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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
UPPER CONNECTICUT VALLEY HOSPITAL

Doing Business As

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

City or town, state or province, country, and ZIP or foreign postal code
COLEBROOK, NH 03576

D Employer identification number
02-0276210

E Telephone number
(603) 237-4971

G Gross receipts $ 17,122,554

F Name and address of principal officer
GREG PLACY
CORLISS LANE
COLEBROOK,NH 03576

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 UCVH ORG

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

L Year of formation 1969

M State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE HEALTH CARE SERVICES

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	154
6	Total number of volunteers (estimate if necessary)	**6**	20
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)	56,697	97,385
9	Program service revenue (Part VIII, line 2g)	13,921,381	15,055,633
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	395,132	630,220
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	848,125	42,991
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,221,335	15,826,229
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	50,000	50,000
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)	8,215,712	7,943,323
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶2,118		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	6,596,387	6,652,023
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	14,862,099	14,645,346
19	Revenue less expenses Subtract line 18 from line 12	359,236	1,180,883

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	19,408,317	21,230,154
21	Total liabilities (Part X, line 26)	5,700,013	6,232,373
22	Net assets or fund balances Subtract line 21 from line 20	13,708,304	14,997,781

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

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

JAMES TIBBETTS TREASURER
Type or print name and title

Paid Preparer Use Only

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

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

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

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

UPPER CONNECTICUT VALLEY HOSPITAL STRIVES TO IMPROVE THE WELL-BEING OF THE RURAL COMMUNITIES IT SERVES BY PROMOTING HEALTH AND ASSURING ACCESS TO QUALITY 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 $ 11,384,723 including grants of $ 50,000) (Revenue $ 15,055,633)

UPPER CONNECTICUT VALLEY HOSPITAL PROVIDED HOSPITAL CARE AND INPATIENT AND OUTPATIENT SERVICES ON A REGION-WIDE BASIS

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

THE NET CHARITY CARE PROVIDED BY THE HOSPITAL FOR THE YEAR-ENDED SEPTEMBER 30, 2014 WAS $515,372

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** ▶ 11,384,723

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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	35		
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	154		
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			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	13		
	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**	11		
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**		Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			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

▶ THE ORGANIZATION UCVH CORLISS LANE
COLEBROOK, NH 03576 (603) 237-4971

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) E HARLAN CONNARY SECRETARY	1 00	X		X				0	0	0
(2) BRUCE BEAN DIRECTOR	1 00	X						0	0	0
(3) ODETTE CRAWFORD VICE CHAIR	1 00	X		X				0	0	0
(4) JAMES TIBBETTS TREASURER	1 00	X		X				0	0	0
(5) GREG PLACY CHAIRMAN	1 00	X		X				0	0	0
(6) PALMER LEWIS DIRECTOR	1 00	X						0	0	0
(7) PETER MORAN MD DIRECTOR	1 00	X						0	0	0
(8) ERIC STOHL DIRECTOR	1 00	X						0	0	0
(9) SALLY WENTZELL DIRECTOR	1 00	X						0	0	0
(10) EDWARD LAVERTY PA-C MEDICAL STAFF REPRESENTATIVE	56 00	X						175,511	0	22,582
(11) FREDERICK D BROCK DIRECTOR	1 00	X						0	0	0
(12) PETER L GOSLINE STARTED MAY 2014 CHIEF ADMINISTRATIVE OFFICER	24 00	X		X				0	0	0
(13) NICOLE PAIER-MULLEN PHYSICIAN, CHIEF MEDICAL OFFICER	32 00	X						253,220	0	16,642
(14) CHARLES WHITE - PART-YEAR CHIEF ADMINISTRATIVE OFFICER	40 00	X		X				168,816	0	5,257
(15) CELESTE PITTS CHIEF FINANCIAL OFFICER	16 00			X				55,269	0	4,384
(16) THOMAS COCHRAN PHYSICIAN	16 00					X		115,122	0	0
(17) JOHN EPPOLIOTO PHYSICIAN	63 00					X		344,808	0	20,655

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) CHARANJIT VEDI PHYSICIAN	34 00					X		358,545	0	7,200
(19) JOSEPH KIEMAN PHYSICIAN	31 00					X		215,447	0	23,759
(20) ROBERT GOOCH PHARMACIST	41 00					X		158,420	0	5,489
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,845,158	0	105,968

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 ▶ 11

		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
ANDROSCOGGIN VALLEY HOSPITAL 59 PAGE HILL ROAD BERLIN NH 03570	REHAB SERVICES	716,622
CPSI 6600 WALL STREET MOBILE AL 36695	BILLING OUTSOURCE	692,318
DANIEL HEBERT INC 12 PLEASANT STREET COLEBROOK NH 03576	BUILDING UPGRADES	391,483
AMN HEALTHCARE 12400 HIGH BLUFF DRIVE SAN DIEGO CA 92130	LOCUMS STAFFING	290,962
DARTMOUTH HITCHCOCK CLINIC 1 MEDICAL CENTER DRIVE LEBANON NH 03756	PATHOLOGIST & RADIOLOGIST STAFFING	206,778

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 5

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	60,810			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	36,575			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		97,385			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENU	900099	24,112,708	24,112,708		
	b	MISCELLANOUS REVENUE	900099	269,704	269,704		
	c	SCHOOL NURSING	624100	186,513	186,513		
	d	MEANINGFUL USE REVENUE	900099	133,809	133,809		
	e	MEDICAL RECORD TRANSMI	900099	1,723	1,723		
	f	All other program service revenue		-9,648,824	-9,648,824		
	g	**Total.** Add lines 2a–2f . . . . . ▶		15,055,633			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		157,500			157,500
	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	1,766,166	2,879			
	b	Less cost or other basis and sales expenses	1,296,325	0			
	c	Gain or (loss)	469,841	2,879			
	d	Net gain or (loss) . . . . . ▶			472,720		472,720
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	900099	42,991			42,991
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		42,991			
	12	**Total revenue.** See Instructions . . . . . ▶		15,826,229	15,055,633	0	673,211

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	50,000	50,000		
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	200,995		200,995	
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	6,428,029	5,730,596	697,433	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	55,658	48,143	7,515	
9 Other employee benefits	858,802	746,171	112,631	
10 Payroll taxes	399,839	345,850	53,989	
11 Fees for services (non-employees)				
a Management				
b Legal	68,835		68,835	
c Accounting	66,793		66,793	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12 Advertising and promotion	26,146	23,662	2,484	
13 Office expenses	1,153,474	1,103,340	50,134	
14 Information technology	251,812	161,972	89,840	
15 Royalties . .				
16 Occupancy	601,118	490,809	110,309	
17 Travel	126,816	85,989	40,827	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	1,090		1,090	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	555,846	555,846		
23 Insurance	110,010		110,010	
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 PURCHASED SERVICES	2,361,541	1,403,038	958,503	
b MEDICAID ENHANCEMENT TA	620,583		620,583	
c REPAIRS AND MAINTENANCE	226,262	221,599	4,663	
d RECRUITMENT	226,070	225,906	164	
e All other expenses	255,627	191,802	61,707	2,118
25 **Total functional expenses.** Add lines 1 through 24e	14,645,346	11,384,723	3,258,505	2,118
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		331,548	1	303,517
	2	Savings and temporary cash investments		3,401,509	2	3,498,816
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		2,012,004	4	2,137,100
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		295,772	8	267,879
	9	Prepaid expenses and deferred charges		226,509	9	210,553
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 11,745,629			
	b	Less accumulated depreciation	10b 7,295,714	4,173,078	10c	4,449,915
	11	Investments—publicly traded securities		7,480,449	11	8,293,695
	12	Investments—other securities See Part IV, line 11		358,769	12	271,581
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,128,679	15	1,797,098
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		19,408,317	16	21,230,154
Liabilities	17	Accounts payable and accrued expenses		1,806,337	17	2,274,599
	18	Grants payable			18	
	19	Deferred revenue		173,973	19	417,675
	20	Tax-exempt bond liabilities			20	
	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		1,244,193	23	977,598
	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		2,475,510	25	2,562,501
	26	**Total liabilities.** Add lines 17 through 25		5,700,013	26	6,232,373
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		13,185,384	27	14,542,320
	28	Temporarily restricted net assets		449,850	28	362,391
	29	Permanently restricted net assets		73,070	29	93,070
		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		13,708,304	33	14,997,781
	34	Total liabilities and net assets/fund balances		19,408,317	34	21,230,154

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	15,826,229
2	Total expenses (must equal Part IX, column (A), line 25)	2	14,645,346
3	Revenue less expenses Subtract line 2 from line 1	3	1,180,883
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	13,708,304
5	Net unrealized gains (losses) on investments	5	108,594
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	14,997,781

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
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

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
UPPER CONNECTICUT VALLEY HOSPITAL	02-0276210

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		3,685
j	Total Add lines 1c through 1i			3,685
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	UPPER CONNECTICUT VALLEY HOSPITAL IS A MEMBER OF THE NEW HAMPSHIRE HOSPITAL ASSOCIATION A PORTION OF THE DUES PAID TO THIS ORGANIZATION IS AVAILABLE FOR LOBBYING EXPENDITURES ON BEHALF OF UCVH AND OTHER MEMBER ORGANIZATIONS IN FURTHERANCE OF THEIR EXEMPT PURPOSES UPPER CONNECTICUT VALLEY HOSPITAL DOES NOT DIRECLTY PERFORM ANY LOBBYING ACTIVITIES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	170,203	161,056	129,746	127,616	112,258
b	Contributions	20,000				
c	Net investment earnings, gains, and losses	14,929	18,320	31,310	2,130	15,358
d	Grants or scholarships					
e	Other expenditures for facilities and programs	13,134	9,173			
f	Administrative expenses					
g	End of year balance	191,998	170,203	161,056	129,746	127,616

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 48 470 %
- c Temporarily restricted endowment ▶ 51 530 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,700		9,700
b Buildings		4,101,374	2,251,682	1,849,692
c Leasehold improvements		231,555	126,862	104,693
d Equipment		7,344,353	4,917,170	2,427,183
e Other		58,647		58,647
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				4,449,915

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
(1) OTHER RECEIVABLES	1,562,057
(2) DEPOSITS & OTHER	38,782
(3) RECEIVABLE FROM NORTHERN NH HEALTHCARE COLLABORATIVE	171,259
(4) RECEIVABLE FROM NORTHERN NH HEALTHCARE MANAGEMENT	25,000
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	1,797,098

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	
DUE TO THIRD PARTY PAYERS	2,562,501
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	2,562,501

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	15,932,705
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	108,594		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	108,594
3	Subtract line **2e** from line **1**			3	15,824,111
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	2,118		
c	Add lines **4a** and **4b**			4c	2,118
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	15,826,229

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	14,643,228
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	14,643,228
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	2,118		
c	Add lines **4a** and **4b**			4c	2,118
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	14,645,346

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	THE INVESTMENTS ARE TO BE HELD IN PERPETUITY THE INCOME FROM THE INVESTMENTS IS EXPENDABLE TO SUPPORT THE HOSPITAL'S HEALTH CARE SERVICES
PART XI, LINE 4B - OTHER ADJUSTMENTS	FUNDRAISING EXPENSES 2,118
PART XII, LINE 4B - OTHER ADJUSTMENTS	FUNDRAISING EXPENSE 2,118

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			522,813	241,658	281,155	1 920 %
b Medicaid (from Worksheet 3, column a)			2,031,302	2,004,899	26,403	0 180 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			2,554,115	2,246,557	307,558	2 100 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,791,229	2,291,136	1,500,093	10 240 %
f Health professions education (from Worksheet 5)			108,184		108,184	0 740 %
g Subsidized health services (from Worksheet 6)			712,503	337,677	374,826	2 560 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			50,213		50,213	0 340 %
j **Total.** Other Benefits			4,662,129	2,628,813	2,033,316	13 880 %
k **Total.** Add lines 7d and 7j			7,216,244	4,875,370	2,340,874	15 980 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development			1,347		1,347	0 010 %
3	Community support			1,996		1,996	0 010 %
4	Environmental improvements			0			
5	Leadership development and training for community members			2,194		2,194	0 010 %
6	Coalition building			53,789		53,789	0 370 %
7	Community health improvement advocacy			5,167		5,167	0 040 %
8	Workforce development						
9	Other						
10	**Total**			64,493		64,493	0 440 %

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	677,118		
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	21,667		
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	7,510,139		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,585,999		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-75,860		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	1 NORTHERN NEW HAMPSHIRE HEALTHCARE MANAGEMENT LLC	LLC OF 3 COOS COUNTY HOSPITALS			
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 UPPER CONNECTICUT VALLEY HOSPITAL

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 2013			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.UCVH.ORG			
b	☐ Other website (list url)			
c	☐ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 125 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 300 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☑ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7	PART I, LINES 7A-C, THE HOSPITAL USES A COST-TO-CHARGE RATIO THE COST-TO-CHARGE RATIO WAS DERIVED FROM THE FORM 990 SCHEDULE H WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES PART I, LINES 7E-I, THE HOSPITAL DETERMINES COST BY COMBINING DIRECT EXPENSES IDENTIFIED BY ITS ACCOUNTING SYSTEM WITH AN ESTIMATED OVERHEAD ALLOCATION

Form and Line Reference	Explanation
PART I, LINE 7G	SPECIALTY CARE PROVIDERS, LET NO WOMAN BE OVERLOOKED

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	THE COMMUNITY BUILDING ACTIVITIES UNDERTAKEN BY UCVH CONSIST OF SUPPORTING LOCAL GOVERNMENT AND OTHER HEALTH CARE PROVIDERS, COORDINATION OF DISASTER DRILLS, EMERGENCY PREPAREDNESS, AND SUPPORT OF OTHER LOCAL ORGANIZATIONS WITHIN THE COMMUNITY IN ADDITION, IN AN EFFORT TO PROVIDE THE NECESSARY HEALTH CARE SERVICES FOR THE POPULATION WITHIN A REASONABLE DRIVING DISTANCE, UCVH HAS ENTERED INTO A COLLABORATION WITH THE OTHER TWO COOS COUNTY HOSPITALS TO PROVIDE NECESSARY SPECIALTY SERVICES FOR THE UCVH SERVICE AREA

Form and Line Reference	Explanation
PART III, LINE 4	PATIENT 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 PAYER SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYER SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICE PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, INCLUDING BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND CO-PAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR ONLY 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 AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE HOSPITAL HAS ESTIMATED ITS COST OF BAD DEBT USING COST-TO-CHARGE METHODOLOGY IN ACCRODANCE WITH WORKSHEET 2 OF THE FORM 990 SCHEDULE H INSTRUCTIONS

Form and Line Reference	Explanation
PART III, LINE 8	ALLOWABLE COSTS COME FROM THE FILED COST REPORT AS UCVH OPERATES AT A LOSS FROM MEDICARE, THE SHORTFALL COULD BE TREATED AS COMMUNITY BENEFIT AS THERE ARE NO OTHER FUNDS AVAILABLE TO SUBSIDIZE THE LOSS UCVH USES CCR TO DETERMINE COST REVENUE RECEIVED IS NET PATIENT REVENUE

Form and Line Reference	Explanation
PART III, LINE 9B	IF KNOWN TO QUALIFY FOR CHARITY OR FINANCIAL ASSISTANCE, PATIENTS ARE GIVEN THE ASSISTANCE NEEDED

Form and Line Reference	Explanation
PART VI, LINE 2	UCVH, WITH COLLABORATION FROM INDIAN STREAM HEALTH CENTER (A FEDERALLY QUALIFIED HEALTH CENTER), COMPLETED ITS LAST COMMUNITY HEALTH NEEDS ASSESSMENT IN 2013 THE COMMUNITY HEALTH NEEDS ASSESSMENT IS CONDUCTED USING FOCUS GROUPS TO SOLICIT FEEDBACK FROM KEY STAKEHOLDERS, AND TO ANALYZE TRENDS IN REGARD TO POPULATION, HEALTH AND RISK FACTORS FOR THE COOS COUNTY THE INFORMATION GATHERED IS THEN USED AS PART UCVH'S STRATEGIC PLANNING PROCESS THE COMMUNITY HEALTH NEEDS ASSESSMENT IS AVAILABLE ON THE ORGANIZATION'S WEBSITE

Form and Line Reference	Explanation
PART VI, LINE 3	UCVH HAS A FULL TIME PATIENT FINANCIAL COUNSELOR WHO IS RESPONSIBLE FOR WORKING WITH PATIENTS AND ANY WHO MAY BE BILLED FOR THEIR CARE TO DETERMINE THEIR ELIGIBILITY, ON A CASE BY CASE BASIS, FOR ANY GOVERNMENT PROGRAMS, SUCH AS MEDICAID OR THE UCVH FINANCIAL ASSISTANCE PROGRAM ALL STAFF AT UCVH, PARTICULARLY REGISTRATION STAFF WHO WILL BE THE FIRST ONES TO NOTICE IF A PATIENT DOES NOT HAVE INSURANCE, ARE TRAINED TO REFER THE PATIENT TO THE FINANCIAL COUNSELOR IN ADDITION, BROCHURES ARE AVAILABLE, AS IS CONTACT INFORMATION ON THE WEBSITE

Form and Line Reference	Explanation
PART VI, LINE 4	UCVH IS THE SMALLEST CRITICAL ACCESS HOSPITAL IN NEW HAMPSHIRE THAT SERVES THE LARGEST GEOGRAPHIC SERVICE AREA (OVER 850 SQUARE MILES) INCLUDING COMMUNITIES IN THE STATES OF NEW HAMPSHIRE, VERMONT, AND MAINE ACCORDING TO THE NEW HAMPSHIRE STATE HEALTH PROFILE, OUR RESIDENTS ARE THE MOST FRAGILE OF ALL CITIZENS IN NEW HAMPSHIRE AS IT RELATES TO HEALTH OUTCOMES AND ECONOMIC CONDITIONS UCVH IS DEPENDENT OF PUBLIC FUNDING AND DISPROPORTIONATE SHARE FUNDING TO SUBSIDIZE THE CARE PROVIDED TO THE PATIENTS WE SERVE

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

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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
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

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) INDIAN STREAM HEALTH CENTER INC 2 CORLISS LN RR2 BOX 25 COLEBROOK, NH 03576	20-0999212	501(C)3	50,000		FMV		MEDICAL SERVICESMEDICAL SERVICES

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

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

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

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

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

Return Reference	Explanation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)EDWARD LAVERTY PA-C MEDICAL STAFF REPRESENTATIVE	(i)	175,457	54	0	3,277	19,305	198,093	0
	(ii)	0	0	0	0	0	0	0
(2)NICOLE PAIER-MULLEN PHYSICIAN, CHIEF MEDICAL OFFICER	(i)	252,166	1,054	0	0	16,642	269,862	0
	(ii)	0	0	0	0	0	0	0
(3)CHARLES WHITE - PART-YEAR CHIEF ADMINISTRATIVE OFFICER	(i)	143,774	25,042	0	0	5,257	174,073	0
	(ii)	0	0	0	0	0	0	0
(4)JOHN EPPOLIOTO PHYSICIAN	(i)	334,454	10,354	0	0	20,655	365,463	0
	(ii)	0	0	0	0	0	0	0
(5)CHARANJIT VEDI PHYSICIAN	(i)	358,491	54	0	7,200	0	365,745	0
	(ii)	0	0	0	0	0	0	0
(6)JOSEPH KIEMAN PHYSICIAN	(i)	215,393	54	0	0	23,759	239,206	0
	(ii)	0	0	0	0	0	0	0
(7)ROBERT GOOCH PHARMACIST	(i)	158,366	54	0	3,241	2,248	163,909	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	THE HOSPITAL PAYS THE RENT FOR AN APARTMENT FOR THE USE OF A PHYSICIAN

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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
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3	NORTHERN NEW HAMPSHIRE HEALTHCARE MANAGEMENT, LLC PROVIDES MANAGEMENT SERVICES TO THE HOSPITAL
FORM 990, PART VI, SECTION B, LINE 11	THE 990 IS PROVIDED TO THE FINANCE COMMITTEE FOR REVIEW AND APPROVAL BEFORE IT IS FILED
FORM 990, PART VI, SECTION B, LINE 12C	OFFICERS, DIRECTORS, AMD KEY EMPLOYEES ARE REQUIRED TO SIGN A CONFLICT OF INTEREST DOCUMENT
FORM 990, PART VI, SECTION B, LINE 15	THE HOSPITAL CAO'S COMPENSATION AND BENEFIT PACKAGE IS REVIEWED PERIODICALLY BY COMMUNITY BOARD MEMBERS WHO GOVERN THE NON-PROFIT ORGANZATION AS UNPAID, INDEPENDENT VOLUNTEERS THE PERIODIC REVIEW INCLUDES COMPARABILITY DATA, AND THE DELIBERATION AND DECISION-MAKING IS SUBSTANTIATED BY WRITTEN MINUTES
FORM 990, PART VI, SECTION C, LINE 18	UVCH MAKES ITS 990 AVAILABLE UPON REQUEST AND ON THE GUIDESTAR WEBSITE
FORM 990, PART VI, SECTION C, LINE 19	AVAILABLE UPON REQUEST
FORM 990, PART VII	CELESTE PITTS IS THE CFO FOR UCVH AND FOR WEEKS MEDICAL CENTER, TWO FIFTHS OF HER TIME IS SPENT AT UCVH SHE RECEIVES A FORM W-2 FROM WEEKS MEDICAL CENTER WEEKS MEDICAL CENTER IS PAID FOR HER TIME BY NORTHERN NEW HAMPSHIRE HEALTHCARE MANAGEMENT LLC, WHICH IS PAID BY UC VH AN ALLOCATION OF HER CALENDAR-YEAR WAGES AND BENEFITS ARE INCLUDED ON PART VII HER FI SCAL-YEAR WAGES AND BENEFITS ARE NOT SHOWN SEPARATELY ON PART IX, LINE 5, BUT ARE INCLUDED IN THE PAYMENT TO NORTHERN NEW HAMPSHIRE HEALTHCARE MANAGEMENT LLC

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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
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

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) NORTHERN NEW HAMPSHIRE HEALTHCARE COLLABORATIVE INC 46-2459559	HEALTHCARE	NH	501(C)(3)	LINE 9			No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) NORTHERN NEW HAMPSHIRE HEALTHCARE MANAGEMENT LLC 45-5617105	MANAGEMENT SERVICES	NH		RELATED				No		Yes		33 330 %

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

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

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		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
(1) NORTHERN NH HEALTHCARE COLLABORATIVE INC	D	171,259	
(2) NORTHERN NH HEALTHCARE MANAGEMENT LLC	D	25,000	
(3) NORTHERN NH HEALTHCARE MANAGEMENT LLC	L	360,218	

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

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION

Financial Statements
and
Independent Auditors' Report

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

UPPER CONNECTICUT VALLEY HOSPITAL
Comprehensive Healthcare...Close to Home

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION

Table of Contents

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

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

Independent Auditors' Report

To the Board of Trustees of
Upper Connecticut Valley Hospital Association:

Report on the Financial Statements

We have audited the accompanying financial statements of Upper Connecticut Valley Hospital Association, which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of operations and changes in unrestricted net assets, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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.

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

Opinion

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

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

Lebanon, New Hampshire
December 4, 2014

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION

Statements of Financial Position

As of September 30, 2014 and 2013

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	$ 3,802,334	$ 3,733,057
Patient accounts receivable, net	2,137,100	2,012,004
Meaningful use receivable	276,836	451,156
Other accounts receivable	1,285,221	631,844
Supplies	267,879	295,772
Prepaid expenses	210,553	226,509
Total current assets	7,979,923	7,350,342
Assets limited as to use		
Investments - internally designated	8,109,815	7,316,298
Investments - temporarily restricted	362,391	449,850
Investments - permanently restricted	93,070	73,070
Total assets limited as to use	8,565,276	7,839,218
Property and equipment	4,449,915	4,173,078
Other assets		
Receivable from Northern New Hampshire Healthcare Collaborative, Inc.	171,259	-
Receivable from Northern New Hampshire Healthcare Management, LLC	25,000	-
Deposits	38,782	45,679
Total other assets	235,041	45,679
Total assets	$ 21,230,155	$ 19,408,317
Liabilities		
Current liabilities		
Accounts payable	$ 426,613	$ 626,644
Accrued salaries and related accounts	430,507	406,397
Deferred revenue	417,675	173,973
Due to third-party payors	2,562,501	2,464,484
Other accrued expenses	1,417,480	773,296
Current portion of long-term debt	227,159	271,233
Current portion of capital lease obligations	-	11,026
Total current liabilities	5,481,935	4,727,053
Long-term debt, less current portion shown above	750,439	972,960
Total liabilities	6,232,374	5,700,013
Commitments and contingencies (See Notes)		
Net assets		
Unrestricted	14,542,320	13,185,384
Temporarily restricted	362,391	449,850
Permanently restricted	93,070	73,070
Total net assets	14,997,781	13,708,304
Total liabilities and net assets	$ 21,230,155	$ 19,408,317

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

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION

Statements of Operations and Changes in Unrestricted Net Assets

For the Years Ended September 30, 2014 and 2013

	2014	2013
Unrestricted revenues and other support		
Patient service revenue (net of contractual allowances and discounts)	$ 15,726,875	$ 15,177,216
Provision for bad debts	1,262,991	1,258,768
Net patient service revenue	14,463,884	13,918,448
Meaningful use revenue	133,809	400,063
Other operating revenues	507,155	467,033
Net assets released from restriction for operations	124,934	132,233
Total unrestricted revenues and other support	15,229,782	14,917,777
Operating expenses		
Salaries and wages	4,597,333	4,440,410
Employee benefits	1,318,149	1,626,618
Professional fees and wages	2,383,963	2,281,028
Supplies and other expense	5,166,264	5,261,113
Medicaid enhancement tax	620,583	657,353
Depreciation and amortization	555,846	589,713
Interest	1,090	2,823
Total operating expenses	14,643,228	14,859,058
Income from operations	586,554	58,719
Non-operating gains (losses)		
Investment income, net	698,460	589,326
Town appropriations	23,000	19,850
Unrestricted gifts and bequests	16,575	5,472
Gain (loss) on disposal or abandonment of equipment	2,879	(23,186)
Other	29,468	12,297
Non-operating gains (losses), net	770,382	603,759
Excess of revenues over expenses	1,356,936	662,478
Net assets released from restrictions for capital acquisitions	-	1,511
Increase in unrestricted net assets	1,356,936	663,989
Unrestricted net assets, beginning of year	13,185,384	12,521,395
Unrestricted net assets, end of year	$ 14,542,320	$ 13,185,384

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

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION

Statements of Changes in Net Assets

For the Years Ended September 30, 2014 and 2013

	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	$ 1,356,936	$ 662,478
Net assets released from restrictions for capital acquisitions	-	1,511
Change in unrestricted net assets	1,356,936	663,989
Temporarily restricted net assets		
Investment income	25,153	24,864
Change in market valuation on investments	(2,608)	11,473
Net assets released from restrictions used for operations	(124,934)	(132,233)
Net assets released from restrictions used for capital acquisitions	-	(1,511)
Endowment investment income	14,070	9,331
Endowment change in market valuation on investments	860	8,989
Change in temporarily restricted net assets	(87,459)	(79,087)
Permanently restricted net assets		
Contributions	20,000	-
Change in permanently restricted net assets	20,000	-
Change in net assets	1,289,477	584,902
Net assets, beginning of year	13,708,304	13,123,402
Net assets, end of year	$ 14,997,781	$ 13,708,304

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

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION

Statements of Cash Flows

For the Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	$ 1,289,477	$ 584,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	555,846	589,713
Provision for bad debts	1,262,991	1,258,768
Net change in unrealized gains on investments	(108,594)	(225,665)
Realized gain on investments, net	(469,841)	(238,224)
(Gain) loss on disposal or abandonment of equipment	(2,879)	23,186
Contributions restricted for long-term investment	(20,000)	-
(Increase) decrease in the following assets:		
Patient accounts receivable, net	(1,388,087)	(1,814,848)
Meaningful use receivable	174,320	(451,156)
Other accounts receivable	(653,377)	(219,917)
Supplies	27,893	(6,983)
Prepaid expenses	22,853	(101,012)
Increase (decrease) in the following liabilities:		
Accounts payable	(200,031)	199,819
Accrued salaries and related accounts	24,110	10,715
Deferred revenue	243,702	158,497
Due to third-party payors	98,017	517,570
Other accrued expenses	644,184	382,221
Net cash provided by operating activities	1,500,584	667,586
Cash flows from investing activities		
Proceeds from sale of investments	1,766,166	1,873,249
Purchases of investments	(1,913,789)	(1,523,467)
Purchases of property and equipment	(834,704)	(687,531)
Proceeds from sale of property	4,900	1,000
Advances to North New Hampshire Healthcare Collaborative, Inc.	(171,259)	-
Advances to North New Hampshire Healthcare Management, LLC	(25,000)	-
Net cash used in investing activities	(1,173,686)	(336,749)
Cash flows from financing activities		
Contributions restricted for long-term investment	20,000	-
Payments on long-term debt obligation	(266,595)	(317,356)
Payments on capital lease obligations	(11,026)	(10,236)
Net cash used in financing activities	(257,621)	(327,592)
Net increase in cash and cash equivalents	69,277	3,245
Cash and cash equivalents, beginning of year	3,733,057	3,729,812
Cash and cash equivalents, end of year	$ 3,802,334	$ 3,733,057
Supplemental Disclosures of Cash Flow Information		
Interest paid	$ 1,090	$ 2,823

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

1. Organization and Summary of Significant Accounting Policies:

Organization – Upper Connecticut Valley Hospital Association (the Hospital) is a 16-bed acute care hospital serving Northern New Hampshire. Effective April 1, 2001, the Hospital was designated as a Critical Access Hospital.

Summary of Significant Accounting Policies:

a. Basis of Statement Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting, have been prepared consistent with the American Institute of Certified Public Accountants Audit and Accounting Guide, *Health Care Organizations*. In accordance with the provisions of the Audit Guide, net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Net Assets

Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may be or will be met by actions of the Hospital and/or the passage of time.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that must be maintained permanently by the Hospital.

b. Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, petty cash funds, money market deposits and certificates of deposit with a maturity of three months or less, excluding amounts whose use is limited by board designation or amounts included in investments for temporarily and permanently restricted net assets.

c. Receivables

Patient accounts and loans receivable are carried at their estimated collectible amounts Interest income on applicable loans receivable is recognized using the interest method. Patient credit is generally extended on a short-term basis; thus, trade receivables do not bear interest. Patient accounts receivables are periodically evaluated for collectability based on credit history and current financial condition. Provisions for losses on loans receivable are determined on the basis of loss experience, known and inherent risks, estimated value of collateral and current economic conditions.

1. **Organization and Summary of Significant Accounting Policies (continued):**

d. Supplies

Supplies are carried at the lower of cost (determined by the first-in. first-out method) or market.

e. Assets Whose Use is Limited

Assets set aside by the Board of Trustees for identified purposes, over which the Board retains control and which may, at its discretion, be subsequently used for other purposes, and are classified as noncurrent assets.

f. Property, Plant and Equipment

Property and equipment is stated at cost at time of purchase or fair market value at time 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 lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of the assets over their estimated useful lives, which have generally been determined by reference to the recommendations of the American Hospital Association.

The Hospital reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects. as well as the effects of obsolescence, demand, competition and other economic factors.

g. Investments and Investment Income

Investments in equity securities are reported at readily determinable fair market value. Realized gains or losses on the sale of investment securities are determined by the specific identification method.

Investment income or loss (including unrealized and realized gains and losses on investments, interest and dividends) are included in excess of revenues over expenses classified as nonoperating investment income (loss), unless the income or loss is limited in use by donor restriction.

h. Risk and Uncertainties

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

1. Organization and Summary of Significant Accounting Policies (continued):

i. 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. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. Management believes that adequate provision has been made for adjustments that may result from final determination of amounts earned under these programs.

j. Charity Care

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

k. Concentration of Credit Risk

Financial instruments that potentially expose the Hospital to concentrations of credit and market risk consist primarily of cash, investments and receivables. Cash is maintained at high-quality financial institutions and credit exposure is not limited to any one institution. The Hospital has not experienced any losses on its cash The Hospital's investments do not represent significant concentrations of market risk in as much as the Hospital's investment portfolio is adequately diversified among issuers. See Note 18 for concentration of credit risk for receivables

l. Excess of Revenues Over Expenses

The statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments and contributions of long-lived assets (including assets acquired from contributions which by donor restriction were to be used for the purpose of acquiring such assets).

m. Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations and changes in unrestricted 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.

1. Organization and Summary of Significant Accounting Policies (continued):

n. Income Taxes

The Hospital is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. However, the Hospital is subject to federal income tax on any unrelated business taxable income.

Accounting Standards Codification Subtopic 740-10, *Accounting for Uncertainty in Income Taxes,* addresses the accounting uncertainty of income taxes recognized in an enterprise's financial statements and prescribes a threshold of "more-likely-than-not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Subtopic 740-10 also provides guidance on measurement classification, interest and penalties and disclosure. The Hospital has determined that the provisions of Subtopic 740-10 do not have a material effect on the Hospital's financial statements. The Hospital believes it is no longer subject to examinations for fiscal years prior to 2011.

o. Estimates

Management of the Hospital uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that management uses

p. Advertising

The Hospital's advertising costs are charged to operations when the advertising first takes place.

q. Reclassification

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 presentation.

r. Deferred Revenue

Deferred revenue represents amounts received in advance for exchange transactions including certain government grant receipts and electronic health records incentive income recognized over the life of the associated electronic health record assets.

s. Employee Fringe Benefits

The Hospital has an "earned time" plan to provide certain fringe benefits for its employees. Under this plan, each employee "earns" paid leave for each payroll period worked. Accumulated hours may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee. The Hospital accrues the cost of these benefits as they are earned.

1. Organization and Summary of Significant Accounting Policies (continued):

t. Electronic Health Records Incentive Program

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The Medicare criteria for meaningful use will be staged in three stages from fiscal year 2012 through 2016. The Medicaid program provides incentive payments to hospitals as they adopt, and implement, upgrade or demonstrate meaningful use in the first year of participation and demonstrate meaningful use for up to five remaining participating years.

The Hospital recognizes a receivable for unpaid incentive payments at the point when management is reasonably assured it will meet all of the meaningful use objectives and the income is measurable. The total EHR incentive receivable, included in other receivables on the statement of financial position, was $276,836 and $451,156 for the years ended September 30, 2014 and 2013, respectively.

For the years ended September 30, 2014 and 2013 the Hospital recorded meaningful use revenue from the Medicaid and Medicare EHR programs of $133,809 and $400,063, respectively. Revenue from the programs is included in other operating revenue EHR incentive income recognized is based on management's estimate and amounts are subject to change, with such changes impacting operations in the period changes occur. The final amount for any payment year for the Medicare incentive will be subject to audit, at which time a final settlement will be issued..

2. Net Patient Service Revenue and Patient Accounts Receivable:

Net Patient Service Revenue

Net patient service revenue is reported net of contractual allowances and other discounts as follows for the years ended September 30:

	2014	2013
Gross patient service revenue	$ 24,112,708	$ 24,899,100
Plus: Medicaid disproportionate share hospital payments	1,378,899	1,318,938
Less: charity care	515,372	679,363
Less: contractual allowances	9,249,360	10,361,459
Patient service revenue (net of contractual allowances and discounts)	15,726,875	15,177,216
Less: provision for bad debt	1,262,991	1,258,768
Net patient service revenue	$ 14,463,884	$ 13,918,448

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

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:

Medicare – The Hospital is a Critical Access Hospital (CAH). Under the CAH program, the Hospital is reimbursed at 101% of allowable costs for its inpatient and most outpatient services provided to Medicare patients. The Hospital is reimbursed at tentative rates with final determination after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. As part of the Budget Control Act of 2011, effective April 1, 2013, reimbursement rates were reduced by a 2% sequestration. The Hospital's Medicare cost reports have been audited or desk reviewed by the Medicare fiscal intermediary through September 30, 2011.

Medicaid – Inpatient services rendered to New Hampshire Medicaid program beneficiaries are reimbursed on a prospectively determined per case basis. Outpatient services are reimbursed under a prospectively determined rate per charge for laboratory and certain diagnostic services and a cost reimbursement methodology for all other outpatient services. These outpatient services are reimbursed at an interim rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's cost reports have been audited or desk reviewed by the fiscal intermediary through September 30, 2011.

Anthem – Inpatient and outpatient services rendered to Anthem subscribers are reimbursed at prospectively determined discounts from charges. The discounted rates are not subject to retroactive adjustment.

The Hospital also has 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, discounts from established charges and prospectively determined daily rates.

Revenue from the Medicare and Medicaid programs accounted for approximately 48% and 17% of the Hospital's patient service revenue (net of contractual allowances and discounts) for the year ended September 30, 2014, respectively, and 53% and 12% of the Hospital's patient service revenue (net of contractual allowances and discounts) for the year ended September 30, 2013, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased approximately $696,000 for the year ended September 30, 2014 due to differences in settlements from amounts previously estimated.

The Hospital's patient service revenue net of contractual allowances and discounts was comprised of the following for the years ended September 30:

	2014	2013
Governmental payors	$ 10,089,287	$ 10,334,242
Other third party payors	4,354,925	3,343,367
Self-pay	1,282,663	1,499,607
Total all payors	$ 15,726,875	$ 15,177,216

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

Patient Accounts Receivable

Patient accounts receivables are stated net of estimated contractual allowances and allowance for doubtful accounts as follows at September 30:

	2014	2013
Patient accounts receivable	$ 4,721,307	$ 4,888,680
LESS: Allowance for uncollectible accounts	926,747	953,860
Allowance for charity care	135,624	263,338
Reserve for contractual allowances	1,521,836	1,659,478
Patient accounts receivable, net	$ 2,137,100	$ 2,012,004

Patient accounts receivable are reduced by an allowance for doubtful account. 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 service 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 receivables associated with self-pay patients, including both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for only part of the bill, the 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 and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

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

	2014	2013
Allowance for doubtful accounts as percentage of patient accounts receivables, net of contractual	29%	30%
Accounts receivables written off during the year	$ 1,290,104	$ 1,154,014

3. Charity Care:

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies and equivalent service statistics. For the years ended September 30, 2014 and 2013, 2.14% and 2.73%, respectively, of all services as defined by percentage of gross revenue was provided on a charity care basis.

The estimated expense incurred to provide charity care charges totaling $515,372 and $679,363 for the years ended September 30, 2014 and 2013 was $274,818 and $379,896, respectively. The Hospital estimates its cost of charity care by applying an overall cost to charge ratio to the gross charges foregone.

3. Charity Care (continued):

The Hospital provided charity care for the following number of patient admissions/visits for the years ended September 30:

	2014		2013	
	Charity	% of Total	Charity	% of Total
Inpatient admissions	40	13%	43	11%
Outpatient visits	1,173	7%	907	5%

Community Care – Determination of eligibility for charity care is granted on a sliding fee basis. Patients with family income less than 150% of the Federal Poverty Guidelines shall not be responsible for the balance of their account for services rendered at the Hospital. Those with family income at least equal to 151%, but not exceeding 175% of the Federal Poverty Guidelines shall be responsible for 25% of the remaining balance of their accounts. Those with family income at least equal to 176%, but not exceeding 200% of the guidelines will be responsible for 50% of the remaining balance of their accounts. Those with family income at least equal to 201% but less than 300% of the guidelines are responsible for 75% of their balance.

4. Inventories of Supplies:

The major categories of inventories are as follows as of September 30:

	2014	2013
Dietary	$ 15,158	$ 14,220
Medical	111,229	121,427
Pharmacy	126,855	143,629
Other	14,637	16,496
	$ 267,879	$ 295,772

5. Property, Plant and Equipment:

Property, plant and equipment, at cost, are summarized as follows:

	2014	2013
Land and land improvements	$ 241,255	$ 241,255
Buildings	4,101,374	4,161,476
Fixed equipment	2,689,346	2,333,373
Moveable equipment	4,655,007	4,073,904
Construction in progress	58,647	121,642
	11,745,629	10,931,650
LESS: Accumulated depreciation and amortization	7,295,714	6,758,572
	$ 4,449,915	$ 4,173,078

Construction in progress consists of a physician documentation project that has a current cost of $58,647 that is anticipated to be completed in September 2015 with a total project cost of $112,500.

6. Investments and Investment Income:

The Hospital pools its investments with one investment company and allocates the investment income to each fund based upon each fund's percentage of total assets

The pooled investments were allocated to the following funds as of September 30:

	2014	2013
Board designated funds	$ 8,109,815	$ 7,316,298
Temporarily restricted funds	362,391	449,850
Permanently restricted funds	93,070	73,070
	$ 8,565,276	$ 7,839,218

Investments consisted of the following as of September 30:

	2014	2013
Investments whose use is limited -		
Pooled investments		
Highly liquid short-term investments	$ 270,240	$ 357,429
Bonds	1,801,480	3,180,549
Stocks	6,492,215	4,299,899
	8,563,935	7,837,877
Cash and cash equivalents	1,341	1,341
Total investments	$ 8,565,276	$ 7,839,218

Unrealized gains pertaining to investments were as follows as of September 30:

	2014		2013	
	General Funds	Donor-Restricted Funds	General Funds	Donor-Restricted Funds
Gross unrealized gains	$ 1,145,491	$ 73,073	$ 1,035,149	$ 74,820

Realized gains and losses (based on average cost of each security sold) are included in investment income which is reported in non-operating gains (losses) of the general fund and as a change in net assets for the donor-restricted funds as follows:

	2014		2013	
	General Funds	Donor-Restricted Funds	General Funds	Donor-Restricted Funds
Realized gains	$ 458,865	$ 32,179	$ 247,504	$ 17,546
Realized losses	(19,813)	(1,390)	(25,050)	(1,776)
Net realized gains (losses)	$ 439,052	$ 30,789	$ 222,454	$ 15,770

7. Fair Value Measurements:

The following method and assumptions were used in estimating the fair value of financial instruments:

Cash and cash equivalents

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

Internally designated investments and assets limited as to use

Fair values are based on quoted market prices.

Patient accounts receivable

Gross patient accounts receivable net of allowances as reported in the statement of financial position approximates fair value due to its short-term nature.

Accounts payable and accrued expenses

The carrying amount reported in the statement of financial position for accounts payable and accrued expenses approximates fair-value due to its short-term nature.

Due to third-party payors

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

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

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

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

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

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

7. Fair Value Measurements (continued):

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level input that is significant to the fair value measurement.

The following table presents the financial instruments carried at fair value as of September 30, 2014 and 2013 by FASB ASC Topics 820 valuation hierarchy defined above.

	Assets at Fair Value as of September 30, 2014			
	Level I	Level II	Level III	Total
Assets				
Cash and Cash Equivalents	$ 271,581	$ -	$ -	$ 271,581
Fixed Income				
Taxable Municipal Bonds	302,785	-	-	302,785
U.S. Treasury Obligations	150,150	-	-	150,150
Government Agency Bonds	473,834	-	-	473,834
Mortgage Backed	332,589	-	-	332,589
U.S. Corporate Bonds	1,747,460	-	-	1,747,460
Taxable Fixed Income Funds	478,644	-	-	478,644
Foreign Corporate Bonds	334,745	-	-	334,745
Equities				
U.S. Energy	307,716	-	-	307,716
U.S. Health Care	507,966	-	-	507,966
U.S. Technology	611,170	-	-	611,170
U.S. Utilities	85,056	-	-	85,056
U.S. Consumer	370,977	-	-	370,977
U.S. Financial	457,267	-	-	457,267
U.S. Industrial	459,852	-	-	459,852
U.S. Materials	93,676	-	-	93,676
U.S. Staples	328,293	-	-	329,293
U.S. Telecom	69,266	-	-	69,266
Mutual Funds				
U.S. Large CAP	148,469	-	-	148,469
U.S. Mid Cap	449,783	-	-	449,783
U.S. Small Cap	55,041	-	-	55,041
International	383,101	-	-	383,101
Commodities	73,125	-	-	73,125
Private Equity	72,730	-	-	72,730
Total assets at fair value	$ 8,565,276	$ -	$ -	$ 8,565,276

7. Fair Value Measurements (continued):

	Assets at Fair Value as of September 30, 2013			
	Level I	Level II	Level III	Total
Assets				
Cash and Cash Equivalents	$ 358,769	$ -	$ -	$ 358,769
Fixed Income				
Taxable Municipal Bonds	317,069	-	-	317,069
Government Agency Bonds	481,481	-	-	481,481
U S. Corporate Bonds	1,286,410	-	-	1,286,410
Taxable Fixed Income Funds	985,230	-	-	985,230
Foreign Corporate Bonds	110,361	-	-	110,361
Equities				
U.S. Energy	256,665	-	-	256,665
U.S. Health Care	390,137	-	-	390,137
U.S. Technology	449,097	-	-	449,097
U.S. Utilities	61,248	-	-	61,248
U.S. Consumer	390,433	-	-	390,433
U.S. Financial	461,675	-	-	461,675
U.S. Industrial	402,812	-	-	402.812
U.S. Materials	81,786	-	-	81,786
U.S. Staples	248,148	-	-	248.148
U.S. Telecom	65,525	-	-	65,525
Mutual Funds				
U.S. Mid Cap	499,284	-	-	499,284
U.S. Small Cap	393,701	-	-	393,701
International	376,181	-	-	376,181
Private Equity	223,206	-	-	223,206
Total assets at fair value	$ 7,839,218	$ -	$ -	$ 7,839,218

8. Endowment:

Return Objectives and Risk Parameters

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that places a weighted ratio on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

8. Endowment (continued):

Uniform Prudent Management of Institutional Funds Act

Effective July 1, 2008, the State of New Hampshire adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted as Revised Statutes Annotated (RSA) Chapter 292-B. This RSA provides guidance and special rules for the management of endowment funds. Unexpended investment income on permanently restricted net assets is required to be reported as temporarily restricted net assets until appropriated.

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

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 98,928	$ 93,070	$ 191,998
Total funds	$ 98,928	$ 93,070	$ 191,998
Endowment net assets, beginning of year	$ 97,133	$ 73,070	$ 170,203
Investment return:			
Investment gain	14,069	-	14,069
Net appreciation (realized and unrealized)	860	-	860
Total investment return	14,929	-	14,929
Contributions	-	20,000	20,000
Appropriation of endowment assets for expenditure	(13,134)	-	(13,134)
Endowment net assets, end of year	$ 98,928	$ 93,070	$ 191,998

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

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 97,133	$ 73,070	$ 170,203
Total funds	$ 97,133	$ 73,070	$ 170,203
Endowment net assets, beginning of year	$ 87,986	$ 73,070	$ 161,056
Investment return:			
Investment gain	9,331	-	9,331
Net appreciation (realized and unrealized)	8,989	-	8,989
Total investment return	18,320	-	18,320
Appropriation of endowment assets for expenditure	(9,173)	-	(9,173)
Endowment net assets, end of year	$ 97,133	$ 73,070	$ 170,203

9. Long-Term Debt:

Long-term debt consisted of the following as of September 30:

	2014	2013
Promissory note to Mary Hitchcock Memorial Hospital, due in monthly installments of varying principal payments plus variable interest determined by the lesser of 5.8% or SIFMA, beginning November 1, 2010 through November 2018. This note is secured by a first mortgage on real estate, a priority security interest in gross receipts and a priority security interest in cash and securities of $1 million.	$ 972,994	$ 1,188,946
Promissory note to Baxter Healthcare Corporation, due in monthly installments of $4,604, non-interest bearing, beginning November 1, 2011 through November 2014, secured by certain equipment	4,604	55,247
	977,598	1,244,193
LESS: Current portion	227,159	271,233
	$ 750,439	$ 972,960

The Mary Hitchcock Memorial Hospital promissory note referenced above is secured by board designated investments of $1,000,000.

In connection with the Mary Hitchcock Memorial Hospital debt agreement, the Hospital has agreed to comply with specific covenants. As of September 30, 2014, the Hospital was in compliance with all covenants.

Aggregate maturities of long-term debt as of September 30, 2014 are as follows:

2015 (included in current liabilities)	$ 227,159
2016	229,324
2017	236,299
2018	243,487
2019	41,329
	$ 977,598

10. Capital Lease Obligations:

During the year ended September 30, 2010, the Hospital acquired several pieces of equipment under a capital lease. The equipment is recorded on the Hospital's books at September 30, 2014 and 2013 as capital lease equipment at a cost of $47,000. The equipment is being amortized on a straight-line basis over five years using the half-year convention. Accumulated amortization on the leased equipment was $42,300 and $32,900 at September 30, 2014 and 2013, respectively. The remaining outstanding capital lease obligation as of September 30, 2013 was paid in full during 2014.

11. Pension Plan:

The Hospital has a defined contribution pension plan that covers substantially all full-time employees. The Hospital contributes to the plan upon the employee's completion of two years of uninterrupted services. The contribution is based upon several variables including compensation and length of employment. The pension expense for the years ended September 30, 2014 and 2013 was $55,658 and $54,177, respectively.

12. Commitments and Contingencies:

New England Alliance for Health

The Hospital has been a member of New England Alliance for Health (NEAH) since NEAH's inception on January 1, 2009. As a member, the Hospital receives core services including quality improvement/loss prevention, financial planning and benchmarking, materials management and pharmacy services, professional staff education and development, information services and program administration. The Hospital paid NEAH approximately $139,000 and $147,000 for services and insurance during the years ended September 30, 2014 and 2013, respectively.

Effective October 1, 2008, the Hospital insures its comprehensive general liability and professional liability exposures on a claims-made basis, including prior acts coverage, with a commercial carrier. The coverage is provided by primary and excess insurance policies subject to shared policy limits with other selected NEAH entities (nine other healthcare entities located in Massachusetts, New Hampshire and Vermont). The policies are renewable on an annual basis and have been renewed through September 30, 2015. All known significant asserted and unasserted claims alleging malpractice have been communicated to the insurer who is responsible for resolving the claim and the related costs of litigation. An event is insured at the time it is reported to the insurer even if a claim is not yet asserted Generally Accepted Accounting Principles require the Hospital to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Hospital has accrued $905,000 and $200,000 for malpractice claims as of September 30, 2014 and 2013, respectively. Insurance coverage associated with outstanding claims is reported as a component of others receivables and totaled $905,000 and $200,000 as of September 30, 2014 and 2013, respectively. The possibility exists, which is a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospital.

Operating Leases

The Hospital leases various equipment and facilities under operating leases expiring at various dates between 2015 and 2019. Total rental expense was $231,847 and $240,618 for the years ended September 30, 2014 and 2013, respectively.

The following is a schedule by year of future minimum lease payments under operating leases as of September 30, 2014, that have initial or remaining lease terms in excess of one year:

2015	$ 144,138
2016	65,232
2017	57,465
2018	34,164
2019	22,776
Total future minimum lease payments	$ 323,775

12. Commitments and Contingencies (continued):

Outsourcing and Statement Processing Agreement

The Hospital has a year-to-year agreement that automatically extends for statement processing. The Hospital also has a two year agreement with the same company for business office outsourcing support services and statement processing effective until June 30, 2015. The agreements can be terminated by either party with 60 days' written notice to the other party of its intent to terminate as of such expiration date. Under the business office outsourcing support services agreement, the Hospital agrees to pay a percentage of total cash collections under this agreement. Under the statement processing agreement, the Hospital agrees to pay an amount per statement/collection letter processed and patient friendly billing statement. The Hospital expensed $409,218 and $342,659 under these agreements for the years ended September 30, 2014 and 2013, respectively.

Contractual Services

The Hospital was receiving limited management services from Weeks Medical Center (WMC) through 2013, a neighboring hospital, located in Lancaster, New Hampshire. These services consisted of limited financial management oversight two days per week. The Hospital paid for these services based on the allocated salary and benefits of the personnel performing these services, which were $14,963 for the year ended September 30, 2013. These services are now being provided by Northern New Hampshire Healthcare Management, LLC (See Note 14).

The Hospital had a contract with Androscoggin Valley Hospital (AVH) for practitioners' services through June 30, 2014. The agreement will renew for an additional year unless either party gives the other party 90 days' notice before the end of the term or renewal term. Either party may terminate the agreement without cause by providing 90 days' written notice to the other party stating the intended date of termination. AVH may bill and collect for the services provided. If AVH provides the services at a loss, the Hospital is liable for the amount of the loss up to a total of $100,000 for orthopedic services per fiscal year and a total of $175,000 for all specialty and subspecialty services, including orthopedics per fiscal year.

13. Deferred Revenue:

The Hospital has been awarded certain operational grants and other grants for the purchase of certain equipment. Monies received and contracts awarded on operational grants, but not yet earned, have been recorded as deferred revenue. Monies received for the purchase of equipment are recognized over the life of the associated assets. At September 30, 2014 and 2013, $167,616 and $16,841, respectively, is included in deferred revenue related to these grants.

The Hospital recognized electronic health records incentive income over the life of the associated assets. At September 30, 2014 and 2013, $250,059 and $157,132, respectively, is included in deferred revenue.

14. Related Parties:

As of July 1, 2012, the Hospital formed an LLC, Northern New Hampshire Healthcare Management, LLC (NNHHM), with WMC and AVH, to provide a vehicle for shared saving arrangements within Coos County. Each Hospital has an equal one-third membership interest in NNHHM. NNHHM currently provides management services for the Hospital which consist of the Chief Administrative Officer (CAO) and Chief Financial Officer (CFO). The CAO position is paid through NNHHM effective January 1, 2013. The CFO position is shared with WMC, and is being compensated for these services based on the allocated salary and benefits of the personnel performing these services. As of September 30, 2014, the Hospital had a receivable from NNHHM in the amount of $25,000 representing a working capital loan provided without specific repayment terms. Total management service fees paid by the Hospital to NNHHM for the years ended September 30, 2014 and 2013 totaled $360,218 and $226,078, respectively.

As of April 10, 2013, the Hospital formed a not-for-profit corporation, Northern New Hampshire Healthcare Collaborative, Inc. (NNHHC), with WMC and AVH to provide a vehicle for shared ownership arrangements between the three organizations. An application for tax-exempt status was filed with the Internal Revenue Service on July 9, 2013. Not-for-profit status was granted effective March 26, 2013. As of September 30, 2014, the Hospital had a receivable from NNHHC in the amount of $171,259 representing a working capital loan provided without specific repayment terms.

On July 21, 2014, the Hospital, along with WMC, AVH and Littleton Regional Healthcare (LRH), signed a non-binding letter of intent to create a common parent organization that would service all communities in northern New Hampshire. The letter of intent provides a way forward for each of the organizations working together with the others to seek both regulatory approvals needed for this business affiliation. Under this arrangement, the four organizations would each exchange some autonomy, given to the parent organization, to enable the organizations to develop a highly-coordinated health care network that will improve quality, increase efficiencies and lower cost of health care delivery in northern New Hampshire.

The Hospital purchases the following services through Mary Hitchcock Memorial Hospital (MHMH). In 2009, the Hospital joined New England Alliance for Health (NEAH), an LLC owned and managed by MHMH, and pays dues for services to improve the quality of care and contain health care costs. WMC, AVH and MHMH for the years ended September 30, 2014 and 2013 which include:

	2014	2013
Weeks Medical Center		
Financial and health care services	$ 7,102	$ 52,433
Androscoggin Valley Hospital		
Health care and laundry services	729,726	681,758
Mary Hitchcock Memorial Hospital		
Health care services	28,093	7,648

As of September 30, 2014 and 2013, related party liabilities of $48,997 and $36,107, respectively, are included in accounts payable and accrued expenses from AVH, MHMH and WMC. As of September 30, 2014 and 2013, $14,049 and $15,929, respectively, of related party receivables from WMC and AVH are included in other accounts receivable.

15. Temporarily Restricted Net Assets:

Temporarily restricted net assets were available for the following purposes at September 30:

	2014	2013
Indigent care	$ 262,071	$ 351,326
Endowment accumulated earnings	98,929	97,133
Other	1,391	1,391
	$ 362,391	$ 449,850

16. Permanently Restricted Net Assets:

Permanently restricted net assets are restricted to the following at September 30:

	2014	2013
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as nonoperating income)	$ 93,070	$ 73,070

17. Functional Expenses:

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	2014	2013
Health care services	$ 10,433,198	$ 10,560,215
General and administrative	4,210,030	4,298,843
	$ 14,643,228	$ 14,859,058

18. Concentration of Credit Risk:

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

	2014	2013
Medicare	30%	37%
Medicaid	18%	16%
Anthem	10%	4%
Health maintenance organizations	21%	16%
Patient and other third-party payors	21%	27%
	100%	100%

19. DSH Payments and Medicaid Enhancement Tax:

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payers. DSH payments are reported as a component of net patient service revenue. Recognized DSH payments totaled $1,378,899 and $1,318,938 for the years ended September 30, 2014 and 2013, respectively.

Effective June 20, 1991, the State of New Hampshire imposed a tax on the net patient service revenue of every hospital in the state. The Hospital identifies the Medicaid enhancement tax as a separate expense line item. Medicaid enhancement tax totaled $620,583 and $657,353 for the years ended September 30, 2014 and 2013, respectively.

20. Subsequent Events:

The Hospital has reviewed events occurring after September 30, 2014 through December 4, 2014 the date the board of trustees accepted the final draft of the financial statements and made them available to be issued. The Hospital does not believe that any events requiring recognition or disclosure have occurred between the period of September 30, 2014 and the report date, December 4, 2014. The Hospital has not reviewed events occurring after the report date for their potential impact on the information contained in these financial statements.