b) plan was frozen, and all employees of Edward began contributing to the 401(k) plan The employer contributions include a discretionary basic contribution based upon a percentage of the employee's compensation and a matching contribution based upon the amount of the employee's contribution Pension expense under the 401(k) plan was approximately $11,546 in 2014

Elmhurst maintains contributory savings plans (Savings Plans) covering substantially all employees of Elmhurst Participants may make voluntary contributions to the Savings Plans, which are partially matched by Elmhurst Pension expense under the Savings Plans was approximately $3,494 in 2014

In addition to the Savings Plans, Elmhurst has a noncontributory retirement plan (the Plan) which qualifies as a pension plan under ASC Topic 715, *Compensation – Retirement Benefits* The Plan covers substantially all full-time employees Effective August 21, 2013, the Plan was amended to prevent new employees from entering the Plan after December 31, 2013 and to freeze accrued benefits as of December 31, 2013 Participants of the Plan remain eligible to earn vesting service towards their accrued benefits It is Elmhurst's policy to make contributions in amounts calculated by the actuarial consultant to adequately fund benefit programs and meet ERISA requirements Due to the Plan's curtailment, the projected benefit obligation was reduced by $11,999 during 2014

(Dollars in Thousands)

10. Employee Retirement Plans (continued)

Information regarding the benefit obligations and assets of the Plan as of and for the year ended June 30, 2014 is as follows

Accumulated benefit obligation	$ 215,988
Projected benefit obligation	
Projected benefit obligation, beginning of year	$ 200,753
Service cost	3,092
Interest cost	9,961
Actuarial losses	21,184
Benefits paid	(7,003)
Curtailment	(11,999)
Projected benefit obligation, end of year	$ 215,988
Change in plan assets	
Fair value of plan assets, beginning of year	$ 174,393
Actuarial return on plan assets	29,515
Benefits paid	(7,003)
Fair value of plan assets, end of year	$ 196,905
Funded status of the plan, end of year	$ (19,083)

The unfunded pension liability is reported as pension plan liability in the accompanying consolidated balance sheet

Plan items not yet recognized as a component of periodic pension expense, but included as a separate component of unrestricted net assets at June 30, 2014 are as follows

Unrecognized net actuarial (gain) loss	$ 47,040

(Dollars in Thousands)

10. Employee Retirement Plans (continued)

Pension related changes other than net periodic pension cost that have been included as an increase of unrestricted net assets consist of

Net actuarial gain	$ 7,446
Amortization of actuarial loss	1,653
	$ 9,099

Assumptions	
Discount rate used to determine benefit obligation	4 50%
Discount rate used to determine net periodic benefit cost	5 25
Rate of increase in compensation levels	3 00
Expected long-term rate of return on assets	7 50

The estimated net actuarial loss that will be amortized as a component of net periodic benefit cost during fiscal 2015 is $1,307 for the Plan

Elmhurst expects to make no contributions to the Plan during fiscal 2015

The allocation of pension plan assets at June 30, 2014 is as follows

	Target	Actual
Equity securities	55%	63%
Fixed-income securities	25	24
Alternative investments	20	13
Total	100%	100%

(Dollars in Thousands)

10. Employee Retirement Plans (continued)

The Plan is managed in accordance with the policies established by the Edward-Elmhurst Healthcare Retirement Committee (the Retirement Committee) The investment policy includes specific guidelines for quality, asset concentration, asset mix, asset allocations, and performance expectations The pension fund investment allocations are periodically reviewed for compliance with the pension investment policy by the Retirement Committee The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Plan's investment portfolio Assumed projected rates of return for each asset category are selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio is developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets

Expected future benefit payments for the plan years ending December 31 are as follows

2015	$ 8,427
2016	9,172
2017	9,873
2018	10,498
2019	11,067
2020-2024	63,282

Net periodic benefit cost for the year ended June 30, 2014 includes the following components

Service cost	$ 3,092
Interest cost	9,961
Expected return on plan assets	(12,884)
Amortization of actuarial loss	1,653
	$ 1,822

(Dollars in Thousands)

10. Employee Retirement Plans (continued)

The tables below present the balances of pension assets measured at fair value on a recurring basis at June 30, 2014

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents[a]	$ 239	$ –	$ –	$ 239
Mutual funds – equity[b]	123,253	–	–	123,253
Mutual funds – fixed income[b]	29,367	–	–	29,367
Privately-held pooled bond fund[c]	–	25,946	–	25,946
Hedge funds[d]	–	18,100	–	18,100
Total investments	$ 152,859	$ 44,046	$ –	$ 196,905

[a] Pricing for money market funds is based on the open market and is valued on a daily basis

[b] Pricing for mutual funds – equity and mutual funds – fixed income is based on the open market and are valued on a daily basis

[c] Pricing for commingled funds is based on information provided by the fund manager, which in turn is based on the most recent information available to the fund manager for the underlying investments

[d] Pricing for hedge funds is based on the market values of the underlying investments held by the investment funds These funds have quarterly liquidity requiring 65-95 days' notice for redemption

Management's estimate of the fair value of hedge funds are based on information provided by the fund managers or general partners, which in turn is based on the most recent information available to the fund manager for the underlying investments

(Dollars in Thousands)

11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2014

Temporarily restricted		
Pledges receivable (time restricted)	$	2,890
Oncology programs		376
Cardiovascular programs		219
Animal assisted therapy		149
Wellness programs		126
Employee hardship		84
Social services		70
Other special uses		724
Total temporarily restricted net assets	$	4,638

Permanently restricted net assets at June 30, 2014 are summarized below, the income from which is expendable to support the following expenses

Permanently restricted		
Cardiovascular endowment	$	100
Animal assisted therapy endowment		155
Medical staff education endowment		190
Student scholarship endowment		201
Other special uses		211
Total permanently restricted net assets	$	857

Net assets were released from donor restrictions by incurring expenditures for the following purposes during the year ended June 30, 2014

Released from donor restrictions		
Pledges received (time restricted)	$	972
Cancer center construction and operations		849
Health care services and other		300
Hospital operations		142
KidsCare campaign		27
Employee hardship		11
Home health and hospice operations		6
Total net assets released from restrictions	$	2,307

(Dollars in Thousands)

11. Temporarily and Permanently Restricted Net Assets (continued)

Pledges receivable, which are included in the consolidated balance sheets in prepaid expenses and other current assets for the current portion, and in investments in affiliates and other for the long-term portion, are due over the following time periods at June 30, 2014

Less than one year	$ 955
One through five years	1,935
	$ 2,890

12. Related-Party Transactions

During the year ended June 30, 2014, IHP paid the Corporation $18,735 for medical services and $4,054 in distributions and Elmcare, LLC paid the Corporation $2,986 for medical services The Corporation had no other significant related-party transactions during 2014

13. Operating Lease Commitments

The Corporation leases office space and equipment under leases that are classified as operating leases The future minimum lease payments for office space and equipment leases with initial or noncancelable lease terms in excess of one year are as follows

Year ending June 30	
2015	$ 6,907
2016	6,203
2017	5,595
2018	5,064
2019	4,370
Thereafter	10,533
	$ 38,672

Rent expense amounted to approximately $10,070 for the year ended June 30, 2014

(Dollars in Thousands)

14. Functional Expenses

The Corporation provides general health care services to residents within its geographic location Expenses related to this and general and administrative functions for the year ended June 30, 2014 are as follows

Health care services	$ 824,734
General and administrative	254,761
	$ 1,079,495

15. Goodwill and Other Intangible Assets

Goodwill and other intangible assets for the Corporation at June 30, 2014 was $64,770, net of accumulated amortization of $3,692 Intangible assets primarily consist of goodwill and non-compete agreements related to physician practice acquisitions Intangible assets whose lives are indefinite, primarily goodwill, are not amortized and are evaluated for impairment at least annually, while intangible assets with definite lives, primarily non-compete agreements, are amortized over their expected useful lives Amortization relating to non-compete agreements was $305 for 2014

	Goodwill	Definite-Lived Intangible Assets, Net	Total
July 1, 2013	$ 28,634	$ 2,721	$ 31,355
Additions	32,687	1,281	33,968
Amortization	–	(305)	(305)
Impairments	–	(248)	(248)
June 30, 2014	$ 61,321	$ 3,449	$ 64,770

16. Subsequent Events

The Corporation evaluated events and transactions occurring subsequent to June 30, 2014 through September 24, 2014, the date of issuance of the financial statements

During this period, there were no other subsequent events requiring recognition or disclosure in the consolidated financial statements

Supplementary Information

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Building a better working world

Report of Independent Auditors on Supplementary Information

The Board of Trustees
Edward-Elmhurst Healthcare

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole The supplementary information is presented for purposes of additional analysis 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 use to prepare the financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements themselves, and then additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Ernst + Young LLP

September 24, 2014

Edward-Elmhurst Healthcare

Schedule of Charity Care and Other Unreimbursed Care
(Dollars in Thousands)

Year Ended June 30, 2014

Charity and Other Unreimbursed Care

The Corporation maintains policies whereby patients in need of medical services are treated without regard to their ability to pay for such services The Corporation maintains records to identify and monitor the level of charity care it provides These records include the amount of estimated costs for services and supplies furnished under its charity care policies using an overall cost to charge ratio, as well as the estimated difference between the cost of services provided to Medicaid and Medicare patients and the expected reimbursement from Medicaid and Medicare, under which actual costs are spread to charges using workload units (salaries) and percentage of charges (supplies) In addition, the Corporation reports the actual or estimated cost associated with services provided to the community as charity care, net of any fees charged The following information measures the level of charity care provided during the year ended June 30, 2014

Charity care provided, at cost	$	27,501
Excess of allocated cost over reimbursement for services provided to Medicaid patients		45,291
Excess of allocated cost over reimbursement for services provided to Medicare patients		85,150
Community services provided, at cost		11,846
	$	169,788

Edward-Elmhurst Healthcare

Details of Consolidated Balance Sheet
(Dollars in Thousands)

June 30, 2014

	Consolidated Edward-Elmhurst Healthcare	Eliminations	Consolidated Edward	Edward Eliminations	Edward Obligated Group	Edward Non-Obligated Group	Consolidated Elmhurst	Elmhurst Eliminations	Elmhurst Obligated Group	Elmhurst Non-Obligated Group
Assets										
Current assets										
Cash and cash equivalents	$ 42,090	$ –	$ 21,962	$ –	$ 12,077	$ 9,885	$ 20,128	$ –	$ 13,551	$ 6,577
Assets limited as to use	16,779	–	5,835	–	5,835	–	10,944	–	6,089	4,855
Patient accounts receivable, less allowances for doubtful accounts $33,576	177,537	–	103,022	–	103,022	–	74,515	–	67,302	7,213
Estimated amounts due from third-party payors	13,381	–	2,031	–	2,031	–	11,350	–	11,350	–
Inventories	17,663	–	9,857	–	9,857	–	7,806	–	7,806	–
Prepaid expenses and other current assets	43,758	–	19,723	(9,085)	18,330	10,478	24,035	–	20,847	3,188
Total current assets	311,208	–	162,430	(9,085)	151,152	20,363	148,778	–	126,945	21,833
Assets limited as to use, less current portion										
Externally designated investments under debt agreements	14,645	–	–	–	–	–	14,645	–	14,645	–
Externally designated for self-insurance	111,450	–	111,450	–	–	111,450	–	–	–	–
Board-designated investments	674,483	–	454,387	–	454,387	–	220,096	–	220,096	–
	800,578	–	565,837	–	454,387	111,450	234,741	–	234,741	–
Other assets										
Deferred financing costs, net	5,369	–	3,220	–	3,220	–	2,149	–	2,149	–
Goodwill and other intangible assets, net	64,770	–	63,923	–	63,923	–	847	–	–	847
Investments in affiliates and other	28,752	–	22,268	(68,381)	90,399	250	6,484	(11,162)	16,671	975
Reinsurance recoverable for reinsured losses	27,208	–	7,682	–	–	7,682	19,526	–	19,526	–
	126,099	–	97,093	(68,381)	157,542	7,932	29,006	(11,162)	38,346	1,822
Land, buildings, and equipment										
Land and improvements	144,803	–	41,301	–	41,301	–	103,502	–	103,502	–
Buildings and improvements	1,007,850	–	550,252	–	550,248	4	457,598	–	457,592	6
Furniture and equipment	466,689	–	280,901	–	280,116	785	185,788	–	185,537	251
Construction-in-progress	82,633	–	79,552	–	79,552	–	3,081	–	3,081	–
	1,701,975	–	952,006	–	951,217	789	749,969	–	749,712	257
Less allowances for depreciation	708,961	–	469,465	–	468,676	789	239,496	–	239,305	191
	993,014	–	482,541	–	482,541	–	510,473	–	510,407	66
Total assets	$ 2,230,899	$ –	$ 1,307,901	$ (77,466)	$ 1,245,622	$ 139,745	$ 922,998	$ (11,162)	$ 910,439	$ 23,721

Edward-Elmhurst Healthcare

Details of Consolidated Balance Sheet (continued)
(Dollars in Thousands)

June 30, 2014

	Consolidated Edward-Elmhurst Healthcare	Eliminations	Consolidated Edward	Edward Eliminations	Edward Obligated Group	Edward Non-Obligated Group	Consolidated Elmhurst	Elmhurst Eliminations	Elmhurst Obligated Group	Elmhurst Non-Obligated Group
Liabilities and net assets										
Current liabilities										
Accounts payable	$ 52,798	$ –	$ 32,687	$ –	$ 32,372	$ 315	$ 20,111	$ –	$ 19,989	$ 122
Accrued expenses	93,527	–	63,281	(70,733)	62,777	71,237	30,246	–	25,755	4,491
Estimated amounts due to third-party payors	167,994	–	124,553	–	124,553	–	43,441	–	43,441	–
Current maturities of long-term debt	12,988	–	6,899	–	6,899	–	6,089	–	6,089	–
Total current liabilities	327,307	–	227,420	(70,733)	226,601	71,552	99,887	–	95,274	4,613
Long-term debt, less current maturities	728,678	–	255,475	–	255,475	–	473,203	–	473,203	–
Professional and general liability	61,613	–	57,819	–	9,704	48,115	3,794	–	3,794	–
Reserve for reinsured losses	27,208	–	7,682	–	–	7,682	19,526	–	19,526	–
Pension plan liability	19,083	–	–	–	–	–	19,083	–	19,083	–
Other liabilities	53,559	–	35,886	–	35,886	–	17,673	–	17,673	–
Total liabilities	1,217,448	–	584,282	(70,733)	527,666	127,349	633,166	–	628,553	4,613
Net assets										
Unrestricted net assets of Edward-Elmhurst Healthcare	995,220	–	709,205	(5,131)	703,618	10,718	286,015	(11,162)	281,886	15,291
Non-controlling interest	12,736	–	12,736	–	12,736	–	–	–	–	–
Total unrestricted net assets	1,007,956	–	721,941	(5,131)	716,354	10,718	286,015	(11,162)	281,886	15,291
Temporarily restricted net assets	4,638	–	1,311	(1,290)	1,290	1,311	3,327	–	–	3,327
Permanently restricted net assets	857	–	367	(312)	312	367	490	–	–	490
Total net assets	1,013,451	–	723,619	(6,733)	717,956	12,396	289,832	(11,162)	281,886	19,108
Total liabilities and net assets	$ 2,230,899	$ –	$ 1,307,901	$ (77,466)	$ 1,245,622	$ 139,745	$ 922,998	$ (11,162)	$ 910,439	$ 23,721

Edward-Elmhurst Healthcare

Details of Consolidated Statement of Operations and Changes in Net Assets
(Dollars in Thousands)

Year Ended June 30, 2014

	Consolidated Edward-Elmhurst Healthcare	Eliminations	Consolidated Edward	Edward Eliminations	Edward Obligated Group	Edward Non-Obligated Group	Consolidated Elmhurst	Elmhurst Eliminations	Elmhurst Obligated Group	Elmhurst Non-Obligated Group
Revenues										
Net patient service revenue before provision for bad debts	$ 1,070,953	$ –	$ 644,347	$ –	$ 644,347	$ –	$ 426,606	$ –	$ 370,177	$ 56,429
Provision for bad debts	(50,879)	–	(29,758)	–	(29,758)	–	(21,121)	–	(19,308)	(1,813)
Net patient service revenue	1,020,074	–	614,589	–	614,589	–	405,485	–	350,869	54,616
Other operating revenue	63,349	(7,121)	49,890	(426)	33,926	16,390	20,580	–	15,728	4,852
	1,083,423	(7,121)	664,479	(426)	648,515	16,390	426,065	–	366,597	59,468
Expenses										
Salaries and wages	431,191	–	276,412	(401)	276,412	401	154,779	–	145,946	8,833
Employee benefits	92,447	–	57,602	(25)	57,602	25	34,845	–	33,108	1,737
Medical fees	54,924	–	7,059	–	7,059	–	47,865	–	7,214	40,651
Purchased services	65,478	(7,121)	47,515	–	47,437	78	25,084	–	21,126	3,958
Supplies and other	295,124	–	174,119	–	148,858	25,261	121,005	–	116,292	4,713
Depreciation and amortization	80,434	–	39,274	–	39,274	–	41,160	–	40,955	205
Interest	20,046	–	4,173	–	4,173	–	15,873	–	15,873	–
Medicaid tax	39,851	–	28,582	–	28,582	–	11,269	–	11,269	–
	1,079,495	(7,121)	634,736	(426)	609,397	25,765	451,880	–	391,783	60,097
Operating income (loss)	3,928	–	29,743	–	39,118	(9,375)	(25,815)	–	(25,186)	(629)
Non-operating										
Realized gain and investment income, net	129,045	–	108,573	–	81,609	26,964	20,472	–	20,356	116
Unrealized gains (losses) or investment, net	(28,624)	–	(37,566)	–	(22,163)	(15,403)	8,942	–	8,657	285
Gain on interest rate swaps	3,878	–	198	–	198	–	3,680	–	3,680	–
Cash settlements on interest swaps	(7,021)	–	(4,679)	–	(4,679)	–	(2,342)	–	(2,342)	–
Loss on early extinguishment of debt	(3,515)	–	–	–	–	–	(3,515)	–	(3,515)	–
Other non-operating gains, net	10,014	–	6,849	–	6,849	–	3,165	(294)	4,533	(1,074)
	103,777	–	73,375	–	61,814	11,561	30,402	(294)	31,369	(673)
Excess (deficit) of revenue and gains over (under) expenses and losses	107,705	–	103,118	–	100,932	2,186	4,587	(294)	6,183	(1,302)
Less non-controlling interests	(837)	–	(837)	–	(837)	–	–	–	–	–
Excess (deficit) of revenues and gains over (under) expenses and losses attributable to controlling interest	106,868	–	102,281	–	100,095	2,186	4,587	(294)	6,183	(1,302)

Edward-Elmhurst Healthcare

Details of Consolidated Statement of Operations and Changes in Net Assets (continued)
(Dollars in Thousands)

Year Ended June 30, 2014

	Consolidated Edward-Elmhurst Healthcare	Eliminations	Consolidated Edward	Edward Eliminations	Edward Obligated Group	Edward Non-Obligated Group	Consolidated Elmhurst	Elmhurst Eliminations	Elmhurst Obligated Group	Elmhurst Non-Obligated Group
Unrestricted net assets, controlling interest										
Excess (deficit) of revenues and gains over (under) expenses and losses	$ 106,868	$ –	$ 102,281	$ –	$ 100,095	$ 2,186	$ 4,587	$ (294)	$ 6,183	$ (1,302)
Net assets released and used for purchase of fixed assets	576	–	30	–	30	–	546	(546)	546	546
Postretirement benefit plan adjustments	9,099	–	–	–	–	–	9,099	–	9,099	–
Net asset transfer to/from affiliates	–	–	(11,707)	(5,000)	(11,607)	4,900	11,707	–	7,054	4,653
Distribution to owners	(475)	–	(475)	–	(475)	–	–	–	–	–
Amortization of loss on discontinuation of hedge accounting	177	–	–	–	–	–	177	–	177	–
Increase (decrease) in unrestricted net assets, controlling interest	116,245	–	90,129	(5,000)	88,043	7,086	26,116	(840)	23,059	3,897
Unrestricted net assets, non-controlling interest										
Excess of revenues and gains over expenses and losses	837	–	837	–	837	–	–	–	–	–
Amounts acquired in business combinations	11,552	–	11,552	–	11,552	–	–	–	–	–
Amounts disposed in business sale	(347)	–	(347)	–	(347)	–	–	–	–	–
Increase in unrestricted net assets, non-controlling interest	12,042	–	12,042	–	12,042	–	–	–	–	–
Temporarily restricted net assets, controlling interest										
Contributions	1,999	–	567	(567)	567	567	1,432	(1,432)	1,432	1,432
Net assets released from restrictions and used for operations	(1,731)	–	(299)	274	(299)	(274)	(1,432)	1,432	(1,432)	(1,432)
Net assets released from restrictions and used for purchase of fixed assets	(576)	–	(30)	–	–	(30)	(546)	546	(546)	(546)
Redesignation of donor intent	26	–	26	–	26	–	–	–	–	–
Increase (decrease) in temporarily restricted net assets, controlling interest	(282)	–	264	(293)	294	263	(546)	546	(546)	(546)
Permanently restricted net assets, controlling interest										
Redesignation of donor intent	(26)	–	(26)	–	–	(26)	–	–	–	–
Decrease in permanently restricted assets, controlling interest	(26)	–	(26)	–	–	(26)	–	–	–	–
Increase (decrease) in net assets	127,979	–	102,409	(5,293)	100,379	7,323	25,570	(294)	22,513	3,351
Net assets at beginning of year	885,472	–	621,210	(1,440)	617,577	5,073	264,262	(10,868)	259,373	15,757
Net assets at end of year	$ 1,013,451	$ –	$ 723,619	$ (6,733)	$ 717,956	$ 12,396	$ 289,832	$ (11,162)	$ 281,886	$ 19,108

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