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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 10-01-2013 , 2013, and ending 09-30-2014

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

C Name of organization
Monadnock Community Hospital

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 452 Old Street Road | Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Peterborough, NH 03458

D Employer identification number
02-0222157

E Telephone number
(603) 924-7191

G Gross receipts $ 82,165,613

F Name and address of principal officer
Cynthia K McGuire
452 Old Street Road
Peterborough, NH 03458

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 monadnockcommunityhospital com

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

L Year of formation 1919

M State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Critical access hospital serving the Monadnock region of the State of New Hampshire

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**	776
6	Total number of volunteers (estimate if necessary)	**6**	144
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,420,503	916,625
9	Program service revenue (Part VIII, line 2g)	76,958,001	79,776,991
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	341,552	1,205,315
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	369,213	6,419
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	79,089,269	81,905,350
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	15,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	39,544,302	40,760,738
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶440,639		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	37,630,255	38,619,692
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	77,174,557	79,395,430
19	Revenue less expenses Subtract line 18 from line 12	1,914,712	2,509,920

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	99,482,264	104,528,486
21	Total liabilities (Part X, line 26)	45,471,971	45,153,660
22	Net assets or fund balances Subtract line 21 from line 20	54,010,293	59,374,826

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** | 2015-08-13
Signature of officer | Date

Richard D Scheinblum VP of Finance/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Nicholas E Porto		2015-08-13		P01310283

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

Firm's address ▶ BOX 507
PORTLAND, ME 04112 | Phone no (207) 879-2100

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

Monadnock Community Hospital is committed to improving the health and well-being of our community We will elevate the health of our community by providing accessible, high quality and value based care

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 $ 69,619,735 including grants of $ 15,000) (Revenue $ 79,776,991)

The primary purpose of Monadnock Community Hospital (MCH) is to ensure access to quality health care for patients in our community, regardless of their ability to pay The following is a summary of the services MCH provides in an effort to fulfill its mission, together with key program statistics for fiscal year 2014 Inpatient Services - Includes intensive care unit, adult stays, pediatric stays, maternity/births, and skilled nursing During the fiscal year, the Hospital admitted 1,422 patients and recorded 5,249 patient days Emergency Services - MCH offers health services 24 hours per day, 7 days per week Responsible for the immediate treatment of any medical or surgical emergency, for initiating life saving procedures in all types of emergency situations, and for providing emergency and initial evaluations and treatment for other conditions including minor illnesses and injuries, and sub-acute medical problems During the year, there were 14,765 visits to the ER Physician Practices - Family health services, programs, and education are integral components of healthcare at MCH Inpatient and outpatient primary care includes medical, surgical, psychological and specialist services, provided by physicians and mid-level practitioners These are located at the Hospital and its five satellite practices located in Antrim, Jaffrey, New Ipswich, Peterborough, and Rindge During the year, 72,515 primary care office visits were recorded Surgical Services - Includes same day and short-term inpatient surgery MCH provides surgery in the areas of orthopaedics, general surgery, OB/GYN, opthamology, urology, ENT, and podiatry In addition, the Hospital offers some non-surgical procedures including colonoscopies, gastrocopies, and pain management injections During the fiscal year, 3,416 procedures were performed Radiology and Diagnostics - MCH provides advanced radiological technology and extensive imaging services including bone density, MRI, CT, nuclear medicine, ultrasound, mammography, and other diagnostic procedures, both inpatient and outpatient During the fiscal year, 30,288 exams were performed Rehabilitation Services - Additionally, MCH serves the people of the Monadnock Region through its medical rehabilitation services MCH offers rehabilitation programs for cardiac, pulmonary and diabetic rehabilitation which feature educational and exercise components We also provide physical and occupational therapy, as well as speech rehabilitation During the fiscal year 51,079 procedures were recorded for these services Wellness Services - Community members wanting to improve and maintain their health have access to an award-winning, medically-based fitness facility During the fiscal year, 92,281 member visits were recorded Monadnock Community Hospital's Financial Grant Program provides assistance with hospital and/or physician bills for qualifying patients In FY 2014, the Organization recorded $3,785,000 in charges foregone based on established rates The estimated cost incurred to provide these services was $2,017,000 In addition, Monadnock Community Hospital provided other services to the community at no cost or reduced cost, such as screenings and clinics The cost of providing these services was approximately $2,081,000 in 2014

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** ▶ 69,619,735

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	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**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	120		
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	776		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	15		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	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**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

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

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

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

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

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

▶ Nicole Humphrey 452 Old Street Road
Peterborough, NH 03458 (603) 924-7191

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) Cyndy Burgess Trustee	9 00	X						0	0	0
(2) Diane Cherwin Ex-Officio w/voting rights	2 00	X						0	0	0
(3) Robert J Condon Jr Trustee (part yr)	3 00	X						0	0	0
(4) Barbara R Duckett Trustee	2 00	X						0	0	0
(5) Peter L Forssell MD Trustee	1 00	X						0	0	0
(6) Richard Frechette MD Ex-Officio w/voting rights (part yr)	2 00	X						204,389	0	31,141
(7) David A Hedstrom DDS Trustee	4 00	X						0	0	0
(8) Gregory Kriebel MD Ex-Officio w/voting rights	50 00	X						223,166	0	26,625
(9) Marcia Ober Trustee	1 00	X						0	0	0
(10) James D Potter MD Ex-Officio w/voting rights (part yr)	25 00	X						108,880	0	21,793
(11) Fletcher R Wilson MD Ex-Officio w/voting rights	3 00	X						0	0	0
(12) Carole Monroe Chair	8 00	X		X				0	0	0
(13) Robert L Edwards Immediate Past Chair	1 50	X		X				0	0	0
(14) Steven H Reynolds Vice Chair	2 00	X		X				0	0	0
(15) Jamie Trowbridge Treasurer	1 50	X		X				0	0	0
(16) Norman H Makechnie Esq Secretary	1 00	X		X				0	0	0
(17) Cynthia McGuire Chief Executive Officer (eff 2/14)	60 00	X		X				0	0	0

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) Peter L Gosline Chief Executive Officer (thru 4/14)	55 00	X		X				295,107	0	23,234
(19) Richard D Scheinblum VP Finance/CFO	50 00			X				167,730	0	12,207
(20) Terrence McNamara DO Physician	50 00					X		555,557	0	19,881
(21) Ronald Michalak MD Physician	50 00					X		471,931	0	25,689
(22) Douglas Weiss MD Physician	50 00					X		491,623	0	8,173
(23) Shawn Harrington MD Physician	50 00					X		398,044	0	25,454
(24) Robert C Knowles MD FACS Physician	50 00					X		378,807	0	20,147

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	3,295,234	0	214,344

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 ▶41

			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
Monadnock Region Emergency Physicians PL 380 Lafayette Road Hampton NH 03842	Contract Emergency Physician Group	1,855,300
Monadnock Anesthesia Associates C/O Surgical Suite Peterborough NH 03458	Contract Anesthesiologist Group	1,383,376
Catholic Medical Center 100 McGregor Street Manchester NH 03102	Contract Hospitalist Group	1,244,299
McKesson PO Box 98347 Chicago IL 60693	IS Vendor	698,885
American Health Centers Inc 100 Griffin Road Suite C Portsmouth NH 03801	MRI Services	608,226

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 ▶20

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	34,595			
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	882,030			
	g	Noncash contributions included in lines 1a-1f $		63,400			
	h	**Total.** Add lines 1a-1f . . . . . ▶		916,625			
Program Service Revenue			Business Code				
	2a	Net Patient Service Revenue	621400	70,322,689	70,322,689		
	b	Other Operating Revenue	621400	5,365,112	5,365,112		
	c	Disproportionate Share Funding	621400	3,573,806	3,573,806		
	d	Cafeteria/Vending Machine	722210	348,552	348,552		
	e	Employee Pharmacy Sales	446110	166,832	166,832		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		79,776,991			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		470,949			470,949
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) . . . . . ▶					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	976,803				
	b	Less cost or other basis and sales expenses	233,069	9,368			
	c	Gain or (loss)	743,734	-9,368			
	d	Net gain or (loss) . . . . . ▶			734,366		734,366
Other Revenue	8a	Gross income from fundraising events (not including $ 34,595 of contributions reported on line 1c) See Part IV, line 18 . . a		24,245			
	b	Less direct expenses . . . b		17,826			
	c	Net income or (loss) from fundraising events . . ▶			6,419		6,419
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶					
	12	**Total revenue.** See Instructions . . . . . ▶		81,905,350	79,776,991	0	1,211,734

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	15,000	15,000		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,253,275	615,910	637,365	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	31,810,640	28,471,837	3,073,596	265,207
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	489,852	422,851	67,001	
9 Other employee benefits	5,017,948	4,348,527	636,783	32,638
10 Payroll taxes	2,189,023	1,907,948	262,376	18,699
11 Fees for services (non-employees)				
a Management				
b Legal	128,937	6,624	122,313	
c Accounting	54,000		54,000	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	1,345			1,345
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	5,122,716	4,592,382	530,334	
12 Advertising and promotion	73,219	73,219		
13 Office expenses	2,168,936	1,098,964	1,026,328	43,644
14 Information technology	1,143,989	979,718	164,271	
15 Royalties . .				
16 Occupancy	3,046,758	2,775,703	271,055	
17 Travel	79,543	53,379	25,204	960
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	56,004	38,490	13,921	3,593
20 Interest	1,181,275		1,181,275	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,521,689	4,350,749	170,940	
23 Insurance	562,555	422,694	139,861	
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 Med & Pharm Supplies	7,633,626	7,628,398	5,228	
b Provision for Bad Debt	4,465,396	4,465,396		
c Other Med Exp/Service C	4,234,345	3,796,586	396,372	41,387
d NH Medicaid Enhancement	3,402,383	3,402,383		
e All other expenses	742,976	152,977	556,833	33,166
25 **Total functional expenses.** Add lines 1 through 24e	79,395,430	69,619,735	9,335,056	440,639
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		5,064	1	5,064
	2	Savings and temporary cash investments		17,594,099	2	18,904,373
	3	Pledges and grants receivable, net		793,082	3	677,841
	4	Accounts receivable, net		5,773,955	4	6,513,721
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		240,184	7	158,767
	8	Inventories for sale or use		1,242,787	8	1,257,506
	9	Prepaid expenses and deferred charges		867,448	9	682,936
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 84,573,811			
	b	Less accumulated depreciation	10b 46,136,620	38,076,116	10c	38,437,191
	11	Investments—publicly traded securities		29,923,690	11	33,316,218
	12	Investments—other securities See Part IV, line 11		3,407,090	12	3,735,792
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		197,606	14	160,168
	15	Other assets See Part IV, line 11		1,361,143	15	678,909
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		99,482,264	16	104,528,486
Liabilities	17	Accounts payable and accrued expenses		6,773,500	17	7,100,470
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		26,909,344	20	26,450,980
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		535,451	23	835,553
	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		11,253,676	25	10,766,657
	26	**Total liabilities.** Add lines 17 through 25		45,471,971	26	45,153,660
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		43,706,147	27	47,964,278
	28	Temporarily restricted net assets		2,677,614	28	3,455,314
	29	Permanently restricted net assets		7,626,532	29	7,955,234
		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		54,010,293	33	59,374,826
	34	Total liabilities and net assets/fund balances		99,482,264	34	104,528,486

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	81,905,350
2	Total expenses (must equal Part IX, column (A), line 25)	2	79,395,430
3	Revenue less expenses Subtract line 2 from line 1	3	2,509,920
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	54,010,293
5	Net unrealized gains (losses) on investments	5	2,737,553
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	117,060
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	59,374,826

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
Monadnock Community Hospital

Employer identification number
02-0222157

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
Monadnock Community Hospital	02-0222157

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?	Yes		13,592
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		231
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			13,823
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
Part II-B, Line 1	Monadnock Community Hospital is a member of the NH Hospital Association and the American Hospital Association A portion of the dues paid to these organizations is available for lobbying expenditures on behalf of Monadnock Hospital in furtherance of its exempt purpose Monadnock Hospital does not directly perform any lobbying activities NHHA, Portion of dues available for lobbying $10,305 AHA, Portion of dues available for lobbying $3,287 In addition, MCH hosts an annual legislative breakfast, which is a bipartisan event to which legislators, local politicians, and other public officials are invited to discuss health care issues in New Hampshire Topics for the 2014 breakfast included how the Affordable Care Act will affect the Monadnock region, the priorities of Monadnock Community Hospital as the primary healthcare provider and one of the largest employers in the region, and the Hospital's response to the community needs identified in its CHNA The cost of this forum was $231

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
Monadnock Community Hospital

Employer identification number
02-0222157

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	10,304,146	8,591,510	8,314,205	10,031,251	10,623,404
b	Contributions	526,809	1,127,458	486,841	884,501	1,266,761
c	Net investment earnings, gains, and losses	924,772	819,722	948,400	93,759	200,900
d	Grants or scholarships					
e	Other expenditures for facilities and programs	345,179	234,544	1,157,936	2,695,306	2,059,814
f	Administrative expenses					
g	End of year balance	11,410,548	10,304,146	8,591,510	8,314,205	10,031,251

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

- a Board designated or quasi-endowment ▶ 30 280 %
- b Permanent endowment ▶ 69 720 %
- c Temporarily restricted endowment ▶ 0 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		966,127		966,127
b Buildings		34,541,380	16,944,183	17,597,197
c Leasehold improvements		964,272	503,856	460,416
d Equipment		47,027,943	28,688,581	18,339,362
e Other		1,074,089		1,074,089
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				38,437,191

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	
Interest Rate Swap Agreements	2,961,591
Estimated Third-Party Settlements	7,805,066
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	10,766,657

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	84,319,324
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	2,737,553		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	117,060		
e	Add lines **2a** through **2d**			2e	2,854,613
3	Subtract line **2e** from line **1**			3	81,464,711
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	440,639		
c	Add lines **4a** and **4b**			4c	440,639
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	81,905,350

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	78,954,791
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	78,954,791
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	440,639		
c	Add lines **4a** and **4b**			4c	440,639
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	79,395,430

Part XIII Supplemental Information

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

Return Reference	Explanation
Part V, Line 4	Temporarily restricted assets are available for health care services, including the purchase of equipment and providing health education and programs The income and dividends on permanently restricted net assets are generally used to support health care services and for capital purchases of property and equipment
Part X, Line 2	The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501 (a) of the Code Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying financial statements With few exceptions, the Hospital is no longer subject to tax examination by the U S federal or state tax authorities for years prior to 2011
Part XI, Line 2d - Other Adjustments	Increase in fair value of interest rate swap agreement 117,060
Part XI, Line 4b - Other Adjustments	Fundraising Expenses 440,639
Part XII, Line 4b - Other Adjustments	Fundraising Expenses 440,639

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Monadnock Community Hospital

Employer identification number
02-0222157

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

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

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

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

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

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

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

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

		(a) Event #1 MCH Golf Classic (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	58,840			58,840
	2 Less Contributions	34,595			34,595
	3 Gross income (line 1 minus line 2)	24,245			24,245
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	5,547			5,547
	6 Rent/facility costs	5,440			5,440
	7 Food and beverages	4,660			4,660
	8 Entertainment				
	9 Other direct expenses	2,179			2,179
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(17,826)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				6,419

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

11

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ .....

Address ▶ .....

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

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

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

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493226034645

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
Monadnock Community Hospital

Employer identification number
02-0222157

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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)			2,017,035		2,017,035	2 690 %
b Medicaid (from Worksheet 3, column a)			7,128,871	5,907,092	1,221,779	1 630 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			9,145,906	5,907,092	3,238,814	4 320 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			868,628		868,628	1 160 %
f Health professions education (from Worksheet 5)			9,529		9,529	0 010 %
g Subsidized health services (from Worksheet 6)			1,066,064		1,066,064	1 420 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			136,355		136,355	0 180 %
j **Total.** Other Benefits			2,080,576		2,080,576	2 770 %
k **Total.** Add lines 7d and 7j			11,226,482	5,907,092	5,319,390	7 090 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 2,379,632			
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 3 246,442			
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	20,693,852
6	Enter Medicare allowable costs of care relating to payments on line 5	6	20,571,430
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	122,422
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group Monadnock Community Hospital

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining 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**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) see Part V, Section C			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
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? **14**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Part I, Line 3c	N/A

Form and Line Reference	Explanation
Part I, Line 6a	N/A

Form and Line Reference	Explanation
Part I, Line 7	Charity care and means tested programs use the cost to charge ratio as their methodology This Hospital calculates the ratio in a manner consistent with worksheet 2, patient care charges to patient care expenses, to arrive at the ratio of cost to charges

Form and Line Reference	Explanation
Part I, Line 7g	Included in the subsidized health services activities reported for FY 2014 are unreimbursed costs of $479,784 attributed to an outpatient behavioral health practice and $533,538 related to emergency and trauma services

Form and Line Reference	Explanation
Part I, Line 7, Column (f)	The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is $ 4,465,396

Form and Line Reference	Explanation
Part II, Community Building Activities	See previous footnotes

Form and Line Reference	Explanation
Part III, Line 2	The amount reported on Part III line 2 was derived by applying the cost to charge ratio against the amount of bad debt expense reported on Form 990, Part IX, line 25, column (A) ($4,465,396) Accounts written off to bad debt include gross charges being written off less any payments received against those charges Any cash collected on accounts previously written off is included as an offset to bad debt expense as recoveries of bad debt The Hospital calculates the ratio in a manner consistent with worksheet 2, patient care charges to patient care expenses, to arrive at the ratio of costs to charges

Form and Line Reference	Explanation
Part III, Line 3	The estimated amount of charity care included in bad debt expense is based on the number of applications for charity care denied due to lack of complete documentation against the average charity care write off at cost per qualified patient We believe the amount is minimal based on our extensive efforts to educate patients and staff about our various payment plans and financial grant programs to ensure that patients who qualify for any of our programs utilize them Depending on the specific circumstances, a patient may be eligible for charity care, discounted care, payment programs, or a combination of the above Due to these efforts, we believe that amounts written off to bad debt that could qualify as charity care is minimal

Form and Line Reference	Explanation
Part III, Line 4	See page 7 of the attached financial statements

Form and Line Reference	Explanation
Part III, Line 8	Medicare allowable costs for the Medicare cost report are reported in accordance with CMS guidelines using the cost to charge ratio methodology

Form and Line Reference	Explanation
Part III, Line 9b	As of 9/30/2011 Monadnock Community Hospital has a written credit and collection policy Described within that policy are the collection practices and bad debt processes that are followed for patients who are known to qualify for charity care or financial assistance The Organization maintains a Financial Assistance Program (FAP) database which is maintained by the Social Services Department of MCH The Patient Financial Services (PFS) staff reference this database for approval status and eligibility amounts, identifying any account(s) where the discount will apply Internal FAP insurance plans are applied to those accounts and related discount amounts are adjusted in the billing system Remaining balances are expected to be paid in full by the patient Payment plans may be requested by the patient and are established by the Financial Grant Coordinator based on the patient's available income and assets Accounts are annotated to reflect payment arrangements During bad debt processing, designated staff evaluate accounts listed as collection review for potential bad debt write off This process includes an examination of account history for indication of FAP application

Form and Line Reference	Explanation
Part VI, Line 2	The State of NH, under RSA 7 32-f, requires every healthcare charitable trust, either alone or in conjunction with other healthcare charitable trusts in its community, to conduct a Community Health Needs Assessment to assist in determining the activities to be included in its community benefits plan The needs assessment process includes consultation with members of the public, community organizations, service providers, and local government officials in the entity's service area to identify and prioritize the community needs that the health care entity can address directly or in collaboration with others The Community Health Needs Assessment is updated at least every 5 years, most recently in 2012 In 2007, the Regional Community Benefits Steering Committee was first formed to prepare a single Community Benefits Needs Assessment for the Monadnock Region The work group consisted of representatives from multiple organizations, including Monadnock Community Hospital Based on the needs assessment and community engagement process, the priority needs and health concerns of the community MCH serves include access to care - driven by financial barriers and/or availability of primary care, availability of behavioral health care, general socioeconomic issues, and transportation services Monadnock Community Hospital used this information to help focus its community benefit efforts to meet the priority needs identified in the community benefit plan In addition, other needs or services not specifically identified in the community needs assessment, but addressed under the Organization's community benefit plan include availability of dental or oral health care (via the Organization's Monadnock Healthy Teeth to Toes program which focuses on dental hygiene and care, nutrition, and daily physical activity for children ages kindergarten to third grade) and availability of prescription medication (via the Organization's Medication Bridge program designed to help eligible patients apply for assistance programs that provide free or discounted prescription medications)

Form and Line Reference	Explanation
Part VI, Line 3	MCH is committed to providing quality healthcare to anyone in need of services, regardless of ability to pay We understand patients may not have the finances to pay for their healthcare services and medications, and do not want this to prevent anyone from receiving necessary treatment As part of the Hospital's mission to the communities we serve, we have developed programs to help meet the needs of our patients who meet income eligibility Through our Financial Assistance and Medication Bridge Programs, we have been providing financial assistance to those qualifying for many years We reach out to our patients in many different ways to ensure they are aware that help is available and to guide them through the process Brochures and signage are posted in high traffic areas and all employees of MCH are informed about the Financial Assistance Program during orientation When a patient goes through the registration process at the Hospital the staff are trained to inform uninsured or underinsured patients about the Monadnock Community Hospital Financial Assistance and the New Hampshire Health Access programs and that there is assistance available within the Hospital to help with the application process In addition, any time a patient calls customer service, the representative is trained to help identify and offer support to patients who may require financial assistance Patients may qualify for free care, discounted care, payment plans or a combination of the above Assistance is also provided in applying to federal and state programs for those who qualify

Form and Line Reference	Explanation
Part VI, Line 4	The Hospital's primary service area consists of 14 towns, including Antrim, Bennington, Dublin, Francestown, Greenfield, Greenville, Hancock, Jaffrey, Mason, New Ipswich, Peterborough, Rindge, Sharon, and Temple The Hospital serves the general population of the primary service area referenced above

Form and Line Reference	Explanation
Part VI, Line 5	Monadnock Community Hospital is a critical access hospital located in the Monadnock Region of NH Our mission is to improve the health and well-being of our community The Hospital is served by a board of trustees consisting of local citizens active in their community and its organizations The majority of the board is not employed by the Hospital and consists of local community and business representatives as well as medical staff The Hospital is committed to giving back to the community to the greatest extent possible Monadnock Community Hospital supports thousands of individuals and families with free or reduced-fee services and programs Our Financial Assistance Program administered by the Social Services Department helps families and individuals in need with access to health care and other available community services such as catastrophic care, fuel assistance, meals on wheels, food banks, and visiting nurses Other examples of the Hospital's effort to reach our patients beyond traditional hospital services include access to free or reduced cost medications through our Medication Bridge program, educating children on the importance of good oral hygiene, eating health, and daily physical activity through our Monadnock Healthy Teeth to Toes program, training for community agencies such as local volunteer fire and rescue personnel, prevention and wellness education including nutrition, smoking cessation and dealing with stress, providing regular community seminars regarding timely health topics, and screenings for important health issues such as breast cancer These are just a few of the many areas where we are reaching out to others to assure they are cared for well

Form and Line Reference	Explanation
Part VI, Line 6	N/A

Form and Line Reference	Explanation
Part VI, Line 7, Reports Filed With States	NH

Additional Data

Software ID:
Software Version:
EIN: 02-0222157
Name: Monadnock Community Hospital

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
Monadnock Community Hospital	Part V, Section B, Line 3 Monadnock Community Hospital (MCH) used a multi-phased methodology to achieve the objectives of the assessment The methodology included the following stages establishing a leadership team to provide project guidance and insight regarding local health resources and perspectives of community needs, strategic secondary research, four qualitative discussion groups with healthcare consumers, service providers, and other community opinion leaders, needs prioritization process Establishing a Leadership Team - The MCH Leadership Group was established early in the project process in order to develop communication channels with, and to learn about the insights of, a diverse set of community stakeholders In order to generate the information, MCH incorporated input from persons who represent the broad interest of the community served by the hospital facility, including those with special knowledge of our expertise in public health Group members were selected based upon their perceived community health vision, knowledge, and power to impact the well-being of the community The steering committee also offered critical feedback on quantitative data, refined the list of community needs, helped develop the database of available resources, and participated in quantitative and qualitative research methods to build the prioritized list of community needs identified in the report Qualitative Discussion Groups - MCH conducted five discussion groups with individuals from a breadth of community groups regarding their perception of healthcare service gaps The groups included in-depth discussion about topics such as community strengths, service gaps, needs prioritization, and ways that MCH may be able to help address community needs The information gleaned was used to help triangulate statistical data and qualitative information collected through the other research modalities The discussion groups included the following community segments leadership group members (executives from a diverse range of organizations that have direct contact with healthcare consumers and/or provide affiliated services), healthcare consumers (consumer sectors included the homeless, people from diverse age groups and economic strata, and individuals with varying degrees of chronic illness), and community opinion leaders (healthcare consumers living in the MCH service area and also providing community services such as faith-based networking and in-school nursing)

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
Monadnock Community Hospital	Part V, Section B, Line 7 The Hospital will not directly address all the needs identified in the CHNA at the time of this filing The community needs not addressed in the Hospital's implementation plan scored lower on the prioritization rationale, were determined as not being in the purview of the Hospital, and/or are better addressed by other community organizations The needs not included in the Hospital's implementation plan include parenting classes, lower insurance rates, and dental health services for adults and seniors

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
Monadnock Community Hospital	Part V, Section B, Line 14g The complete financial assistance policy is available upon request and in the waiting rooms Instructions on how to find out more about financial assistance are posted on the Hospital's website, on the back of all billing invoices, and published in a brochure that is available around the Hospital and in the admissions office Additionally, the financial assistance program is communicated to all employees during the orientation process

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
Monadnock Community Hospital	Part V, Section B, Line 18e Line E Description from Credit and Collections Policy The Hospital Patient Financial Services (PFS) Department shall develop and implement billing and collection procedures designed to maintain an adequate cash flow, keep accounts receivable at an acceptable level, and identify and write-off bad debts in a timely fashion Monadnock Community Hospital contracts with an agency to process all self-pay accounts and self-pay after insurance balance statements/letters I Self-pay accounts and self-pay balances remaining after insurance adjudication shall be transferred to the agency on a weekly basis The cycle for collections is three statements and/or letters and two phone call series spaced approximately thirty (30) days apart The statements shall include a Previous balance (unless this is the first statement) b Activity since last statement (except those accounts that went to a $0 00 balance) c Current balance due d Telephone number(s) for inquiries concerning the statement e Status or reminder message where appropriate f Availability for the use of a credit card for payment g Information regarding Financial Assistance and Medication Bridge Programs h Return envelope II In the event that statements or letters are returned by the postal service as undeliverable for reasons such as "moved, left no forwarding address," "forwarding order expired," or "no such address" the agency will indicate on the daily report "mail returned " PFS staff will review system for the correct address and will make corrections within the computer system and correspondence will be re-mailed If no correct or current information can be obtained, the specific account(s) shall be flagged for referral to an outside collection agency equipped to handle this type of situation (see bad debt processing footnote) In addition, on a weekly basis, the FAP staff run system reports to identify outpatient visits classified as self-pay Based on the information in these reports, the guarantor of each visit is sent a financial assistance application in the mail Determination of eligibility is contingent upon receiving a completed application and required documentation from the patient and/or guarantor

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
Monadnock Community Hospital	Part V, Section B, Line 22 The State of NH does not allow healthcare providers to bill auto insurance companies directly in regards to a motor vehicle accident The patient, when treated, has the choice to either be billed directly and they will then bill their auto insurance company or we can bill their health insurance company directly

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, Section B, line 5a	The CHNA is available at the Hospital facility's website http //monadnockcommunityhospital com/pdf/community-matters/Community%20Assessment%20Report%20-%20Monadnock%20Community-Hospital-Final-Version-with-Guide pdf

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

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

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

Name and address	Type of Facility (describe)
Bond Wellness Center 458 Old Street Road Wellness Center Peterborough, NH 03458	Fitness center and rehabilitation services
Monadnock Orthopaedic Associates 458 Old Street Road Wellness Center Peterborough, NH 03458	Fitness center and rehabilitation services
Monadnock Regional Pediatrics 454 Old Street Road MAB Building Peterborough, NH 03458	Fitness center and rehabilitation services
Jaffrey Family MedicinePT Satellite 82 Peterborough Road Jaffrey, NH 03452	Fitness center and rehabilitation services
Monadnock Family Care 454 Old Street Road MAB Building Peterborough, NH 03458	Fitness center and rehabilitation services
North Meadow 154 Hancock Road Peterborough, NH 03458	Fitness center and rehabilitation services
Monadnock Behavioral Health 458 Old Street Road Wellness Center Peterborough, NH 03458	Fitness center and rehabilitation services
Monadnock Internists 454 Old Street Road MAB Building Peterborough, NH 03458	Fitness center and rehabilitation services
Monadnock Surgical Associates 454 Old Street Road MAB Building Peterborough, NH 03458	Fitness center and rehabilitation services
Peterborough Internal Medicine 454 Old Street Road MAB Building Peterborough, NH 03458	Fitness center and rehabilitation services
Rindge Family Practice 145 US Route 202 Rindge, NH 03461	Fitness center and rehabilitation services
New Ipswich Family Medicine 821 Turnpike Road New Ipswich, NH 03071	Fitness center and rehabilitation services
Antrim Medical Group 12 Elm Street Antrim, NH 03440	Fitness center and rehabilitation services
Neurology Center 458 Old Street Road Wellness Center Peterborough, NH 03458	Fitness center and rehabilitation services

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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
Monadnock Community Hospital

Employer identification number
02-0222157

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) Town of Peterborough 1 Grove Street Peterborough, NH 03458		Governmental	15,000				Cash contribution for the benefit of the Peterborough Ambulance

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

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

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

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

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

Return Reference	Explanation
Part I, Line 2	During the tax year ending September 30, 2014, the Hospital only made contributions to governmental entities or other 501(c)(3) public charities, additional monitoring is not deemed necessary

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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
Monadnock Community Hospital

Employer identification number
02-0222157

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
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**	Yes	
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				
(1)Richard Frechette MD Ex-Officio w/voting rights (part yr)	(i)	202,593	0	1,796	5,184	25,957	235,530	0
	(ii)	0	0	0	0	0	0	0
(2)Gregory Kriebel MD Ex-Officio w/voting rights	(i)	222,386	0	780	5,533	21,092	249,791	0
	(ii)	0	0	0	0	0	0	0
(3)Peter L Gosline Chief Executive Officer (thru 4/14)	(i)	266,478	6,238	22,391	6,314	16,920	318,341	0
	(ii)	0	0	0	0	0	0	0
(4)Richard D Scheinblum VP Finance/CFO	(i)	166,930	0	800	4,195	8,012	179,937	0
	(ii)	0	0	0	0	0	0	0
(5)Terrence McNamara DO Physician	(i)	406,121	133,958	15,478	0	19,881	575,438	0
	(ii)	0	0	0	0	0	0	0
(6)Ronald Michalak MD Physician	(i)	468,953	2,058	920	0	25,689	497,620	0
	(ii)	0	0	0	0	0	0	0
(7)Douglas Weiss MD Physician	(i)	474,847	0	16,776	0	8,173	499,796	0
	(ii)	0	0	0	0	0	0	0
(8)Shawn Harrington MD Physician	(i)	390,148	6,976	920	0	25,454	423,498	0
	(ii)	0	0	0	0	0	0	0
(9)Robert C Knowles MD FACS Physician	(i)	352,638	0	26,169	0	20,147	398,954	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Lines 4a-b	Peter L Gosline served as Chief Executive Officer of the Hospital until April 2014 In the fiscal year covered by this filing, Mr Gosline received severance payments totaling $113,379 Mr Gosline received severance through mid-April, 2015 MCH sponsors a split-dollar life insurance employee benefit program for certain officers and key employees Split-dollar life insurance is an arrangement in which the employee is the owner of the life insurance policy and the premiums are paid by both the employer and employee Pursuant to MCH's split-dollar agreement, and the collateral assignment therein, the employer's share of the policy premiums paid is recovered either upon termination of the policy or at the death of the participant Note that the split-dollar arrangement is part of an employee benefit program and economically not a direct extension of credit Furthermore, the reportable compensation of the respective employees includes the annual value of the life insurance coverage The policy was surrendered and contract terminated upon Mr Gosline's retirement As a result, no values are attributed to the split-dollar arrangement as of 9/30/14 Under the terms of his transition agreement with the Hospital, Mr Gosline paid back $542,000 of cumulative premiums paid since 2001 Cynthia McGuire, President & CEO, participates in a 457(f) plan with Monadnock Community Hospital Ms McGuire began her tenure with the Hospital after calendar year 2013 Therefore, no compensation or benefits will be reported for her on this Schedule J, Part II After a three-year vesting period, there will be a 457(f) amount included in W-2 wages for Ms McGuire reported on Schedule J, Part II, Column B(iii) This amount will be comprised of interest and deferred compensation that was included in Schedule J, Part II, Column C On May 19, 2015 $17,500 was deposited into Ms McGuire's 457(f) plan account for calendar 2014 The 457(f) amount that will be included in W-2 wages properly accounts for the elimination of substantial risk of forfeiture
Part I, Line 7	MCH compensates physicians utilizing productivity targets based on RVU (relative value units) In addition, the Compensation Committee recommends to the full board, annually, the variable pay award that may be issued to the Hospital's CEO The payment of the award is discretionary and is subject to meeting the pre-determined goals of the Organization
Schedule J, Part II	Cynthia McGuire, CEO began her tenure with Monadnock Community Hospital in February 2014 Peter L Gosline remained with the Hospital in an advisory capacity until his resignation effective April 2014 Because IRS instructions require that compensation and benefit information be reported on Form 990, Part VII on a calendar year basis, no compensation and benefits are reported on this Form 990 for Ms McGuire The Organization's 2014 Form 990 will reflect Ms McGuire's compensation information, accordingly, she has not been included as an independent board member on this return

Additional Data

Software ID:
Software Version:
EIN: 02-0222157
Name: Monadnock Community 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				
Richard Frechette MD Ex-Officio w/voting rights (part yr)	(I) (II)	202,593 0	0 0	1,796 0	5,184 0	25,957 0	235,530 0	0 0
Gregory Kriebel MD Ex-Officio w/voting rights	(I) (II)	222,386 0	0 0	780 0	5,533 0	21,092 0	249,791 0	0 0
Peter L Gosline Chief Executive Officer (thru 4/14)	(I) (II)	266,478 0	6,238 0	22,391 0	6,314 0	16,920 0	318,341 0	0 0
Richard D Scheinblum VP Finance/CFO	(I) (II)	166,930 0	0 0	800 0	4,195 0	8,012 0	179,937 0	0 0
Terrence McNamara DO Physician	(I) (II)	406,121 0	133,958 0	15,478 0	0 0	19,881 0	575,438 0	0 0
Ronald Michalak MD Physician	(I) (II)	468,953 0	2,058 0	920 0	0 0	25,689 0	497,620 0	0 0
Douglas Weiss MD Physician	(I) (II)	474,847 0	0 0	16,776 0	0 0	8,173 0	499,796 0	0 0
Shawn Harrington MD Physician	(I) (II)	390,148 0	6,976 0	920 0	0 0	25,454 0	423,498 0	0 0
Robert C Knowles MD FACS Physician	(I) (II)	352,638 0	0 0	26,169 0	0 0	20,147 0	398,954 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
Monadnock Community Hospital

Employer identification number
02-0222157

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	NHBFA Revenue Bonds Series 2013	02-1304598		01-01-2013	27,240,000	refinance existing Series 2007 and 2009 bonds		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	27,240,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	27,057,466			
7	Issuance costs from proceeds	182,534			
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	2013			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
Schedule K, Part III, Line 9, Part IV, line 7 and Part V	Although formal policies are not in place in regards to the remediation of our bond, the monitoring requirements of section 148, and procedures to ensure that violations are timely identified and corrected, Mondanock Community Hospital has compliance checks in place that substantiate these requirements Below is a list of all compliance checks that Monadnock Community Hospital has in place to monitor the 2013 Bond Issue 1 Covenant calculations performed monthly as part of the Financial Scorecard preparation which is reviewed by the MCH Board of Trustees 2 Covenant calculations are performed for each quarter and reported to the bond issuer, TD Bank 3 Covenant certificate is signed each quarter by the CFO and reported to the bond issuer, TD Bank 4 Financial statements and statistical reports are sent to the bond issuer, TD Bank, on a quarterly basis 5 Annual Operating and Capital budgets are reported to the bond issuer, TD Bank 6 A No Event of Default certificate is signed by the CFO annually and reported to the bond issuer, TD Bank 6 Annual Audited Financial statements are reported to the bond issuer, TD Bank Each of these items that are reported to TD Bank has a specific deadline for completion as outlined in the bond documents

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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
Monadnock Community Hospital

Employer identification number
02-0222157

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) Patti Potter	Spouse to Trustee	20,181	Mrs Patti Potter is the spouse of Dr James Potter, who was a trustee on MCH's Board for part of the year and listed in Part VII Mrs Potter is compensated as an employee of MCH The W-2 compensation paid is in accordance with MCH's standard employment practices and policies		No
(2) Peter L Forssell MD	Board Member	20,040	The Hospital rents a medical office space from Dr Forssell Though the transaction amount is below the threshold for disclosure, the Hospital is reporting it on Schedule L, Part IV for transparency purposes		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 M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Monadnock Community Hospital

Employer identification number
02-0222157

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	6	63,400	
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (_____)				
26	Other ▶ (_____)				
27	Other ▶ (_____)				
28	Other ▶ (_____)				

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

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

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

Return Reference	Explanation
Part I, Line 32b	The Hospital uses its third party investment broker to sell gifts of publicly traded securities Donations of such securities are sold as soon as administratively possible

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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
Monadnock Community Hospital

Employer identification number

02-0222157

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	The Hospital's Form 990 is prepared with assistance by an independent public accounting firm A draft of the Form 990 is initially reviewed in detail by key finance employees Thereafter, the final draft is made available to the full board prior to filing with the IRS

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	On an annual basis, the Organization provides all administrators/directors/managers, Board Members, and medical staff members with the conflict of interest policy Said individuals are required to complete a new conflict of interest disclosure on an annual basis Any conflicts of interest noted are reviewed by the Chair of the Board, in conjunction with the Corporate Compliance Officer If the conflict of interest appears to meet the policy definitions requiring full Board review, the President of the Board takes this to the full Board meeting, and it is discussed, and appropriate action is taken (in compliance with state and federal requirements) The conflict of interest statement requires signatories to inform the Hospital of any conflict of interest that occurs at any time throughout the year If a conflict of interest arises during the year, it is reviewed by the Compliance Officer, and if necessary, is taken to the Board President/Board The Compliance Officer confers with legal counsel with regard to conflicts of interest, if there is any question regarding the potential conflict

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	The Organization has a written executive compensation policy and procedure Under this policy, the Compensation Committee, comprised of delegated representatives of the Board of Trustees, has the power and responsibility to determine the Hospital's approach to executive compensation and review the performance of the CEO The Compensation Committee has the responsibility to set, monitor and review the base salary of the CEO The Committee maintains minutes of sessions and final recommendations and determinations in accordance with the Board of Trustee guidelines Annually, market data is reviewed by the Committee to determine the appropriate salary for the Hospital's CEO based upon identified standards At the end of the time period, the Committee reviews to what extent stated goals were met and recommends an amount for the variable pay award to be approved by the full board

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	Monadnock Community Hospital files audited financial statements annually with the New Hampshire Attorney General's Charitable Trust Unit and informs the Director of Charitable Trusts of pecuniary benefit transactions that have occurred between MCH and a board member or officer Notices of such transactions of $5,000 or more are also published in the local newspaper in accordance with NH RSA 7 19-A, II(D) Current copies of the bylaws, conflict of interest Policy and Form 990 are on file with the Charitable Trust Unit The Hospital also makes its governing documents, conflict of interest policy, and financial statements available to the public upon request

Return Reference	Explanation
Form 990, Part VII, Section A, Column D Director Compensation	The 2013 compensation reported for Dr Kriebel, Dr Frechette, and Dr Potter was paid by Monadnock Community Hospital for their services as physicians Neither was compensated for their services as an ex-officio voting members of MCH's Board of Trustees

Return Reference	Explanation
Form 990, Part VII, Section A, Column D CEO Compensation	Cynthia McGuire, CEO began her tenure with Monadnock Community Hospital in February 2014 Peter L Gosline remained with the Hospital in an advisory capacity until his resignation effective April 2014 Because IRS instructions require that compensation and benefit information be reported on Form 990, Part VII on a calendar year basis, no compensation and benefits are reported on this Form 990 for Ms McGuire The Organization's 2014 Form 990 will reflect Ms McGuire's compensation information, accordingly, she has not been included as an independent board member on this return

Return Reference	Explanation
Form 990, Part XI, line 9	Change in fair value of interest rate swap agreements 117,060

Return Reference	Explanation
Form 990, Part XI, Line 2c Audit Review Process	The Audit Committee oversees the audit process for Monadnock Hospital The audit process for the financial statements did not change from the prior year Independent accountants performed the audit for the fiscal years ended 9/30/13 and 9/30/14

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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
Monadnock Community Hospital

Employer identification number
02-0222157

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) Monadnock Health Services - INACTIVE 452 Old Street Road Peterborough, NH 03458 02-0420789	Inactive	NH	501(c)(3)	Line 11a, I	Monadnock Community Hospital	Yes	

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

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

The Monadnock Community Hospital

Audited Financial Statements

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

THE MONADNOCK COMMUNITY HOSPITAL

Audited Financial Statements

Years Ended September 30, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Monadnock Community Hospital

We have audited the accompanying financial statements of The Monadnock Community Hospital (the Hospital), which comprise the balance sheets as of September 30, 2014 and 2013, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of September 30, 2014 and 2013, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
January 19, 2015

THE MONADNOCK COMMUNITY HOSPITAL

BALANCE SHEETS

September 30, 2014 and 2013

ASSETS

	2014	2013
Current assets:		
Cash and cash equivalents	$ 16,293,747	$15,759,546
Accounts receivable, net (notes 2 and 4)	6,513,721	5,773,955
Current portion of notes receivable	88,928	117,345
Other receivables (note 10)	498,654	679,961
Current portion of pledges receivable, net (note 5)	116,223	154,421
Inventories	1,257,506	1,242,787
Prepaid expenses	682,936	867,448
Total current assets	25,451,715	24,595,463
Assets limited as to use (notes 4, 6 and 16)	39,667,700	35,170,397
Medical office building and related assets, net of accumulated depreciation of $1,689,788 in 2014 and $1,592,553 in 2013	1,729,836	1,827,071
Property and equipment, net (notes 7 and 8)	36,707,355	36,249,045
Notes receivable, less current portion	69,839	122,839
Other:		
Pledges receivable, less current portion, net (note 5)	561,618	638,661
Debt issuance costs, net	160,168	197,606
Other assets	180,255	681,182
	902,041	1,517,449
Total assets	$104,528,486	$99,482,264

LIABILITIES AND NET ASSETS

	2014	2013
Current liabilities:		
Accounts payable and accrued expenses	$ 3,723,861	$ 3,734,969
Accrued payroll and amounts withheld	3,376,609	3,038,531
Estimated third-party payor settlements (note 3)	7,805,066	8,127,025
Current portion of long-term debt and capital lease obligations	719,633	750,578
Total current liabilities	15,625,169	15,651,103
Long-term debt and capital lease obligations, less current portion (note 8)	26,850,900	27,026,217
Interest rate swap agreements (notes 8 and 16)	2,677,591	2,794,651
Total liabilities	45,153,660	45,471,971
Commitments and contingencies (note 12)		
Net assets:		
Unrestricted net assets	47,964,278	43,706,147
Temporarily restricted net assets (note 9)	3,455,314	2,677,614
Permanently restricted net assets (note 9)	7,955,234	7,626,532
Total net assets	59,374,826	54,010,293
Total liabilities and net assets	$104,528,486	$99,482,264

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF OPERATIONS

Years Ended September 30, 2014 and 2013

	2014	2013
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts (notes 3 and 10)	$73,896,495	$73,476,212
Provision for bad debts	(4,465,396)	(4,467,531)
Net patient service revenue, less provision for bad debts	69,431,099	69,008,681
Other revenue (notes 3 and 10)	5,886,915	4,081,287
Net assets released from restrictions for operations (note 9)	188,951	167,616
Total unrestricted revenue and other support	75,506,965	73,257,584
Expenses (note 14):		
Salaries and benefits (note 11)	40,444,191	39,235,788
Supplies and other	24,377,302	23,708,276
Insurance (note 12)	562,555	603,406
Depreciation and amortization (note 7)	4,521,689	4,961,382
Interest (note 8)	1,181,275	1,210,343
New Hampshire Medicaid enhancement tax (note 3)	3,402,383	2,553,243
Total expenses	74,489,395	72,272,438
Income from operations	1,017,570	985,146
Nonoperating gains (losses):		
Investment income (note 6)	1,065,649	350,440
Unrestricted contributions, net of fundraising expenses (note 14)	(76,518)	(141,543)
Loss on extinguishment of debt	–	(230,285)
Other income (expense)	16,327	(26,980)
Nonoperating gains (losses), net	1,005,458	(48,368)
Excess of revenue, support and nonoperating gains (losses) over expenses	2,023,028	936,778
Net unrealized gains on investments (note 6)	1,961,815	2,492,126
Increase in fair value of interest rate swap agreements, qualifying as hedges (note 8)	117,060	1,720,515
Net assets released from restrictions used to purchase property and equipment	156,228	66,928
Increase in unrestricted net assets	$ 4,258,131	$ 5,216,347

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2014 and 2013

	2014	2013
Unrestricted net assets:		
Excess of revenue, support and nonoperating gains (losses) over expenses	$ 2,023,028	$ 936,778
Net unrealized gains on investments (note 6)	1,961,815	2,492,126
Increase in fair value of interest rate swap agreements, qualifying as hedges (note 8)	117,060	1,720,515
Net assets released from restrictions used to purchase property and equipment	156,228	66,928
Increase in unrestricted net assets	4,258,131	5,216,347
Temporarily restricted net assets:		
Contributions (note 5)	526,809	1,127,458
Net investment income (note 6)	40,794	40,669
Net realized gains (losses) on investments (note 6)	108,240	(22,577)
Net unrealized gains on investments (note 6)	447,036	530,398
Net assets released from restrictions for operations (note 9)	(188,951)	(167,616)
Net assets released from restrictions used to purchase property and equipment	(156,228)	(66,928)
Increase in temporarily restricted net assets	777,700	1,441,404
Permanently restricted net assets:		
Net unrealized gains on perpetual trusts (note 6)	328,702	271,232
Increase in permanently restricted net assets	328,702	271,232
Increase in net assets	5,364,533	6,928,983
Net assets, beginning of year	54,010,293	47,081,310
Net assets, end of year	$59,374,826	$54,010,293

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Increase in net assets	$ 5,364,533	$ 6,928,983
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,521,689	4,961,382
Loss on disposal of property and equipment	3,507	26,980
Realized and unrealized gains on investments, net	(3,481,287)	(3,180,850)
Interest rate swaps	(117,060)	(1,720,515)
Decrease in interest rate swap loan	(48,000)	(48,000)
Provision for bad debts	4,465,396	4,467,531
Loss on extinguishment of debt	–	230,285
Restricted contributions and investment income	(567,603)	(1,168,127)
Changes in operating assets and liabilities:		
Accounts receivable	(5,205,162)	(4,714,386)
Inventories	(14,719)	43,944
Prepaid expenses	184,512	(294,316)
Notes and other receivables	262,724	(217,268)
Other assets	500,927	(54,587)
Accounts payable and accrued expenses	(11,108)	694,032
Accrued payroll and amounts withheld	338,078	158,440
Estimated third-party payor settlements	(321,959)	1,626,374
Net cash provided by operating activities	5,874,468	7,739,902
Cash flows from investing activities:		
Purchases of property and equipment	(4,355,020)	(3,472,327)
Proceeds from sale of property and equipment	500	–
Proceeds on sale of investments	490,711	283,311
Purchases of investments	(1,506,727)	(943,886)
Net cash used by investing activities	(5,370,536)	(4,132,902)
Cash flows from financing activities:		
Proceeds from issuance of debt	–	27,240,000
Principal payments on long-term debt and capital lease obligations	(652,575)	(27,856,611)
Bond issuance costs	–	(203,736)
Restricted contributions and investment income	682,844	536,620
Net cash provided (used) by financing activities	30,269	(283,727)
Net increase in cash and cash equivalents	534,201	3,323,273
Cash and cash equivalents at beginning of year	15,759,546	12,436,273
Cash and cash equivalents at end of year	$16,293,747	$ 15,759,546
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 1,181,275	$ 1,210,343

Supplemental disclosure of noncash investing and financing activities:

In 2014 and 2013, the Hospital entered into capital lease obligations in the amount of $679,756 and $135,867, respectively. In 2014, the Hospital also terminated a capital lease obligation in the amount of $185,443. These items are not included in the above statements of cash flows for 2014 and 2013.

See accompanying notes.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

The Monadnock Community Hospital (the Hospital) is a not-for-profit, acute care hospital located in Peterborough, New Hampshire.

The accounting policies that affect the more significant elements of the financial statements are summarized below:

Basis of Accounting

The accompanying financial statements have been prepared on an accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates are the allowance for doubtful accounts and contractual adjustments, the allowance for uncollectible pledges, estimated third-party payor settlements and insurance reserves.

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts and investments with original maturities of three months or less when purchased, excluding assets limited as to use. The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost or market. Costs are determined on the first-in, first-out (FIFO) basis.

Assets Limited as to Use

Assets limited as to use include assets held by trustees under indenture agreements, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Investments

Investments are carried at fair value in the accompanying balance sheets. The Hospital has recorded net unrealized gains/losses on investments in the accompanying statements of operations and changes in net assets as a component of the change in net assets, but not as a component of the excess of revenue, support and nonoperating gains (losses) over expenses. Declines in fair value below the cost of investments are evaluated to determine if they are other-than-temporary. If such declines are determined to be other-than-temporary, an impairment charge is recognized within nonoperating losses. Realized gains and losses are determined on the specific identification method, however, mutual fund realized gains and losses are determined on the average cost method.

Investment Policies

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

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

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

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

Management of these assets is to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The Hospital targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is stated at cost or, if donated, at fair value at the date of donation, less accumulated depreciation. The Hospital's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the life of the related assets. When assets are retired or disposed of, the assets and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the accompanying statements of operations.

Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the assets over their estimated useful lives. Equipment under capital lease is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Costs of construction and acquisition of assets not yet placed in service are included in capital improvements and no depreciation expense is recorded.

Bond Issuance Costs/ Original Issue Discount or Premium

Bond issuance costs are being amortized using an accelerated amortization method, which approximates the effective interest method, over the life of the respective bonds Bond premiums and discounts are amortized over the term of the bond using primarily the straight-line method which is not materially different than the level yield method.

Earned Time

The Hospital provides and accrues for paid time off for vacation, holiday and sick leave under an earned time system for nonexempt employees. Hours earned, but not used, are capped and vested with the employee.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specified time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. Investment income, as well as realized and unrealized gains from permanently restricted net assets, is available for various uses as prescribed by the donors.

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

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Spending Policy for Appropriation of Assets for Expenditure

Spending policies may be adopted by the Hospital, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Hospital evaluates its spending policies on an annual basis.

Donor-Restricted Contributions

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

Excess of Revenue, Support and Nonoperating Gains (Losses) Over Expenses

The accompanying statements of operations include excess of revenue, support and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess of revenue, support and nonoperating gains (losses) over expenses, consistent with industry practice, include net assets released from restrictions used for the purposes of acquiring long-lived assets, net unrealized gains/losses on investments and the changes in the fair value of interest rate swap agreements deemed to be effective hedges.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the accompanying financial statements in the year in which they occur. During 2014 and 2013, net patient service revenue in the accompanying statements of operations (decreased) increased approximately $(958,000) and $994,000, respectively, due to changes in prior year estimates. Services rendered to individuals from whom payment is expected and ultimately not received is written off and included as part of the provision for bad debts.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Activities directly associated with services related to acute and ancillary care services are considered to be operating activities and are included as patient service revenue. Revenue which is not related to patient medical care and which is normal to the day-to-day operations of the Hospital is included in other revenue.

Financial Assistance Program

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a financial assistance patient by reference to certain established policies of the Hospital. Essentially, these policies define the financial assistance program as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes federally established poverty guidelines. The financial assistance program is measured based on the Hospital's established rates. These charges are not included in net patient service revenue. The costs and expenses incurred in providing these services are included in operating expenses. See note 15.

Self-Insurance Programs

The Hospital self-insures its employee health and dental benefits and has estimated and accrued amounts to meet its expected obligations under the program. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The Hospital recognizes revenue for services provided to employees of the Hospital during the year. Stop loss insurance coverage is in effect which mitigates the Hospital's exposure to loss on an individual and aggregate basis. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2014 and 2013, have been recorded as a liability of approximately $750,000 and $600,000, respectively, within accrued payroll and amounts withheld in the accompanying balance sheets.

Income Taxes

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

Advertising Costs

The Hospital expenses advertising costs as incurred, and such costs totaled approximately $73,000 and $61,000 for the years ended September 30, 2014 and 2013, respectively.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Derivatives and Hedging Activities

The interest rate swap agreements held by the Hospital meet the definition of derivative instruments and, consequently, the Hospital is required to record as an asset or liability the fair value of the interest rate swap agreements described in Note 8. The Hospital is exposed to repayment loss equal to any net amounts receivable under the swap agreements (not the notional amounts) in the event of nonperformance of the other parties to the swap agreements. However, the Hospital does not anticipate nonperformance and does not obtain collateral from the other parties.

Subsequent Events

Management has evaluated subsequent events occurring between the end of its fiscal year and January 19, 2015, the date the financial statements were available to be issued.

2. Accounts Receivable

Accounts receivable are stated net of estimated contractual allowances and allowances for doubtful accounts. Accounts receivable consists of the following at September 30:

	2014	2013
Accounts receivable	$17,636,668	$16,160,900
Estimated contractual allowances	(6,284,758)	(5,430,584)
Estimated allowance for doubtful accounts	(4,838,189)	(4,956,361)
	$ 6,513,721	$ 5,773,955

The Hospital's allowance for doubtful accounts for self-pay patients decreased from 88% of self-pay accounts receivable at September 30, 2013 to 87% of self-pay accounts receivable at September 30, 2014. The Hospital's self-pay bad debt writeoffs increased $698,866 from $3,877,503 in 2013 to $4,576,369 in 2014. The increase in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends.

3. Estimated Third-Party Settlements

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

3. Estimated Third-Party Settlements (Continued)

Medicare

The Hospital was granted critical access hospital (CAH) designation on December 27, 2004. As a result of this designation, the Hospital is entitled to cost-based reimbursement from Medicare for services provided to Medicare beneficiaries. Inpatient acute care services rendered to Medicare program beneficiaries are paid under a cost reimbursement methodology. Outpatient services are paid based on a combination of rate schedules and reimbursed cost The Hospital is reimbursed for cost reimbursable items at an interim rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled through September 30, 2010.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology subject to certain limitations. The Hospital is reimbursed at an interim rate with final settlement determined after submission of annual costs reported by the Hospital and audits thereof by the State of New Hampshire Division of Audit. The Hospital's Medicaid cost reports have been final settled through September 30, 2010.

Anthem

Inpatient and outpatient services rendered to Anthem subscribers are reimbursed at submitted charges less a discount withholding or through a per diem or fee schedule. The amounts paid to the Hospital are not subject to any retroactive adjustments.

Other

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

The Hospital has made a provision in the financial statements for estimated final settlements to be paid as a result of the retroactive provision for third-party reimbursement programs.

Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of the Hospital's net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospital for fiscal 2014 and 2013 was $3,402,383 and $2,553,243, respectively. The Hospital has accrued $852,594 and $860,568 in MET at September 30, 2014 and 2013, respectively, within estimated third-party payor settlements in the accompanying balance sheets.

3. Estimated Third-Party Settlements (Continued)

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In 2014 and 2013, the Hospital recognized disproportionate share revenues totaling $3,573,806 and $3,971,738, respectively. Currently, the State of New Hampshire makes disproportionate share hospital payments to support up to 75% of the actual uncompensated care costs for New Hampshire's hospitals with critical access designation.

During 2014, the Centers for Medicare and Medicaid Services (CMS) began an audit of the State's program and the disproportionate share payments made by the State in 2011, the first year that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. At the date of these financial statements, CMS's audit was still in process, and the Hospital has received no indication of adjustments, if any, that may be made to disproportionate share payments received in prior years. As such, no amounts have been reflected in the accompanying financial statements related to this contingency.

The Hospital has amended MET returns for State fiscal years 2009 through 2011 based upon further guidance provided that certain exclusions can be deducted from net patient service revenue. The State Department of Revenue Administration settled this dispute with the Hospital during 2014 and issued a credit to the Hospital in the amount of $1,609,596. This amount is reflected within other revenues in the accompanying statement of operations for the year ended September 30, 2014.

4. Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist of cash and cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. There were no investments that exceeded 10% of total investments as of September 30, 2014 or 2013.

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The Hospital's accounts receivable are primarily due from third-party payors, and amounts are presented net of expected contractual allowances and uncollectible amounts. The mix of gross patient accounts receivable at September 30, 2014 and 2013 was as follows:

	2014	2013
Medicare	33%	34%
Medicaid	8	5
Anthem	7	8
Other third-party payors	23	22
Patients	29	31
	100%	100%

5. Pledges Receivable

Pledges receivable consist of unconditional promises for contributions receivable in subsequent years. The following represents amounts promised to be contributed to the Hospital during the years ended September 30:

	2014	2013
In one year or less	$ 477,536	$ 559,448
Between one and five years	516,394	370,595
After five years	225,000	500,000
	1,218,930	1,430,043
Present value discount	(109,458)	(156,311)
Allowance for uncollectible pledges ($361,313 and $405,027 of which is allocated to the current portion of pledges receivable at September 30, 2014 and 2013, respectively)	(431,631)	(480,650)
	$ 677,841	$ 793,082

6. Assets Limited as to Use and Restricted Funds

The composition of assets limited as to use at September 30, 2014 and 2013 is set forth in the following table. Investments are stated at fair value.

	2014	2013
Board designated, donor restricted and long-term investments:		
Cash and cash equivalents	$ 2,615,690	$ 1,839,617
Marketable equity securities	23,547,307	20,508,967
Mutual funds	1,062,562	1,131,290
U.S. Treasury obligations	8,508,951	8,018,068
Corporate and foreign bonds	197,398	265,365
Interests in perpetual trusts	3,735,792	3,407,090
	$39,667,700	$35,170,397

As a result of bequests, the Hospital is the beneficiary of two trust funds, one of which is administered by an outside trustee and the other administered by the Hospital. The terms of the perpetual trusts require that income or a percentage of income be paid to the Hospital in perpetuity; however, distribution of principal is not permitted under the terms of the trusts. The amounts recorded in the accompanying balance sheets represent the fair values of the assets upon notification of the trusts' existence, which are adjusted annually to reflect the appreciation or depreciation in the fair value of the assets. Offsetting amounts are included in permanently restricted net assets. Income distributed to the Hospital from these trusts is included in the accompanying statements of operations as investment income.

6. Assets Limited as to Use and Restricted Funds (Continued)

Investment income and realized and unrealized gains (losses) on investments are summarized as follows:

	2014	2013
Unrestricted:		
Investment income	$ 430,155	$ 440,769
Net realized gains (losses) on investments	635,494	(90,329)
Net unrealized gains on investments	1,961,815	2,492,126
	3,027,464	2,842,566
Restricted:		
Investment income	40,794	40,669
Net realized gains (losses) on investments	108,240	(22,577)
Net unrealized gains on investments	447,036	530,398
Net unrealized gains on perpetual trusts	328,702	271,232
	924,772	819,722
	$3,952,236	$3,662,288

The following table summarizes the aggregate unrealized losses on investments held at September 30, 2014 and 2013.

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2014						
Marketable equity securities	$ 538,494	$(18,007)	$ 796,661	$(121,336)	$1,335,155	$(139,343)
Mutual funds	16,767	(1,169)	–	–	16,767	(1,169)
Fixed income	1,599,500	(5,065)	1,042,740	(8,447)	2,642,240	(13,512)
	$2,154,761	$(24,241)	$1,839,401	$(129,783)	$3,994,162	$(154,024)
2013						
Marketable equity securities	$ 392,631	$(10,739)	$ 766,579	$(151,418)	$1,159,210	$(162,157)
Mutual funds	17,489	(16)	71,647	(6,712)	89,136	(6,728)
Fixed income	2,380,536	(24,271)	75,797	(808)	2,456,333	(25,079)
	$2,790,656	$(35,026)	$ 914,023	$(158,938)	$3,704,679	$(193,964)

6. Assets Limited as to Use and Restricted Funds (Continued)

Unrealized losses within marketable equity securities of $139,343 at September 30, 2014, due mainly to market fluctuations, consists of five securities, of which two had unrealized losses for more than twelve months. Unrealized losses within mutual funds of $1,169 at September 30, 2014, due mainly to market fluctuations, consists of one fund. Other unrealized losses in the Hospital's fixed income portfolio of $13,512 at September 30, 2014 are attributed to market fluctuations and the impact movements in market interest rates have had in comparison to the underlying yields on these securities.

Management of the Hospital, in addition to considering current trends and economic conditions that may affect the quality of individual securities within the Hospital's investment portfolio, also considers the Hospital's ability and intent to hold such securities to maturity or recovery. Management does not believe any of the Hospital's securities with unrealized losses as described above are other than temporarily impaired at September 30, 2014 and 2013.

7. Property and Equipment

Property and equipment consists of the following at September 30:

	2014	2013
Land and land improvements	$ 4,686,848	$ 4,597,987
Building and building improvements	28,363,802	28,354,964
Equipment, including capital leases	47,027,942	43,477,404
Capital improvements in progress	1,075,595	544,547
	81,154,187	76,974,902
Less accumulated depreciation and amortization	(44,446,832)	(40,725,857)
	$ 36,707,355	$ 36,249,045

The cost of assets recorded under capital leases totaled $1,255,057 and $1,114,054 at September 30, 2014 and 2013, respectively. The cost of these assets have been included with property and equipment, and accumulated amortization included with accumulated depreciation. Accumulated amortization associated with these leases was $546,208 and $720,679 at September 30, 2014 and 2013, respectively.

8. Long-Term Debt and Capital Lease Obligations

Long-term debt consists of the following at September 30:

	2014	2013
New Hampshire Business Finance Authority (NHBFA) in conjunction with Revenue Bonds Series 2013 with variable rate interest, as described below	$26,450,980	$26,909,344
Interest rate swap loan (see below)	284,000	332,000
Capital lease obligations with interest rates of 3.25%, due in monthly installments ranging from $5,773 to $15,727, with maturity dates ranging from March 2015 to May 2019, collateralized by equipment	835,553	535,451
	27,570,533	27,776,795
Less current portion	(719,633)	(750,578)
	$26,850,900	$27,026,217

On January 1, 2013, the Hospital refinanced its existing 2007 Series Bonds outstanding in the amount of $17,810,000 and its 2009 Series Bonds outstanding in the amount of $9,424,908 through the issuance of $27,240,000 in 2013 Series Bonds with NHBFA. The initial interest rate on the bonds through January 1, 2023 is a variable rate equal to 75% of the one-month LIBOR plus 1.3125%. The interest rate at September 30, 2014 was 1.42%. The final maturity of the bonds is January 1, 2043. On January 1, 2023, the bonds must be remarketed upon a stipulated mandatory redemption The Hospital is also required to comply with certain financial and other covenants and has granted as security all gross receipts, together with all real and personal property, as defined. The Series 2013 Revenue Bonds require payments ranging from $408,605 to $1,589,792 per year.

Concurrent with the 2009 NHBFA bond issuance, the Hospital executed an interest rate swap agreement to hedge its exposure to the volatility of interest payments on its variable rate Series 2009 Revenue Bonds During 2013, the Series 2009 Revenue Bonds were refinanced through the issuance of Series 2013 Revenue Bonds, as previously discussed. All existing terms of the swap remained in effect. At September 30, 2014, an interest rate swap agreement was outstanding at a notional amount totaling approximately $9.1 million. The swap agreement hedges the Hospital's interest exposure by effectively converting interest payments from variable rates to a fixed rate of 2 9%. The swap agreement, which expires in October 2019, is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in unrestricted net assets. The swap agreement had a fair value of $(714,145) and $(875,135) as of September 30, 2014 and 2013, respectively.

8. Long-Term Debt and Capital Lease Obligations (Continued)

Concurrent with the 2007 NHBFA bond issuance, the Hospital executed an interest rate swap agreement to hedge its exposure to the volatility of interest payments on a portion of its variable rate Series 2007 Revenue Bonds. During 2013, the Series 2007 Revenue Bonds were refinanced through the issuance of Series 2013 Revenue Bonds, as previously discussed. All existing terms of the swap remained in effect. At September 30, 2014, an interest rate swap agreement was outstanding at a notional amount totaling approximately $10.4 million. The swap agreement hedges the Hospital's interest exposure by effectively converting interest payments from variable rates to a fixed rate of 3.57% The swap agreement, which expires in October 2033, is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in unrestricted net assets. The swap agreement had a fair value of $(1,721,199) and $(1,639,240) as of September 30, 2014 and 2013, respectively.

The Hospital had a third interest rate swap agreement with a financial institution, which was originally issued in connection with the 2004 New Hampshire Health and Education Facilities Authority (NHHEFA) bonds, which were refunded during 2008. During 2010, the Hospital replaced this 2004 swap agreement with a new 2010 swap agreement that effectively hedged a portion of the 2007 NHBFA bonds. This newly issued swap agreement contains an additional interest rate spread, which in turn provides that the issuing bank make a cash payment to fund the payoff of the 2004 swap agreement on behalf of the Hospital. Accordingly, the Hospital recognized an interest rate swap loan liability of $480,000 during 2010, which represents the fair value of the 2004 swap at the time it was replaced. This loan is being amortized by the Hospital over the life of the new swap agreement. At September 30, 2014, an interest rate swap agreement was outstanding relating to the 2010 swap at a notional amount totaling approximately $6.9 million. The 2010 swap agreement hedges the Hospital's interest exposure by effectively converting interest payments from variable rates to a fixed rate of 2.76%. The swap agreement, which expires September 2020, is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in unrestricted net assets. The swap agreement had a fair value of $(242,247) and $(280,276) as of September 30, 2014 and 2013, respectively.

During the year, the Hospital pays or receives the difference between the fixed and variable rates applied to the notional amounts of the above interest rate swap agreements. During 2014 and 2013, the Hospital incurred interest expense of $749,586 and $763,873, respectively.

In connection with the 2013 NHBFA bonds, the Hospital is required to comply with certain restrictive financial covenants including, but not limited to, debt service coverage and debt to equity ratios. At September 30, 2014, the Hospital was in compliance with these restrictive covenants.

8. Long-Term Debt and Capital Lease Obligations (Continued)

The scheduled gross principal payments on long-term debt for the next five years are as follows:

	Long-Term Debt	Capital Lease Obligations	Total
2015 (included in current liabilities)	$ 527,182	$192,451	$ 719,633
2016	548,946	198,799	747,745
2017	571,699	205,357	777,056
2018	595,484	141,814	737,298
2019	620,351	97,132	717,483
Thereafter	23,871,318	–	23,871,318
	$26,734,980	$835,553	$27,570,533

The Hospital also has an available $3,000,000 revolving demand line of credit with a financial institution. The line of credit bears no interest unless drawn at the Hospital's option in which case the rate is equal to the prime rate or 1, 2 or 3 month LIBOR plus 2.5% (3.25% at September 30, 2014). There was no balance outstanding under this agreement at September 30, 2014 or 2013. The line of credit is subject to renewal on March 31, 2015.

9. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at September 30:

	2014	2013
Health care services.		
Purchase of equipment	$ 842,264	$ 586,651
Health education	341,381	259,329
Pledges receivable	677,841	793,082
Capital appreciation on endowment funds:		
Accumulated realized gains	350,359	242,119
Unrealized gains	1,243,469	796,433
	$3,455,314	$2,677,614

Permanently restricted net assets of $7,955,234 and $7,626,532 at September 30, 2014 and 2013, respectively, are to be held in perpetuity and include two perpetual trusts (Note 6). The income and dividends on permanently restricted net assets are generally expendable to support health care services and capital purchases at the discretion of the Hospital and are principally recorded as net assets released from restrictions for the purchase of property and equipment.

During the years ended September 30, 2014 and 2013, $188,951 and $167,616, respectively, have been reclassified from temporarily restricted net assets to unrestricted net assets (recorded as net assets released from restrictions for operations).

9. Temporarily and Permanently Restricted Net Assets (Continued)

Activity in fiscal 2014 and 2013 related to endowment funds was as follows:

	Temporarily Restricted Net Assets	Permanently Restricted Net Assets
2014		
Balances, beginning of year	$1,038,552	$4,220,482
Interest and dividends	155,946	–
Realized and unrealized gains on investments	555,276	–
Appropriation for expenditure	(155,946)	–
Balances, end of year	$1,593,828	$4,220,482
2013		
Balances, beginning of year	$ 530,731	$4,220,482
Interest and dividends	70,657	–
Realized and unrealized gains on investments	507,821	–
Appropriation for expenditure	(70,657)	–
Balances, end of year	$1,038,552	$4,220,482

10. Net Patient Service Revenue

Net patient service revenue consists of the following for the years ended September 30:

	2014	2013
Gross patient service charges:		
Routine services	$ 19,440,588	$ 16,992,254
Ancillary services	111,084,133	106,407,429
	130,524,721	123,399,683
Deductions from revenue:		
Contractual adjustments and administrative write offs	(56,417,052)	(50,449,428)
Financial assistance program	(3,784,980)	(3,445,781)
Disproportionate share funding (note 3)	3,573,806	3,971,738
	(56,628,226)	(49,923,471)
Net patient service revenue, net of contractual allowances and discounts	$ 73,896,495	$ 73,476,212

10. Net Patient Service Revenue (Continued)

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

	Gross Patient Service Revenue	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Service Revenue Less Provision for Bad Debts
2014				
Private payors (includes coinsurance and deductibles)	$ 56,183,024	$(16,958,869)	$(3,191,057)	$36,033,098
Medicaid	8,587,040	(5,615,768)	(100,944)	2,870,328
Medicare	56,566,166	(27,835,105)	(154,632)	28,576,429
Self-pay	9,188,491	(6,218,484)	(1,018,763)	1,951,244
	$130,524,721	$(56,628,226)	$(4,465,396)	$69,431,099
2013				
Private payors (includes coinsurance and deductibles)	$ 56,080,997	$(16,629,874)	$(2,913,395)	$36,537,728
Medicaid	7,272,192	(4,735,061)	(63,623)	2,473,508
Medicare	50,807,374	(22,800,253)	(157,303)	27,849,818
Self-pay	9,239,120	(5,758,283)	(1,333,210)	2,147,627
	$123,399,683	$(49,923,471)	$(4,467,531)	$69,008,681

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

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. During 2014 and 2013, the Hospital filed its meaningful use attestations with CMS. Revenue totaling approximately $480,000 and $771,000 associated with these meaningful use attestations was recorded as other revenues for the years ended September 30, 2014 and 2013, respectively. In addition, a receivable in the amount of $181,000 was recorded within other receivables at September 30, 2013. No such receivable was recorded at September 30, 2014.

11. Employee Benefit Plans

The Hospital has a tax-sheltered annuity plan covering substantially all of its employees. Participating employees become eligible for employer contributions following the completion of two years of service, as defined, and attainment of age 21. Employer contributions are determined based on a percentage of employees' salaries. Benefit expense related to this plan for the years ended September 30, 2014 and 2013 amounted to approximately $500,000.

The Hospital also offers to certain physicians the option to participate in an Internal Revenue Code Section 457 deferred compensation plan to which the Hospital may make a discretionary contribution. The Hospital made no contributions to the Plan for the years ended September 30, 2014 and 2013.

12. Commitments and Contingencies

Operating Leases

The Hospital has various operating leases relative to certain equipment and various office facilities. Future annual minimum lease payments under these noncancellable leases as of September 30, 2014 are as follows:

Year ending September 30:	
2015	$ 285,422
2016	158,669
2017	115,469
2018	87,339
2019	36,000

Rent expense was approximately $484,000 and $639,000 for the years ended September 30, 2014 and 2013, respectively.

Malpractice Loss Contingencies

The Hospital maintains malpractice insurance coverage on a claims-made basis. The claims-made policies, which are subject to retrospective adjustment and renewal on an annual basis, cover only claims made during the term of the policies, but not those occurrences for which claims may be made after expiration of the policies. The Hospital intends to renew its coverage and has no reason to believe that it will be prevented from renewing such coverage.

In accordance with Accounting Standards Updates No. 2010-24, *"Health Care Entities" (Topic 954): Presentation of Insurance Claims and Related Recoveries*, the Hospital is required to record a liability related to estimated professional liability losses and also a receivable related to estimated recoveries under insurance coverage for recoveries of potential losses. At September 30, 2014 and 2013, management of the Hospital estimated that the Hospital did not have any significant exposure arising from estimated professional liability losses or significant estimated recoveries under insurance coverage for recoveries of potential losses.

13. Volunteer Services (Unaudited)

In 2014 and 2013, total volunteer service hours received by the Hospital were approximately 14,900 and 15,300, respectively. The volunteers provide nonspecialized services to the Hospital, none of which have been recognized as revenue or expense in the statements of operations.

14. Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses, excluding the New Hampshire Medicaid enhancement tax, related to providing these services are as follows for the years ended September 30, 2014 and 2013:

	2014	2013
Health care services	$61,751,956	$61,321,398
General and administrative, including interest	9,335,056	8,397,797
	$71,087,012	$69,719,195

Fundraising related expenses were approximately $440,000 and $434,000 for the years ended September 30, 2014 and 2013, respectively.

15. Financial Assistance Program and Community Benefits (Unaudited)

The Hospital maintains records to identify and monitor the level of financial assistance it provides. These records include the amount of charges foregone for services and supplies furnished under its financial assistance program, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of financial assistance provided during the years ended September 30, 2014 and 2013:

	2014	2013
Charges foregone, based on established rates (note 1)	$3,785,000	$3,446,000
Estimated costs incurred to provide financial assistance	$2,079,000	$1,956,000
Equivalent percentage of financial assistance services to all services	2.90%	2.79%

In addition to the financial assistance identified above, the Hospital does not receive full payment from the Medicare and Medicaid programs for the cost of services to certain poor and elderly patients served. In 2014 and 2013, the Hospital incurred costs in excess of payments in these programs amounting to approximately $3,401,000 and $4,497,000, respectively

The Hospital also provides other services to the community at no cost or reduced cost, such as screenings, clinics, etc. The cost of providing these services was approximately $2,081,000 and $2,544,000 for the years ended September 30, 2014 and 2013, respectively.

16. Fair Value of Financial Instruments

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

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

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

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

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

For the fiscal year ended September 30, 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent with prior years

16. Fair Value of Financial Instruments (Continued)

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30:

	Total	Level 1	Level 2	Level 3
2014				
Assets:				
Assets limited as to use:				
Cash and cash equivalents	$ 2,615,690	$ 1,168,881	$1,446,809	$ –
U.S. Treasury obligations	8,508,951	8,508,951	–	–
U.S. common stock:				
Technology	2,785,815	2,785,815	–	–
Healthcare	3,325,723	3,325,723	–	–
Consumer goods	6,682,084	6,682,084	–	–
Basic materials	4,157,304	4,157,304	–	–
Industrial goods	2,102,090	2,102,090	–	–
Services	4,494,291	4,494,291	–	–
Mutual funds:				
Domestic	373,553	373,553	–	–
International	689,009	689,009	–	–
Fixed income	197,398	–	197,398	–
Investments in perpetual trusts	3,735,792	–	3,735,792	–
	$39,667,700	$34,287,701	$5,379,999	$ –
Liabilities:				
Interest rate swap agreements	$ 2,677,591	$ –	$ –	$2,677,591
2013				
Assets:				
Assets limited as to use:				
Cash and cash equivalents	$ 1,839,617	$ 829,216	$1,010,401	$ –
U.S. Treasury obligations	8,018,068	8,018,068	–	–
U.S. common stock:				
Technology	2,695,605	2,695,605	–	–
Healthcare	2,699,688	2,699,688	–	–
Consumer goods	5,528,372	5,528,372	–	–
Basic materials	3,223,003	3,223,003	–	–
Industrial goods	1,957,136	1,957,136	–	–
Services	4,405,163	4,405,163	–	–
Mutual funds:				
Domestic	349,729	349,729	–	–
International	693,740	693,740	–	–
Closed end	87,821	87,821	–	–
Fixed income	265,365	–	265,365	–
Investments in perpetual trusts	3,407,090	–	3,407,090	–
	$35,170,397	$30,487,541	$4,682,856	$ –
Liabilities:				
Interest rate swap agreements	$ 2,794,651	$ –	$ –	$2,794,651