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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
EXETER HOSPITAL INC

Doing Business As

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

City or town, state or province, country, and ZIP or foreign postal code
EXETER, NH 03833

D Employer identification number
22-2674014

E Telephone number
(603) 580-6695

G Gross receipts $ 206,519,264

F Name and address of principal officer
KEVIN CALLAHAN
5 ALUMNI DRIVE
EXETER, NH 03833

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 EXETERHOSPITAL COM

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

L Year of formation 1907

M State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE MISSION OF EXETER HOSPITAL IS TO IMPROVE THE HEALTH OF THE COMMUNITY THIS MISSION IS PRINCIPALLY ACCOMPLISHED THROUGH THE PROVISION OF HEALTH SERVICES AND INFORMATION TO THE COMMUNITY WITHIN THE RESOURCES AVAILABLE EXETER HOSPITAL WORKS TO ACCOMPLISH THIS MISSION THROUGH THE PROVISION OF DIAGNOSTIC TESTING, THERAPEUTIC INPATIENT AND OUTPATIENT SERVICES, COMMUNITY EDUCATION AND OUTREACH, AND ACUTE EMERGENCY, INPATIENT AND SURGICAL SERVICES AS WELL AS OBSTETRICAL 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**	1,568
6	Total number of volunteers (estimate if necessary)	**6**	84
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	269,921
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	248,105

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	89,544	111,581
	9 Program service revenue (Part VIII, line 2g)	185,485,823	197,311,081
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,099,754	6,810,133
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,423,633	2,228,231
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	195,098,754	206,461,026
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	830,991	655,022
	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)	89,839,927	87,074,114
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶18,076		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	98,905,098	104,293,066
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	189,576,016	192,022,202
	19 Revenue less expenses Subtract line 18 from line 12	5,522,738	14,438,824

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	270,991,066	276,357,149
	21 Total liabilities (Part X, line 26)	95,925,723	97,591,278
	22 Net assets or fund balances Subtract line 21 from line 20	175,065,343	178,765,871

Part II Signature Block

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

Sign Here

****** | 2015-08-06
Signature of officer | Date

KEVIN J O'LEARY 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
TIMOTHY R HEPBURN CPA		2015-08-06		P00182393

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

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

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF EXETER HOSPITAL IS TO IMPROVE THE HEALTH OF THE COMMUNITY THIS MISSION IS PRINCIPALLY ACCOMPLISHED THROUGH THE PROVISION OF HEALTH SERVICES AND INFORMATION TO THE COMMUNITY WITHIN THE RESOURCES AVAILABLE EXETER HOSPITAL WORKS TO ACCOMPLISH THIS MISSION THROUGH THE PROVISION OF DIAGNOSTIC TESTING, THERAPEUTIC INPATIENT AND OUTPATIENT SERVICES, COMMUNITY EDUCATION AND OUTREACH, AND ACUTE EMERGENCY, INPATIENT AND SURGICAL SERVICES AS WELL AS OBSTETRICAL SERVICES

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 170,544,429 including grants of $ 655,022) (Revenue $ 199,525,015)

THE MISSION OF EXETER HOSPITAL IS TO IMPROVE THE HEALTH OF THE COMMUNITY THIS MISSION IS PRINCIPALLY ACCOMPLISHED THROUGH THE PROVISION OF HEALTH SERVICES AND INFORMATION TO THE COMMUNITY WITHIN THE RESOURCES AVAILABLE EXETER HOSPITAL WORKS TO ACCOMPLISH THIS MISSION THROUGH THE PROVISION OF DIAGNOSTIC TESTING, THERAPEUTIC INPATIENT AND OUTPATIENT SERVICES, COMMUNITY EDUCATION AND OUTREACH, AND ACUTE EMERGENCY, INPATIENT AND SURGICAL SERVICES AS WELL AS OBSTETRICAL SERVICES IN FISCAL YEAR 2014, EXETER HOSPITAL SERVED THE COMMUNITY BY PROVIDING CARE TO 4,988 ACUTE INPATIENTS, 140,931 OUTPATIENT VISITS, 29,882 EMERGENCY ROOM VISITS AND 662 BIRTHS IN 2014 EXETER HOSPITAL SUPPORTED ITS MISSION BY SUPPORTING $16,239,850 IN COMMUNITY OUTREACH, BENEFITS AND FINANCIAL SUPPORT TO THE COMMUNITY EXCLUDING $23,314,256 IN UNCOVERED MEDICARE EXPENSES EXETER HOSPITAL SUPPORTS HEALTH CARE ACCESS IN ITS SERVICE AREA BY OFFERING A ROBUST FINANCIAL ASSISTANCE PROGRAM THAT COVERS THE COST OF UP TO 100% OF CARE PROVIDED TO AREA RESIDENTS BASED ON INCOME AND FAMILY SIZE IN 2014, THE CHARITY CARE PROGRAM HELPED PEOPLE ACCESS THE HEALTH CARE SYSTEM AS EXETER HOSPITAL INCURRED A COST OF $4 2 MILLION DOLLARS TO PROVIDE FINANCIAL ASSISTANCE IN ADDITION WE PROVIDE SUPPORT TO VITAL COMMUNITY PROGRAMS LIKE OUR HEALTHREACH DIABETES PROGRAM, OUR PARAMEDICINE PROGRAM AND FOR PROVIDING ACCESS TO CONTRACTED MENTAL HEALTH PROFESSIONALS IN OUR EMERGENCY ROOM WE ALSO SUPPORTED ACCESS TO THE HEALTH SYSTEM AND THE DEVELOPMENT OF HEALTHY LIFE STYLES THROUGH OUR COMMUNITY EDUCATION PROGRAMS AND OUR FINANCIAL SUPPORT OF IMPORTANT HEALTHCARE RELATED COMMUNITY BASED NOT FOR PROFITS SUCH AS FAMILIES FIRST AND LAMPREY HEALTHCARE

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

EXETER HOSPITAL'S ACUTE CARE PROGRAM PROVIDES ACUTE INPATIENT AND OUTPATIENT OBSERVATION LEVEL CARE IN OUR 99 STAFFED INPATIENT BEDS OUR INPATIENT SERVICES TREAT EMERGENT, ACUTE, ELECTIVE SURGICAL AND PALLIATIVE CARE PATIENTS APPROXIMATELY 72% OF OUR ADMISSIONS COME FROM THE EMERGENCY ROOM WE OFFER INPATIENT ACUTE SERVICES FOR MEDICAL AND SURGICAL DIAGNOSES FOR ADULTS AS WELL AS PEDIATRIC AND OBSTETRICAL INPATIENT SERVICES EXETER HOSPITAL IS FULLY ACCREDITED BY DNV HEALTHCARE, INC (AN OFFICIALLY DEEMED MEDICARE AND MEDICAID CREDENTIALING AGENCY), EARNED THE MAGNET DESIGNATION FROM THE AMERICAN NURSES CREDENTIALING CENTER, WHICH IS THE MOST PRESTIGIOUS DISTINCTION A HEALTHCARE ORGANIZATION CAN RECEIVE FOR NURSING EXCELLENCE AND HIGH QUALITY PATIENT CARE AS WELL AS MANY OTHER SERVICE LEVEL SPECIFIC NATIONAL ACCREDITATIONS OUR PRACTICE MODEL IS GUIDED BY A SERIES OF COLLABORATIVE BEST PRACTICE COMMITTEES THAT ENGAGE NURSES AND PHYSICIANS IN THE DEVELOPMENT OF THE BEST POSSIBLE EVIDENCE BASED CARE PROTOCOLS EXETER HOSPITAL SUPPORTS THE SAFETY OF OUR PATIENTS AND THE EFFICIENCY OF THE CARE PROVIDED THROUGH THE DEPLOYMENT OF A 24/7 HOSPITALIST PROGRAM THAT MANAGES THE MAJORITY OF THE MEDICAL NEEDS OF OUR PATIENTS DURING THEIR ADMISSION IN OUR 10 BED ICU WE ALSO USE AN INTENSIVEST SERVICE TO ENSURE THAT OUR MOST ACUTE PATIENTS RECEIVE THE MOST HIGHLY COORDINATED CARE POSSIBLE, RESULTING IN SIGNIFICANTLY LOWER THAN EXPECTED INFECTION RATES, ICU READMISSION RATES AND SHORTER ICU STAYS FOR OUR PATIENTS AT THE END OF THEIR LIVES WE ENSURE THEIR SAFETY AND COMFORT THROUGH A PHYSICIAN LED, HIGHLY COORDINATED PALLIATIVE CARE PROGRAM

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

EXETER HOSPITAL'S SURGICAL PROGRAM PROVIDES A FULL RANGE OF BOTH INPATIENT AND OUTPATIENT SURGICAL SERVICES FOR PATIENTS OF ALL AGES FROM ACROSS OUR SERVICE AREA AVAILABLE SURGICAL SPECIALTIES INCLUDE, ORTHOPEDICS, VASCULAR, GENERAL, PLASTICS, PODIATRIC, ONCOLOGY, COLORECTAL, GYNECOLOGICAL AND ENT SURGERY

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

THE CENTER FOR CANCER CARE AT EXETER HOSPITAL PROVIDES CANCER PATIENTS AND THEIR FAMILIES WITH COMPREHENSIVE INPATIENT AND OUTPATIENT SERVICES ACCREDITED BY THE AMERICAN COLLEGE OF SURGEON'S COMMISSION ON CANCER WITH COMMENDATION, THE CENTER PROVIDES AREA RESIDENTS WITH A LEADING, COMPREHENSIVE APPROACH TO CANCER TREATMENT THE CENTER OFFERS MEDICAL ONCOLOGY, RADIATION ONCOLOGY, SURGERY, CLINICAL TRIALS, MULTIDISCIPLINARY CLINICS AND INTEGRATIVE ONCOLOGY SERVICES THE CENTER IS PROUD TO HAVE A RELATIONSHIP WITH THE MASSACHUSETTS GENERAL PHYSICIAN ORGANIZATION FOR THE PROVISION OF MEDICAL AND RADIATION ONCOLOGY SERVICES TO PATIENTS THE MEDICAL ONCOLOGY SERVICE SUPPORTS A 13 CHAIR INFUSION CENTER THIS UNIQUE CLINICAL COLLABORATION BRINGS RADIATION ONCOLOGISTS FROM THE WORLD'S LEADING ACADEMIC MEDICAL CENTER TO EXETER HOSPITAL'S CENTER FOR CANCER CARE THIS AFFILIATION ALLOWS EXETER HOSPITAL'S CENTER FOR CANCER CARE TO OFFER STATE-OF-THE-ART RADIATION THERAPY SERVICES TO PATIENTS INCLUDING ELECTRONIC BRACHYTHERAPY, PARTIAL BREAST IRRADIATION, INTENSITY MODULATED RADIATION THERAPY, CT SIMULATION AND IMAGE GUIDED RADIATION THERAPY THE CENTER'S AFFILIATED SURGEONS WORK COLLABORATIVELY WITH AFFILIATED PATHOLOGISTS, THE MEDICAL ONCOLOGISTS AND WITH THE RADIATION ONCOLOGISTS TO DEVELOP THE MOST COMPREHENSIVE TREATMENT PLANS FOR OUR PATIENTS EXETER HOSPITAL'S CARDIOLOGY DEPARTMENT OFFERS ACUTE CARDIAC CARE, HEART CATHETERIZATION, ANGIOPLASTY, CARDIOVERSION, AND IMPLANTATION OF CARDIOVERTER DEFIBRILLATORS, PERMANENT PACEMAKER PLACEMENT AND A THREE PHASE CARDIAC REHABILITATION PROGRAM EXETER HOSPITAL'S AFFILIATED FELLOWSHIP-TRAINED INTERVENTIONAL CARDIOLOGISTS AND ITS CARDIAC TEAM HAVE RECEIVED NATIONAL RECOGNITION FOR THEIR "DOOR TO BALLOON" TIMES AND ONGOING SUCCESSFUL IMPLEMENTATION OF COMMUNITY BASED EMERGENCY ANGIOPLASTY AND INTERVENTIONAL CARDIOLOGY PROCEDURES

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 170,544,429

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		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**	Yes	
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	133		
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	1,568		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	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**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

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

▶ KEVIN J O'LEARY 5 ALUMNI DRIVE
EXETER, NH 03833 (603) 580-6695

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) KEVIN J CALLAHAN CEO/TRUSTEE	2 00 43 00	X		X				0	739,793	198,420
(2) GLENN MCKENZIE CHAIRMAN	1 00	X		X				0	0	0
(3) ROBERT A EBERLE VICE CHAIRMAN	1 00	X		X				0	0	0
(4) KATIE D PAINE TRUSTEE	1 00	X						0	0	0
(5) ROSS GITTELL PHD TRUSTEE	1 00	X						0	0	0
(6) JOSEPH ARMY TRUSTEE	1 00	X						0	0	0
(7) WILLIAM SCHLEYER TRUSTEE	1 00	X						0	0	0
(8) J BONNIE NEWMAN TRUSTEE	1 00	X						0	0	0
(9) MAJ GEN JOSEPH SIMEONE TRUSTEE	1 00	X						0	0	0
(10) NANCY BRAESE DO DIRECTOR THRU 3/2014	0 00 28 00	X						0	174,837	35,454
(11) ROBERT SCHOENBERGER TRUSTEE	1 00 0 00	X						0	0	0
(12) DAVID DONSKER MD TRUSTEE	1 00 0 00	X						0	0	0
(13) STEVE HERMANS TRUSTEE	1 00 0 00	X						0	0	0
(14) RICHARD HOLLISTER MD EX-OFFICIO MEMBER	1 00 41 00	X						0	439,182	36,321
(15) KEVIN J O'LEARY CFO/TREASURER	2 00 43 00			X				0	422,773	96,596
(16) CONSTANCE D SPRAUER SR VP LEGAL AFFAIRS/SECRET	2 00 41 00			X				0	347,977	36,490
(17) BRIAN CAMPBELL VP-AMBUL CARE	40 00				X			253,203	0	45,902

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) JONATHAN A JACKSON PHYSICIST	40 00					X		226,679	0	17,203
(19) JANE PETERSON DIRECTOR	40 00 0 00					X		181,630	0	14,012
(20) DEANNA KING DIRECTOR	40 00 0 00					X		167,923	0	40,895
(21) JUDITH RINES DIRECTOR	40 00 0 00					X		158,694	0	35,364
(22) KAREN CUE PHARMACIST INFORMATICS SPECIALIST	40 00 0 00					X		170,518	0	22,688
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								1,158,647	2,124,562	579,345

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 ▶ 65

			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
CORE PHYSICIAN SERVICES LLC 5 ALUMNI DRIVE EXETER NH 03833	PHYSICIAN SERVICES	5,815,050
EXETER HEALTH RESOURCES INC 5 ALUMNI DRIVE EXETER NH 03833	ADMINISTRATIVE MANAGEMENT SERVICES	5,327,992
GE HEALTHCARE INC PO BOX 640944 PITTSBURGH PA 15264	EQUIPMENT & MAINTENANCE	1,389,727
MASS GEN PHYSICIAN ORG 55 FRUIT STREET BOSTON MA 02114	PHYSICIAN SERVICES	1,059,889
SODEXHO INC PO BOX 360170 PITTSBURGH PA 15251	FOOD SERVICE MANAGEMENT	998,495

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 ▶ 42

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				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	111,581			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		111,581			
Program Service Revenue			Business Code				
	2a	NET PATIENT SVCS	621300	193,250,081	193,250,081		
	b	DISPROPORTIONATE SHARE FUNDING	621300	2,619,600	2,619,600		
	c	OTHER PROGRAM REVENUE	621300	851,221	851,221		
	d	ARRA FUNDS	621300	590,179	590,179		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		197,311,081			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,513,204			1,513,204
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	73,430				
	b	Less rental expenses	43,941				
	c	Rental income or (loss)	29,489				
	d	Net rental income or (loss) . . . . . ▶		29,489	29,489		
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	5,311,226				
	b	Less cost or other basis and sales expenses	0	14,297			
	c	Gain or (loss)	5,311,226	-14,297			
	d	Net gain or (loss) . . . . . ▶		5,296,929	-14,297	269,921	5,041,305
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 INCOME	621300	1,341,706	1,341,706		
	b	MISCELLANEOUS	621300	704,934	704,934		
	c	GIFT SHOP INCOME	621300	152,102	152,102		
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		2,198,742			
	12	**Total revenue.** See Instructions . . . . . ▶		206,461,026	199,525,015	269,921	6,554,509

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	655,022	655,022		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,158,647	1,008,023	150,624	
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	66,017,686	57,435,387	8,582,299	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,547,137	1,346,009	201,128	
9 Other employee benefits	13,542,709	11,782,157	1,760,552	
10 Payroll taxes	4,807,935	4,182,903	625,032	
11 Fees for services (non-employees)				
a Management				
b Legal	396,594		396,594	
c Accounting	64,000		64,000	
d Lobbying	34,114		34,114	
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	530,821	461,814	69,007	
13 Office expenses	876,222	762,313	113,909	
14 Information technology	402,131	349,854	52,277	
15 Royalties . .				
16 Occupancy	5,590,105	4,863,391	726,714	
17 Travel	194,987	169,639	25,348	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	471,946	410,593	61,353	
21 Payments to affiliates	3,463,899	3,013,592	450,307	
22 Depreciation, depletion, and amortization	9,961,966	8,666,910	1,295,056	
23 Insurance	852,071	741,302	110,769	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a SUPPLIES	16,489,388	14,345,768	2,143,620	
b BAD DEBT EXPENSE	14,755,338	14,755,338		
c DRUGS	12,302,096	12,302,096		
d MEDICAID ENHANCEMENT TA	9,852,049	9,852,049		
e All other expenses	28,055,339	23,440,269	4,596,994	18,076
25 **Total functional expenses.** Add lines 1 through 24e	192,022,202	170,544,429	21,459,697	18,076
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		18,403,121	1	21,692,880
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		20,268,282	4	19,684,386
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,712,209	8	2,893,065
	9	Prepaid expenses and deferred charges		3,461,103	9	2,607,901
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 131,223,010			
	b	Less accumulated depreciation	10b 69,291,564	65,609,330	10c	61,931,446
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		158,532,179	12	162,628,764
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		2,004,842	15	4,918,707
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		270,991,066	16	276,357,149
Liabilities	17	Accounts payable and accrued expenses		18,273,061	17	18,229,509
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		58,160,952	20	55,983,567
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		19,491,710	25	23,378,202
	26	**Total liabilities.** Add lines 17 through 25		95,925,723	26	97,591,278
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		158,059,210	27	161,761,072
	28	Temporarily restricted net assets		236,812	28	235,478
	29	Permanently restricted net assets		16,769,321	29	16,769,321
		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		175,065,343	33	178,765,871
	34	Total liabilities and net assets/fund balances		270,991,066	34	276,357,149

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	206,461,026
2	Total expenses (must equal Part IX, column (A), line 25)	2	192,022,202
3	Revenue less expenses Subtract line 2 from line 1	3	14,438,824
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	175,065,343
5	Net unrealized gains (losses) on investments	5	2,106,015
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	-12,844,311
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	178,765,871

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
EXETER HOSPITAL INC

Employer identification number
22-2674014

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*.

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2013

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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
EXETER HOSPITAL INC	22-2674014

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?	Yes		6,236
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		27,878
j	Total Add lines 1c through 1i			34,114
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	A PORTION OF MEMBERSHIP DUES ARE CONSIDERED LOBBYING EXPENSES

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
EXETER HOSPITAL INC

Employer identification number
22-2674014

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	17,006,133	17,008,827	17,001,122	17,063,265	17,030,198
b	Contributions	53,100	41,887	68,831	49,281	37,433
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs	-54,434	-44,581	-61,126	-111,424	4,366
f	Administrative expenses					
g	End of year balance	17,004,799	17,006,133	17,008,827	17,001,122	17,063,265

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

- a Board designated or quasi-endowment ▶ 1 380 %
- b Permanent endowment ▶ 98 620 %
- c Temporarily restricted endowment ▶ 0 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		142,400		142,400
b Buildings		74,689,958	35,843,722	38,846,236
c Leasehold improvements		230,057	146,053	84,004
d Equipment		51,364,008	30,967,464	20,396,544
e Other		4,796,587	2,334,325	2,462,262
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				61,931,446

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) CASH & SHORT-TERM INVESTMENTS	32,632,704	F
(B) FIXED INCOME SECURITIES	27,415,486	F
(C) MARKETABLE EQUITY SECURITIES	44,603,648	F
(D) LIMITED PARTNERSHIPS	58,257,528	F
(E) OTHER	-280,602	C
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	162,628,764	

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
DUE TO THIRD PARTY PAYORS	4,494,473
ACCRUED PENSION LIABILITY	8,120,840
SWAP VALUATION LIABILITY	8,239,688
INVESTMENT - PREMIER	196,202
RESERVE FOR PROFESSIONAL LIABILITY CLAIMS	2,326,999
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	23,378,202

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	191,705,688
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
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	0
3	Subtract line **2e** from line **1**			3	191,705,688
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	14,755,338		
c	Add lines **4a** and **4b**			4c	14,755,338
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	206,461,026

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	177,266,864
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	177,266,864
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	14,755,338		
c	Add lines **4a** and **4b**			4c	14,755,338
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	192,022,202

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 GOAL OF THE PERMANENT ENDOWMENT FUND IS TO PROVIDE A SOURCE OF FINANCIAL SUPPORT TO EXETER'S PATIENT CARE ACTIVITIES THESE FUNDS ARE INVESTED IN A PRUDENT MANNER WITH REGARD TO PRESERVING PRINCIPAL WHILE PROVIDING REASONABLE RETURNS THESE RETURNS ARE THEN USED FOR CAPITAL EXPENDITURES, OTHER MAJOR PROGRAM NEEDS, AND TO GENERALLY INCREASE THE FINANCIAL STRENGTH OF THE ORGANIZATION THE QUASI-ENDOWMENTS ARE FUNDS WHICH HAVE BEEN DONATED TO THE ORGANIZATION FOR A PURPOSE SPECIFIED BY THE DONOR THESE FUNDS ARE HELD UNTIL USED FOR THE PURPOSE INTENDED BY THE DONOR
PART X, LINE 2	THE HOSPITAL IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE MANAGEMENT EVALUATED THE TAX POSITIONS OF THE HOSPITAL AND HAS CONCLUDED THAT IT HAS MAINTAINED ITS TAX-EXEMPT STATUS, DOES NOT HAVE ANY SIGNIFICANT UNRELATED BUSINESS INCOME, AND HAS TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT TO THE FINANCIAL STATEMENTS WITH FEW EXCEPTIONS, THE HOSPITAL IS NO LONGER SUBJECT TO INCOME TAX EXAMINATION BY THE U S FEDERAL OR STATE TAX AUTHORITIES FOR YEARS BEFORE 2011
PART XI, LINE 4B - OTHER ADJUSTMENTS	PROVISION FOR BAD DEBTS 14,755,338
PART XII, LINE 4B - OTHER ADJUSTMENTS	PROVISION FOR BAD DEBTS 14,755,338

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493225005025

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
EXETER HOSPITAL INC

Employer identification number
22-2674014

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 27500 0000000000 %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	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)		1,876	4,218,044		4,218,044	2 380 %
b Medicaid (from Worksheet 3, column a)		3,526	15,877,753	2,619,600	13,258,153	7 480 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		5,402	20,095,797	2,619,600	17,476,197	9 860 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		14,386	972,610	3,435	969,175	0 550 %
f Health professions education (from Worksheet 5)		245	1,090,682		1,090,682	0 620 %
g Subsidized health services (from Worksheet 6)		2,016	3,233,701	358,539	2,875,162	1 620 %
h Research (from Worksheet 7)		601	164,547	18,774	145,773	0 080 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			803,006		803,006	0 450 %
j **Total.** Other Benefits		17,248	6,264,546	380,748	5,883,798	3 320 %
k **Total.** Add lines 7d and 7j		22,650	26,360,343	3,000,348	23,359,995	13 180 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			40,988		40,988	0 020 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy			67,325		67,325	0 040 %
8 Workforce development						
9 Other						
10 **Total**			108,313		108,313	0 060 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 5,897,709			
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 1,125,020			
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	55,565,841
6	Enter Medicare allowable costs of care relating to payments on line 5	6	78,880,097
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-23,314,256
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group EXETER HOSPITAL

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) HTTP //EXETERHOSPITAL COM			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 275 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☑ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

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

	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	A RATIO OF PATIENT COST TO CHARGE WAS CALCULATED UTILIZING WORKSHEET 2 THE RATIO OF COST TO CHARGE WAS UTILIZED IN CALCULATING LINE 7A TOTAL NET COMMUNITY BENEFIT EXPENSE FOR CHARITY CARE

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 14,755,338

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	THE MAJORITY OF THE REMAINING COMMUNITY BENEFIT ACTIVITIES REPORTED AS COMMUNITY BUILDING ACTIVITIES ARE CASH DONATIONS TO COMMUNITY ORGANIZATIONS FOR THE PURPOSE OF FURTHERING WORKFORCE DEVELOPMENT, ADVOCACY FOR COMMUNITY HEALTH IMPROVEMENT, LEADERSHIP AND ECONOMIC DEVELOPMENT

Form and Line Reference	Explanation
PART III, LINE 4	ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID) FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH ACCOUNTS FOR PATIENTS WHO ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE DISCOUNTED RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE PATIENT COST TO CHARGE FROM WORKSHEET 2 WAS APPLIED TO DETERMINE THE AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE AT COST

Form and Line Reference	Explanation
PART III, LINE 8	MEDICARE COSTS ARE NOT COUNTED AS A COMMUNITY BENEFIT PER NH OR IRS GUIDANCE, THEREFORE THE COST FIGURE OF $23,314,256 IS NOT INCLUDED IN THE TOTAL UNREIMBURSED COMMUNITY BENEFIT EXPENSE THE RATIO OF COST TO CHARGE WAS UTILIZED IN CALCULATING THE AMOUNT

Form and Line Reference	Explanation
PART III, LINE 9B	IF A PATIENT HAS BEEN APPROVED FOR FINANCIAL ASSISTANCE AND THEIR ACCOUNT WAS SENT TO A COLLECTION AGENCY, THE ACCOUNT WILL BE RETRACTED FROM THE COLLECTION AGENCY AND FINANCIAL ASSISTANCE WILL BE APPLIED TO THE ACCOUNT

Form and Line Reference	Explanation
PART VI, LINE 2	EVERY FIVE YEARS, EXETER HOSPITAL, IN COLLABORATION WITH ITS COMMUNITY PARTNERS, CONDUCTS A COMMUNITY NEEDS ASSESSMENT TO IDENTIFY, PRIORITIZE, AND DEVELOP A PLAN TO ADDRESS CRITICAL HEALTH ISSUES THE LAST COMMUNITY NEEDS ASSESSMENT WAS COMPLETED IN 2013 THE PURPOSE OF THE ASSESSMENT WAS TO ENGAGE COMMUNITY MEMBERS THROUGH KEY LEADER INTERVIEWS AND COMMUNITY FORUMS, AND TO ACHIEVE THE FOLLOWING OBJECTIVES EDUCATE AND INFORM KEY LEADERS AND COMMUNITY FORUM PARTICIPANTS OF THE RESULTS OF THE 2008 COMMUNITY NEEDS ASSESSMENT AND ACHIEVEMENTS TO DATE TO MEET IDENTIFIED NEEDS VALIDATE PRIORITY HEALTH NEEDS IDENTIFIED IN THE 2008 COMMUNITY NEEDS ASSESSMENT AND FURTHER DEFINE THESE NEEDS IN 2013 FROM THE STAKEHOLDERS' PERSPECTIVE IDENTIFY UNMET NEEDS THAT HAVE EMERGED SINCE THE 2008 COMMUNITY NEEDS ASSESSMENT ENGAGE KEY LEADERS AND COMMUNITY FORUM PARTICIPANTS IN A DISCUSSION TO IDENTIFY SOLUTIONS TO ADDRESS COMMUNITY HEALTH NEEDS SHARE THE FINDINGS OF THE UNH SURVEY CENTER HOUSEHOLD TELEPHONE SURVEY WHERE APPROPRIATE, MOTIVATE KEY LEADERS AND COMMUNITY FORUM PARTICIPANTS TO PARTICIPATE IN EFFORTS TO ADDRESS COMMUNITY HEALTH NEEDS GOING FORWARD SERVE AS A CONTINUING FOUNDATION FOR THE DEVELOPMENT OF A COMMUNITY BENEFITS PLAN, AS MANDATED UNDER RSA 7 32-ETHE 2013 COMMUNITY NEEDS ASSESSMENT INCLUDED TELEPHONE SURVEY,COMMUNITY FORUMS,ONLINE SURVEYS,KEY LEADER INTERVIEWS AND MULTIPLE SECONDARY RESEARCHES THE REPORT IN ITS ENTIRETY CAN BE ACCESSED ON THE EXETER HOSPITAL WEBSITE HTTP //WWW EXETERHOSPITAL COM/ABOUT-EXETER/COMMUNITY-BENEFITS/

Form and Line Reference	Explanation
PART VI, LINE 3	EXETER HOSPITAL PROVIDES ITS PATIENTS WITH INFORMATION REGARDING THE ORGANIZATION'S FINANCIAL ASSISTANCE PROGRAM, AND A SUMMARY OF THE ORGANIZATION'S POLICY, ON THE BACK OF EVERY BILLING STATEMENT ON THE EXETER HOSPITAL WEBSITE (HTTP //WWW EXETERHOSPITAL COM), PATIENTS AND THE GENERAL PUBLIC CAN FIND INFORMATION ON THE ORGANIZATION'S FINANCIAL ASSISTANCE PROGRAMS, FINANCIAL ASSISTANCE, UNINSURED CARE DISCOUNT PROGRAM, CATASTROPHIC CARE PROGRAM, AND STATE-WIDE PROGRAMS AS AN ADDITIONAL MEASURE TO ENSURE OUR COMMUNITY MEMBERS ARE AWARE OF EXETER HOSPITAL'S FINANCIAL ASSISTANCE PROGRAMS, TWICE A YEAR THE ORGANIZATION MAY RUN ADVERTISEMENTS IN COMMUNITY NEWSPAPERS SUMMARIZING THE ORGANIZATION'S FINANCIAL ASSISTANCE/CHARITY CARE POLICY EXETER HOSPITAL EMPLOYS FINANCIAL COUNSELORS SPECIFICALLY DEDICATED TO ASSISTING PATIENTS WITH QUESTIONS REGARDING THEIR ELIGIBILITY FOR FINANCIAL ASSISTANCE, AND ASSISTING PATIENTS THROUGH THE QUALIFICATION PROCESS AS APPLICABLE ALL INPATIENT SELF-PAY PATIENTS ARE PROVIDED INFORMATION AND COUNSELING REGARDING THE ELIGIBILITY FOR FINANCIAL ASSISTANCE PROGRAMS AT THE TIME OF SERVICE SELF-PAY PATIENTS IN THE EMERGENCY DEPARTMENT, SURGICAL AREAS AND ONCOLOGY ARE ALSO INFORMED OF THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAMS AT TIME OF SERVICE OR DISCHARGE

Form and Line Reference	Explanation
PART VI, LINE 4	EXETER HOSPITAL SERVICES AN AREA THAT ENCOMPASSES 40 COMMUNITIES WITH AN ESTIMATED POPULATION OF 233,455

Form and Line Reference	Explanation
PART VI, LINE 5	ACCESS TO CAREFINANCIAL ASSISTANCE EXETER HOSPITAL HAS THREE COMPONENTS TO ITS HEALTH CARE ACCESS PROGRAM - THE UNINSURED CARE DISCOUNT/HOSPITAL ACCESS PLUS PROGRAM EXTENDS A 30% DISCOUNT OFF TOTAL CHARGES TO SELF PAY PATIENTS, BASED OF THE WEIGHTED AVERAGE OF THE TOP 3 COMMERCIAL PLANS - THE FINANCIAL ASSISTANCE PROGRAM IS A COMMUNITY-BASED PROGRAM FOR UNINSURED AND UNDERINSURED PATIENTS WHO MEET SPECIFIC INCOME, GEOGRAPHICAL AND OTHER GUIDELINES, AND WHO DO NOT OTHERWISE QUALIFY FOR ANY STATE OR FEDERAL ASSISTANCE - EXETER'S CATASTROPHIC CARE PROGRAM PROVIDES FINANCIAL RELIEF FOR THOSE PATIENTS WHO DO NOT QUALIFY FOR OUR FINANCIAL ASSISTANCE PROGRAM, BUT WHO ARE FACED WITH A SUBSTANTIAL DEBT DUE TO A SERIOUS ILLNESS OR INJURY THIS PROGRAM IS CALCULATED BASED ON A PERCENTAGE OF THE PATIENT'S GROSS INCOME EXETER HOSPITAL PROVIDED $4,218,044 (CALCULATED AT COST) IN CHARITY CARE DURING FY 2014 IN FY 2014 THE CHARITY CARE PROGRAM SERVED 1,876 PEOPLE TELEHEALTH SERVICES DURING FY2014 EXETER HOSPITAL PROVIDED $315,597 IN TELEHEALTH MONITORING SERVICES SERVING 8,193 PERSONS COMMUNITY PARTNERS EXETER HOSPITAL WORKS COLLABORATIVELY WITH LOCAL NON-PROFIT AGENCIES AND ORGANIZATIONS WHICH STRIVE TO IMPROVE THE HEALTH OF THE COMMUNITY THESE RELATIONSHIPS INCLUDE LAMPREY HEALTH CARE IN FY 2014 EXETER HOSPITAL CONTINUED ITS FINANCIAL SUPPORT OF LAMPREY HEALTH CARE WITH A COMMUNITY BENEFIT GRANT IN THE AMOUNT OF $380,000 LAMPREY HEALTH CARE IS NEW HAMPSHIRE'S OLDEST AND LARGEST PRIVATE, NON-PROFIT COMMUNITY HEALTH CENTER WITH LOCATIONS IN NEWMARKET, RAYMOND, AND NASHUA THE ORGANIZATION SERVES OVER 16,500 PATIENTS OF ALL AGES EACH YEAR AS A COMMUNITY HEALTH CENTER, THEY PROVIDE PRIMARY CARE AND HEALTH-RELATED SERVICES TO ALL INDIVIDUALS AND FAMILIES, REGARDLESS OF INSURANCE STATUS OR ABILITY TO PAY BY FOCUSING ON PREVENTION AND HEALTH CARE MANAGEMENT, LAMPREY HEALTH CARE STRIVES TO KEEP INSURED AND UNINSURED PATIENTS HEALTHY FAMILIES FIRST HEALTH AND SUPPORT CENTER IN FY 2014 EXETER HOSPITAL MADE FINANCIAL CONTRIBUTIONS TO FAMILIES FIRST IN THE AMOUNT OF $52,875 FAMILIES FIRST IS A COMMUNITY HEALTH CENTER OFFERING A WIDE VARIETY OF HEALTH SERVICES AND PROGRAMS INCLUDING PRIMARY CARE, PRENATAL CARE, DENTAL CARE, AND MOBILE HEALTH CARE FOR THE HOMELESS NEW HEIGHTS (FORMERLY KNOWN AS NEW OUTLOOK TEEN CENTER) EXETER HOSPITAL CONTINUED ITS SUPPORT OF NEW HEIGHTS IN THE AMOUNT OF $19,750 NEW HEIGHTS IS AN EXPERIENTIAL LEARNING ORGANIZATION FOR YOUTH IN GRADES 5-12 AND FOCUSES ON THE DEVELOPMENT AND LEADERSHIP OF EXCITING, HIGH QUALITY SUMMER AND YEAR-ROUND PROGRAMS DESIGNED TO UNLEASH POTENTIAL AND OPEN YOUNG MINDS TO NEW POSSIBILITIES PROGRAMS INCLUDE ADVENTURE, ARTS & CULTURE, STEM AND TEAM BUILDING ACTIVITIES NEW HEIGHTS SERVES UPWARDS OF 700 YOUTH INCLUDING THOSE FROM BRENTWOOD, EAST KINGSTON, EXETER, KENSINGTON, NEWFIELDS AND STRATHAM MENTAL HEALTH CARE ACCESS SEACOAST MENTAL HEALTH CENTER EXETER HOSPITAL PARTNERS WITH SEACOAST MENTAL HEALTH TO OFFER MENTAL HEALTH SERVICES TO PATIENTS AND THEIR CAREGIVERS IN THE EMERGENCY DEPARTMENT AND THE CENTER FOR CANCER CARE IN FY 2014, EXETER HELPED TO UNDERWRITE MENTAL HEALTH SERVICES IN THE AMOUNT OF $405,461 SERVING 582 PEOPLE TRANSPORTATIONEXETER HOSPITAL'S TRANSPORTATION PROGRAM IS AN IMPORTANT HEALTH CARE SUPPORT SERVICE PROVIDED IN RESPONSE TO AN IDENTIFIED COMMUNITY NEED EACH YEAR THE PROGRAM ENHANCES ACCESS FOR HUNDREDS OF PATIENTS WHO OTHERWISE WOULD NOT BE ABLE TO OBTAIN NEEDED HEALTH CARE AND HEALTH RELATED SUPPORT SERVICES DURING FY 2014 EXETER HOSPITAL PROVIDED 2,466 TRANSPORTS AT A COST OF $110,434 YOUTH SUICIDE/SUBSTANCE AND PRESCRIPTION DRUG ABUSEUNITED WAY OF THE GREATER SEACOAST IN FY2014 EXETER HOSPITAL MADE FINANCIAL CONTRIBUTIONS TO THE UNITED WAY OF THE GREATER SEACOAST OF $18,750 SPECIFICALLY DESIGNATED TO SUPPORT THEIR EFFORTS IN YOUTH SUBSTANCE ABUSE PREVENTION AND EDUCATION SERVICES COMMUNITY HEALTH SERVICESCOMMUNITY EDUCATION PROGRAMS EXETER HOSPITAL PROVIDED COMMUNITY EDUCATION SERVICES AT AN EXPENSE OF $235,588 SERVING 2,180 PEOPLE CANCER WELLNESS AND DIABETES SUPPORT PROGRAMS DURING FY2014 EXETER HOSPITAL SERVED 1,325 PEOPLE IN ITS CANCER AND DIABETES PROGRAMS AT $126,552 RESEARCHTHE CENTER FOR CANCER CARE AT EXETER HOSPITAL PARTICIPATES IN SEVERAL NATIONAL RESEARCH GROUPS SPONSORED BY THE NATIONAL CANCER INSTITUTE, WHICH ENABLES THE CENTER TO OFFER CLINICAL TRIALS TO PATIENTS UNDERGOING TREATMENT AT EXETER HOSPITAL THESE OFFERINGS ALLOW PATIENTS TO VOLUNTARILY TAKE PART IN LEADING EDGE RESEARCH THAT DOES NOT NECESSITATE TRAVEL OUTSIDE OF THE SEACOAST AREA DURING FY 2014, EXETER HOSPITAL PROVIDED $145,773 FOR CLINICAL TRIALS AND RESEARCH THAT SERVED 601 PATIENTS

Form and Line Reference	Explanation
PART VI, LINE 6	A NETWORK OF CARINGEXETER HOSPITAL, INC IS ONE OF THREE AFFILIATES OF EXETER HEALTH RESOURCES AT EACH OF THE AFFILIATED COMPANIES, EXETER IS COMMITTED TO PROVIDING HEALTH CARE SERVICES THAT ARE INNOVATIVE, PROGRESSIVE AND FOCUSED ON QUALITY AND THE WELL-BEING OF PATIENTS THE MISSION OF EXETER HEALTH RESOURCES AND ITS AFFILIATES IS TO IMPROVE THE HEALTH OF THE COMMUNITY BY SUPPORTING THE PROVISION OF HEALTH SERVICES AND INFORMATION TO THE COMMUNITY DURING FISCAL YEAR 2014, EXETER HOSPITAL, CORE PHYSICIANS AND ROCKINGHAM VNA & HOSPICE HAVE CONTINUED THE PURSUIT OF THIS MISSION PROVIDING $24,098,293 IN CHARITY CARE AND OTHER COMMUNITY BENEFIT PROGRAMS AND SERVICES TO COMMUNITIES IN THE AREAS SERVED EXETER HOSPITAL IS A 100-BED COMMUNITY-BASED HOSPITAL SERVING NEW HAMPSHIRE'S SEACOAST REGION THE HOSPITAL'S SCOPE OF CARE INCLUDES COMPREHENSIVE MEDICAL AND SURGICAL HEALTH CARE SERVICES BUT NOT LIMITED TO BREAST HEALTH, MATERNAL/CHILD AND REPRODUCTIVE MEDICINE, CARDIOVASCULAR, GASTROENTEROLOGY, SLEEP MEDICINE, OCCUPATIONAL AND EMPLOYEE HEALTH, ONCOLOGY, ORTHOPAEDICS, AND EMERGENCY CARE SERVICES EXETER HOSPITAL IS ACCREDITED BY DNV HEALTHCARE, INC (AN OFFICIALLY DEEMED MEDICARE AND MEDICAID CREDENTIALING AGENCY) AND IS A MAGNET RECOGNIZED HOSPITAL MAGNET DESIGNATION FROM THE AMERICAN NURSES CREDENTIALING CENTER IS THE MOST PRESTIGIOUS DISTINCTION A HEALTH CARE ORGANIZATION CAN RECEIVE FOR NURSING EXCELLENCE AND HIGH QUALITY PATIENT CARE CORE PHYSICIANS IS A COMMUNITY-BASED, MULTI-SPECIALTY GROUP PRACTICE PROVIDING COMPREHENSIVE PRIMARY, SPECIALTY AND PEDIATRIC DENTAL CARE THROUGHOUT THE GREATER SEACOAST REGION OVER 160 PROVIDERS IN 32 LOCATIONS PURSUE EXCEPTIONAL PATIENT SATISFACTION THROUGH CLINICAL COMPETENCE AND PROFESSIONAL OFFICE ADMINISTRATION ROCKINGHAM VISITING NURSE ASSOCIATION & HOSPICE IS A COMMUNITY-BASED HOME HEALTH AND HOSPICE AGENCY PROVIDING INDIVIDUALS AND FAMILIES WITH THE HIGHEST QUALITY HOME CARE, HOSPICE AND COMMUNITY OUTREACH PROGRAMS WITHIN ROCKINGHAM COUNTY AND THE SURROUNDING TOWNS OF BARRINGTON, LEE AND DURHAM

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

Additional Data

Software ID:
Software Version:
EIN: 22-2674014
Name: EXETER HOSPITAL INC

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
EXETER HOSPITAL	
EXETER HOSPITAL	PART V, SECTION B, LINE 20D THE HOSPITAL USED AMOUNTS BASED ON FEDERAL POVERTY GUIDELINES AND SLIDING SCALE AS SHOWN BELOW FAMILY DISCOUNT PERCENTAGESIZE 100% 80% 60% 40% 20% 1 23 ,340 23,341-32,676 32,677-37,344 37,345-42,012 42,013-46,680 2 31,460 31,461-44,044 44,045 -50,336 50,337-56,628 56,629-62,9203 39,580 39,581-55,412 55,413-63,328 63,329-71,244 71,2 45-79,160 4 47,700 47,701-66,780 66,781-76,320 76,321-85,860 85,861-95,400 5 55,820 55,821 -78,148 78,149-89,312 89,313-100,476 100,477-111,640 6 63,940 63,941-89,516 89,517-102,30 5- 115,093- 102,304 115,092 127,880 7 72,060 72,061- 100,885- 115,297- 129,709- 100,884 11 5,296 129,708 144,1208 80,180 80,181- 112,253- 128,289- 144,325- 112,252 128,288 144,324 1 60,360

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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
EXETER HOSPITAL INC

Employer identification number
22-2674014

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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 12

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

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

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

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

Return Reference	Explanation
PART I, LINE 2	ALL REQUESTS FOR GRANTS/CONTRIBUTIONS/SPONSORSHIPS OVER $5,000 REQUIRE THE APPROVAL OF AT LEAST THE VICE PRESIDENT OF STRATEGY, COMMUNITY RELATIONS AND DEVELOPMENT TO ENSURE THAT THEY ARE CONSISTENT WITH OUR MISSION, VALUES AND STRATEGIC PLAN LARGE GRANTS LIKE THOSE GIVEN TO LAMPREY, DARTMOUTH HITCHCOCK CLINIC, AND FAMILIES FIRST ARE ALSO REVIEWED BY THE CHIEF FINANCIAL OFFICER AND CHIEF EXECUTIVE OFFICER PRIOR TO APPROVAL EACH OF THOSE REQUESTING ORGANIZATIONS EITHER PROVIDES A WRITTEN SUMMARY OF HOW THEY HAVE USED OUR PREVIOUS SUPPORT AS WELL AS THEIR SPECIFIC PLANS FOR ANY NEW REQUESTED FUNDING OR THEY MAKE A PRESENTATION IN PERSON USUALLY TO THE CHIEF FINANCIAL OFFICER, THE CHIEF EXECUTIVE OFFICER AND THE VICE PRESIDENT OF STRATEGY, COMMUNITY RELATIONS AND DEVELOPMENT EACH YEAR A SUB COMMITTEE OF EXETER HEALTH RESOURCES' (PARENT COMPANY) BOARD OF TRUSTEES IS CHARGED WITH OVERSEEING OUR COMMUNITY BENEFITS PROGRAM AND OUR COMMUNITY NEEDS ASSESSMENT AND REVIEWS A DETAILED REPORT ON THE PREVIOUS YEAR'S GRANTS/ CONTRIBUTIONS/SPONSORSHIPS AND APPROVES THE CURRENT YEAR'S PLAN FOR COMMUNITY SUPPORT THAT SUB COMMITTEE AND THE LARGER EXETER HEALTH RESOURCES' (PARENT COMPANY) BOARD OF TRUSTEES ARE REGULARLY UPDATED ON OUR COMMUNITY SUPPORT INITIATIVES

Additional Data

Software ID:
Software Version:
EIN: 22-2674014
Name: EXETER HOSPITAL INC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
LAMPREY HEALTHCARE INC 207 SOUTH MAIN STREET NEWMARKET, NH 03857	23-7305106	501(C)(3)	380,000				SUPPORTS THE PROVISION OF HIGH QUALITY MEDICAL CARE AND HEALTH RELATED SERVICES TO THE COMMUNITIES IT SERVES REGARDLESS OF THE PATIENTS ABILITY TO PAY

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FAMILIES FIRST OF THE GREATER SEACOAST 100 CAMPUS DRIVE SUITE 12 PORTSMOUTH,NH 03801	22-2757341	501(C)(3)	52,875				ANNUAL FUNDING CONTRIBUTION THAT HELPS FAMILIES FIRST CONTINUE TO PROVIDE A BROAD RANGE OF HEALTH AND FAMILY SERVICES TO ALL REGARDLESS OF ABILITY TO PAY

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNITED WAY OF THE GREATER SEACOAST 112 CORPORATE DR UNIT 3 PORTSMOUTH,NH 03801	04-2382233	501(C)(3)	22,000				GRANT TO SUPPORT HEALTHCARE RELATED PROGRAMMING AND VOLUNTEERISM

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
AMERICAN CANCER SOCIETY INC 250 WILLIAMS STREET NW ATLANTA,GA 30303	13-1788491	501(C)(3)	5,000				MAKING STRIDES SUPPORTER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
DARTMOUTH HITCHCOCK CLINIC ONE MEDICAL CENTER DR LEBANON, NH 03756	22-2519596	501(C)(3)	101,250				PROVIDE REGIONAL ACCESS IN THE GREATER EXETER SERVICE REGION TO DARTMOUTH HITCHCOCK'S PROGRAM THAT PROVIDES CLINICAL ASSESSMENTS FOR POSSIBLE CHILD VICTIMS OF MALTREATMENT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
COMMUNITY COLLEGES OF NEW HAMPSHIRE FOUNDATION 26 COLLEGE DRIVE CONCORD,NH 03301	02-0516490	501(C)(3)	5,000				CONTRIBUTION TO SUPPORT THE COMMUNITY COLLEGE TO MAKE HIGHER EDUCATION MORE ACCESSIBLE

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
NEW HEIGHTS ADVENTURES FOR TEENS 100 CAMPUS DRIVE SUITE 23 PORTSMOUTH,NH 03801	27-1918243	501(C)(3)	19,750				SUPPORTS THIS COMPREHENSIVE OUT-OF-SCHOOL PROGRAM FOR YOUNG PEOPLE TO DEVELOP THE COMPETENCE, CHARACTER, CONFIDENCE AND RESILIENCY FOR A HEALTHY SUCCESSFUL ADULTHOOD

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SOUTHERN DISTRICT YMCACAMP LINCOLN INC PO BOX 925 EXETER,NH 03833	04-3383996	501(C)(3)	6,000				CONTRIBUTION TO THE CAPITAL CAMPAIGN TO BUILD A FULL-SERVICE FACILITY YMCA IN THE TOWN OF EXETER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SOCIETY OF ST VINCENT DE PAUL EXETER INC PO BOX 176 EXETER,NH 03833	20-3945985	501(C)(3)	5,000				CONTRIBUTION TOWARDS THEIR MOBILE DENTAL VAN WHICH PROVIDES ORAL HEALTH SERVICES TO THE COMMUNITY

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
THE WILL TO LIVE FOUNDATION INC 300 BROGDON ROAD SUITE 140 SUWANEE,GA 30024	27-3886864	501(C)(3)	5,000				CONTRIBUTION TOWARDS THE SUICIDE PREVENTION OF YOUNG ADULTS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
INTERNATIONAL MEDICAL EQUIPMENT COLLABORATIVE 1620 OSGOOD STREET N ANDOVER,MA 01845	02-0489746	501(C)(3)		109,925	BOOK	CONTRIBUTION OF MEDICAL EQUIPMENT AND SUPPLIES	CONTRIBUTION OF MEDICAL EQUIPMENT AND SUPPLIES TO HOSPITALS AND CLINICS WHO SERVE THE NEEDY IN COUNTRIES OUTSIDE THE UNITED STATES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CORE PHYSICIANS LLC 5 ALUMNI DRIVE EXETER,NH 03833	87-0807914	501(C)(3)	22,938				REIMBURSMENT OF EXPENSES CORE INCURRED SUPPORTING "PATIENT ASSISTANCE PROGRAM RX" (MEDICATION BRIDGE)

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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
EXETER HOSPITAL INC

Employer identification number
22-2674014

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	TAX INDEMNIFICATION AND GROSS UP PAYMENTS WERE PROVIDED TO KEVIN CALLAHAN, NANCY BRAESE DO, KEVIN O'LEARY, CONSTANCE SPRAUER, BRIAN CAMPBELL AND KAREN CUE (FOR ACQUISITION OF SUPPLEMENTAL LONG TERM DISABILITY INSURANCE) THE BENEFIT WAS TREATED AS TAXABLE INCOME
PART I, LINE 1B	THERE WAS NO EXISTING POLICY CONCERNING TAX INDEMNIFICATION AND GROSS UP PAYMENTS HOWEVER, IN THE INSTANCE OF SUCH ACTION RELATED TO THE ACQUISITION OF LONG TERM DISABILITY INSURANCE DESCRIBED ABOVE, THE TAX INDEMNIFICATION AND GROSS UP PAYMENTS WERE APPROVED BY THE EXETER HEALTH RESOURCES BOARD OF TRUSTEES EXECUTIVE COMMITTEE WHICH IS COMPRISED OF DISINTERESTED PERSONS
PART I, LINE 3	THE CEO OF EXETER HOSPITAL, INC IS COMPENSATED BY A RELATED ORGANIZATION, EXETER HEALTH RESOURCES, INC EXETER HEALTH RESOURCES, INC USES A COMPENSATION COMMITTEE, AN INDEPENDENT COMPENSATION CONSULTANT, A COMPENSATION SURVEY AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
PART I, LINES 4A-B	THE ORGANIZATION'S PARENT (EXETER HEALTH RESOURCES, INC) MAINTAINS A SPLIT DOLLAR SUPPLEMENTAL RETIREMENT PLAN FOR TWO EXECUTIVES (LISTED BELOW WITH AMOUNTS) SELECTED BY THE EXETER HEALTH RESOURCES BOARD OF TRUSTEES THE PLAN IS CLOSED TO FUTURE PARTICIPANTS THE PLAN PROVIDES FOR ANNUAL PAYMENTS OF PREMIUMS FOR LIFE INSURANCE POLICIES INSURING THE LISTED INDIVIDUALS THOSE LIFE INSURANCE PREMIUMS ARE COLLATERALLY ASSIGNED TO THE CORPORATION AND ANY EXCESS ACCUMULATED VALUE IN THE POLICIES (NET OF ACCUMULATED PREMIUM PAYMENTS WHICH ARE RETURNED TO THE ORGANIZATION UPON THE EXECUTIVE ATTAINING THE AGE OF 70) IS AVAILABLE TO BE PAID TO THE PARTICIPANT ONCE VESTED AT AGE 62 AND UPON RETIREMENT FROM THE ORGANIZATION LIFE INSURANCE PREMIUM PAYMENTS DURING THE YEAR KEVIN CALLAHAN-$312,478 KEVIN O'LEARY-$146,277 KEVIN CALLAHAN - EXCESS ACCUMULATED VALUE - $1,618,484 KEVIN O'LEARY - EXCESS ACCUMULATED VALUE - $674,148 CERTAIN OF THE LISTED EMPLOYEES PARTICIPATE IN A NONQUALIFIED DEFERRED COMPENSATION PLAN AS DESCRIBED IN INTERNAL REVENUE CODE SECTION 457(F) SPONSORED BY EXETER HEALTH RESOURCES IN THE CALENDAR YEAR ENDED DEC 31, 2013 THE CONTRIBUTION TO THE PLAN FOR THE NON-VESTED BENEFIT OF KEVIN CALLAHAN WAS $160,000 AND THE CONTRIBUTION TO THE PLAN FOR THE NON-VESTED BENEFIT OF KEVIN O'LEARY WAS $68,000 PARTICIPANTS IN THE 457(F) PLAN DO NOT VEST UNTIL AGE 62 WHEN IT IS PAYABLE TO THE PARTICIPANT KAREN CUE RECEIVED A SEVERANCE PAYMENT OF $25,636
PART I, LINE 7	THE ORGANIZATION PROVIDES AN ANNUAL INCENTIVE COMPENSATION PLAN FOR EXECUTIVES SELECTED BY THE EXETER HEALTH RESOURCES BOARD OF TRUSTEES THESE EXECUTIVES INCLUDE KEVIN CALLAHAN, KEVIN O'LEARY, CONSTANCE SPRAUER AND BRIAN CAMPBELL THE BOARD AND / OR ITS EXECUTIVE COMMITTEE APPROVES MEASURABLE ACHIEVEMENT CRITERIA FOR QUALITY, PATIENT SATISFACTION, PROCESS IMPROVEMENT, FINANCIAL PERFORMANCE, SERVICES INNOVATION AND OTHER COMPELLING AREAS OF STRATEGIC AND OPERATIONAL INTEREST ADDITIONALLY, THE BOARD AND /OR ITS EXECUTIVE COMMITTEE ESTABLISHES MINIMUM, TARGETED AND MAXIMUM LEVELS FOR INCENTIVE AWARDS AND APPROVES ALL INCENTIVE AWARDS FOR PARTICIPATING EXECUTIVES RICHARD HOLLISTER MD AND NANCY BRAESE DO ARE COMPENSATED UNDER CORE PHYSICIANS, LLC'S COMPENSATION PROGRAM COMPENSATION IS DETERMINED USING SURVEYS OF CURRENT COMPENSATION WITHIN COMPARABLE MARKETS AND THE ADVICE OF OUTSIDE CONSULTANTS THE PHYSICIANS' COMPENSATION IS APPROVED BY CORE PHYSICIANS, LLC'S COMPENSATION COMMITTEE WHICH IS COMPRISED OF SYSTEM MANAGERS WHO ARE APPROVED BY THE EXETER HEALTH RESOURCES INC BOARD OF TRUSTEES JONATHAN JACKSON, JANE PETERSON, DEANNA KING, KAREN CUE AND JUDITH RINES PARTICIPATE IN AN ANNUAL INCENTIVE PROGRAM WHICH IS ADMINISTERED BY EXETER HOSPITAL'S HUMAN RESOURCES DEPARTMENT THE PROGRAM INCLUDES MEASURABLE ACHIEVEMENT CRITERIA FOR PERFORMANCE AND SERVICE INNOVATION

Additional Data

Software ID:
Software Version:
EIN: 22-2674014
Name: EXETER HOSPITAL INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
KEVIN J CALLAHAN CEO/TRUSTEE	(I) (II)	0 543,852	0 121,000	0 74,941	0 167,650	0 30,770	0 938,213	0 0
NANCY BRAESE DO DIRECTOR THRU 3/2014	(I) (II)	0 124,122	0 26,532	0 24,183	0 3,742	0 31,712	0 210,291	0 0
RICHARD HOLLISTER MD EX-OFFICIO MEMBER	(I) (II)	0 332,904	0 88,508	0 17,770	0 5,100	0 31,221	0 475,503	0 0
KEVIN J O'LEARY CFO/TREASURER	(I) (II)	0 297,107	0 70,620	0 55,046	0 75,650	0 20,946	0 519,369	0 0
CONSTANCE D SPRAUER SR VP LEGAL AFFAIRS/SECRET	(I) (II)	0 250,354	0 51,500	0 46,123	0 15,300	0 21,190	0 384,467	0 0
BRIAN CAMPBELL VP-AMBUL CARE	(I) (II)	159,418 0	52,845 0	40,940 0	15,300 0	30,602 0	299,105 0	0 0
JONATHAN A JACKSON PHYSICIST	(I) (II)	202,663 0	2,115 0	21,901 0	13,805 0	3,398 0	243,882 0	0 0
JANE PETERSON DIRECTOR	(I) (II)	145,474 0	16,190 0	19,966 0	11,048 0	2,964 0	195,642 0	0 0
DEANNA KING DIRECTOR	(I) (II)	151,659 0	9,050 0	7,214 0	10,361 0	30,534 0	208,818 0	0 0
JUDITH RINES DIRECTOR	(I) (II)	136,496 0	14,136 0	8,062 0	4,886 0	30,478 0	194,058 0	0 0
KAREN CUE PHARMACIST INFORMATICS SPECIALIST	(I) (II)	123,429 0	2,396 0	44,693 0	8,193 0	14,495 0	193,206 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	NH HEALTH AND EDUCATION FACILITIES AUTHORITY	02-0279866	644614GH6	11-20-2003	20,000,000	RENOVATION AND EXPANSION PROJECTS ON THE HOSPITAL CAMPUS		X	X			X
B	NH HEALTH AND EDUCATION FACILITIES AUTHORITY	02-0279866	NONEAVAIL	02-09-2012	32,565,000	REFINANCING AND REFUNDING PRIOR BOND ISSUANCE		X	X			X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	20,000,000	32,565,000		
4	Gross proceeds in reserve funds	19,892,600			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	256,727	215,404		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	19,635,873			
11	Other spent proceeds		32,349,596		
12	Other unspent proceeds				
13	Year of substantial completion	2006	2012		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %					
6	Total of lines 4 and 5	0 %		0 %					
7	Does the bond issue meet the private security or payment test?	X		X					
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

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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
EXETER HOSPITAL INC

Employer identification number
22-2674014

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	EXETER HEALTH RESOURCES, INC , A CHARITABLE ORGANIZATION ACTING THROUGH ITS BOARD OF TRUSTEES IS THE SOLE MEMBER OF THE ORGANIZATION

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	EXETER HEALTH RESOURCES, INC ELECTS 11 OF THE 13 MEMBERS OF THE EXETER HOSPITAL BOARD OF TRUSTEES

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE SOLE MEMBER, EXETER HEALTH RESOURCES, INC , HAS THE RIGHT TO APPROVE DECISIONS OF THE GOVERNING BODY

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE 990 IS PREPARED BY AN OUTSIDE TAX ACCOUNTANT WITH INFORMATION PROVIDED BY THE ORGANIZATION THE 990 IS REVIEWED BY THE ORGANIZATION'S TREASURER THEN PRESENTED TO THE BOARD OF TRUSTEES BEFORE IT IS FILED WITH THE IRS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	THE BOARD OF TRUSTEES HAS ADOPTED A CONFLICT OF INTEREST POLICY THAT REQUIRES THE DISCLOSURE OF CONFLICTS OF INTEREST EITHER WHEN THE INTEREST BECOMES A MATTER OF POSSIBLE ACTION BY THE BOARD OR DURING AN ANNUAL DISCLOSURE PROCESS TRUSTEES, OFFICERS, AND KEY EMPLOYEES, AS WELL AS ALL MEMBERS OF SENIOR MANAGEMENT, ARE PART OF THE ANNUAL DISCLOSURE PROCESS, WHICH IS INITIATED BY THE ISSUANCE OF A MEMORANDUM AND ACCOMPANYING QUESTIONNAIRE BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO) ALL DISCLOSURES ARE REVIEWED ANY TRUSTEE WITH A CONFLICT OF INTEREST IS REQUIRED TO ABSTAIN FROM VOTING AND IS NOT INCLUDED IN A QUORUM DETERMINATION ON THE MATTER AND ANY OFFICER, KEY EMPLOYEE, OR MEMBER OF SENIOR MANAGEMENT WITH A CONFLICT DOES NOT TAKE PART IN MAKING AND IS NOT PRESENT FOR ANY DECISION REGARDING THE MATTER THE POLICY IS MONITORED AND ENFORCED BY BOTH THE PRESIDENT AND CEO AND THE FULL BOARD THERE ARE TWO ADDITIONAL CONFLICTS OF INTEREST POLICIES ONE IS APPLICABLE TO ALL EMPLOYEES AND CONTRACTED STAFF AND THE OTHER IS APPLICABLE TO MEMBERS OF THE MEDICAL STAFF AND ALLIED HEALTH PROFESSIONALS THE FORMER POLICY IS MONITORED AND ENFORCED BY THE VICE PRESIDENT OF HUMAN RESOURCES AND THE VICE PRESIDENT OF CORPORATE INTEGRITY AND COMPLIANCE AND THE LATTER IS MONITORED AND ENFORCED BY THE PRESIDENT OF THE MEDICAL STAFF, PRESIDENT AND CEO, GENERAL COUNSEL, AND COMPLIANCE OFFICER ON AN ANNUAL BASIS, STAFF WITHIN HUMAN RESOURCES SURVEY ALL EMPLOYEES AND CONTRACTED STAFF SERVING IN A MANAGERIAL ROLE, AS WELL AS MEMBERS OF ANY COMMITTEES THAT MAKE RECOMMENDATIONS OR DECISIONS REGARDING THE PURCHASE OF GOODS OR SERVICES BY ANY OF THE CORPORATIONS AS A MEANS TO ENSURE THAT ANY CONFLICT OF INTEREST IS DISCLOSED AND APPROPRIATELY MANAGED EMPLOYEES OTHERWISE ARE REQUIRED TO SUPPLEMENT OR MAKE ANY FURTHER WRITTEN DISCLOSURE AT THE TIME A CONFLICT ARISES

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE ORGANIZATION'S PARENT (EXETER HEALTH RESOURCES) HAS A FORMAL PROCESS FOR DETERMINING TOTAL COMPENSATION FOR THE CEO AND OTHER LISTED OFFICERS THAT IS INTENDED TO PROVIDE REASONABLE COMPENSATION FOR ACHIEVING THE ORGANIZATION'S MISSION, TO RECOGNIZE INDIVIDUAL AND TEAM PERFORMANCE, AND TO COMPLY WITH THE ORGANIZATION'S OBLIGATIONS AS A TAX-EXEMPT CHARITABLE ORGANIZATION THE EXECUTIVE COMMITTEE OF THE EXETER HEALTH RESOURCES' BOARD OF TRUSTEES CONDUCTS AN ANNUAL REVIEW OF THE COMPENSATION OF THE CEO, OTHER LISTED OFFICERS AND KEY EMLOYEES IN DOING SO, THE COMMITTEE RETAINS A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT TO CONDUCT COMPETITIVE MARKET ANALYSIS OF THE MARKET RANGES OF BASE, INCENTIVE, AND TOTAL CASH COMPENSATION, AND TO PROVIDE ADVICE CONCERNING THE REASONABLENESS OF THE COMPENSATION OF THE CEO, OTHER LISTED OFFICERS AND KEY EMPLOYEES THE COMMITTEE UTILIZES THAT ANALYSIS AND OTHER APPROPRIATE INFORMATION IN CONNECTION WITH ITS ANNUAL REVIEW AND MAKES RECOMMENDATIONS TO THE FULL BOARD OF EXETER HEALTH RESOURCES FOR ADJUSTMENT OF THE CEO'S COMPENSATION AND THE COMPENSATION FOR OTHER LISTED OFFICERS INFORMATION WHICH THE COMMITTEE MAY CONSIDER CAN INCLUDE BUT IS NOT LIMITED TO THE PERFORMANCE OF AN INDIVIDUAL AND/OR THAT INDIVIDUAL'S CONTRIBUTIONS TO A TEAM, THE PERFORMANCE OF THE ORGANIZATION IN WHOLE AND IN PART, THE ELEMENTS OF TOTAL COMPENSATION AND SALARY HISTORY, THE ORGANIZATION'S COMPENSATION TARGETS, AND COMPARABILITY DATA,INCLUDING THE DATA PREPARED BY THE INDEPENDENT CONSULTANT AND REVIEWED WITH THE COMMITTEE. THE COMMITTEE INCORPORATES A PERFORMANCE APPRAISAL PROCESS IN THE CEO'S, OTHER LISTED OFFICERS' AND KEY EMPLOYEES' COMPENSATION REVIEW THE CEO, OTHER LISTED OFFICERS AND KEY EMPLOYEES ARE NOT PRESENT WHEN THE COMMITTEE DISCUSSES THEIR RESPECTIVE COMPENSATION IN ADDITION, THE COMMITTEE DETERMINES IF THE THRESHOLD REQUIREMENTS FOR INCENTIVE AWARDS ARE MET, CONSISTING OF THE ORGANIZATION'S PERFORMANCE RESULTS FOR QUALITY, OPERATING SYSTEM EXCELLENCE AND FINANCIAL PERFORMANCE. THE RESULTS OF THE COMMITTEE'S DELIBERATIONS ARE PRESENTED TO THE EXETER HEALTH RESOURCES BOARD AND INCLUDE RECOMMENDATIONS CONCERNING SALARY RANGE ADJUSTMENTS AND INCENTIVE AWARDS AND THE BASIS FOR THE COMMITTEE'S DECISIONS / RECOMMENDATIONS THE DELIBERATIONS OF THE EXETER HEALTH RESOURCES BOARD ARE CONDUCTED IN EXECUTIVE SESSION WITH THE INDEPENDENT MEMBERS OF THE BOARD BUT DO INCLUDE THE CEO ONLY FOR THAT PERIOD OF TIME IN WHICH THE EXETER HEALTH RESOURCES BOARD HAS QUESTIONS CONCERNING THE PERFORMANCE OF ANY LISTED OFFICER OR KEY EMPLOYEE OTHER THAN THE CEO THE EXETER HEALTH RESOURCES BOARD REVIEWS THE CEO'S PERFORMANCE AND DETERMINES IF THE ADJUSTMENTS AND AWARDS RECOMMENDED BY THE COMMITTEE FOR THE CEO ARE IN THE ORGANIZATION'S BEST INTEREST AND FOR THE BENEFIT OF THE ORGANIZATION AND ITS PARENT ORGANIZATION FOR THE OTHER LISTED OFFICER POSITIONS, ADJUSTMENTS AND INCENTIVE AWARDS ARE APPROVED UPON RECOMMENDATION OF THE CEO BY THE EXECUTIVE COMMITTEE WITHIN THE EXETER HEALTH RESOURCES BOARD APPROVED PARAMETERS AND RATIFIED BY THE EXETER HEALTH RESOURCES BOARD OF TRUSTEES ADJUSTMENTS AND AWARDS FOR OTHER LISTED KEY EMPLOYEES ARE APPROVED UPON RECOMMENDATION OF THE CEO BY THE EXECUTIVE COMMITTEE WITHIN THE EXETER HEALTH RESOURCES BOARD APPROVED PARAMETERS AND REVIEWED BY THE BOARD FORM 990, PART VI, SECTION B, LINE 16B ALTHOUGH WRITTEN POLICIES WERE NOT IN PLACE AS OF THE END OF THE YEAR COVERED BY THIS TAX RETURN REQUIRING THE ORGANIZATION TO EVALUATE ITS PARTICIPATION IN JOINT VENTURE ARRANGEMENTS UNDER APPLICABLE FEDERAL LAW TO ENSURE THAT THE ORGANIZATION'S EXEMPT STATUS IS PROTECTED, THE ORGANIZATION PERFORMED DUE DILIGENCE WITH RESPECT TO ITS JOINT VENTURE ARRANGEMENTS TO SAFEGUARD THE ORGANIZATION'S EXEMPT STATUS THE ORGANIZATION IS CONSIDERING ADOPTING FORMAL WRITTEN POLICIES BY THE END OF THE NEXT FISCAL YEAR

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THESE DOCUMENTS ARE AVAILABLE UPON REQUEST

Return Reference	Explanation
FORM 990, PART IX, LINE 24E	PHYSICIAN FEES PROGRAM SERVICE EXPENSES 7,426,448 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 7,426,448 SERVICE CONTRACTS PROGRAM SERVICE EXPENSES 5,604,895 MANAGEMENT AND GENERAL EXPENSES 837,513 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 6,442,408 CONTRACTED SERVICES PROGRAM SERVICE EXPENSES 3,783,826 MANAGEMENT AND GENERAL EXPENSES 565,399 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 4,349,225 OUTSIDE FEES PROGRAM SERVICE EXPENSES 2,460,363 MANAGEMENT AND GENERAL EXPENSES 367,641 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,828,004 INTEREST RATE SWAP PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 1,999,961 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,999,961 EQUIPMENT RENTAL PROGRAM SERVICE EXPENSES 919,765 MANAGEMENT AND GENERAL EXPENSES 137,436 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,057,201 COLLECTION FEES PROGRAM SERVICE EXPENSES 549,627 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 549,627 LAUNDRY/LINEN PROGRAM SERVICE EXPENSES 536,350 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 536,350 MISCELLANEOUS EXPENSE PROGRAM SERVICE EXPENSES 440,508 MANAGEMENT AND GENERAL EXPENSES 65,823 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 506,331 MAINTENANCE PROGRAM SERVICE EXPENSES 371,781 MANAGEMENT AND GENERAL EXPENSES 55,553 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 427,334 FREIGHT AND TRANSPORTATION PROGRAM SERVICE EXPENSES 331,988 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 331,988 DUES/SUBSCRIPTIONS PROGRAM SERVICE EXPENSES 242,590 MANAGEMENT AND GENERAL EXPENSES 36,249 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 278,839 MEDICAL LEADERSHIP/ FEES PROGRAM SERVICE EXPENSES 266,818 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 266,818 PROJECT/DESIGN COSTS PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 266,262 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 266,262 FINANCING FEES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 242,642 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 242,642 CONSULTING PROGRAM SERVICE EXPENSES 203,099 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 203,099 REFRESHMENTS PROGRAM SERVICE EXPENSES 149,263 MANAGEMENT AND GENERAL EXPENSES 22,304 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 171,567 STORAGE PROGRAM SERVICE EXPENSES 138,998 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 138,998 FUNDRAISING PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 18,076 TOTAL EXPENSES 18,076 PATIENT TRANSPORT PROGRAM SERVICE EXPENSES 13,950 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 13,950 MEDICAL DEVICE TAX PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 211 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 211

Return Reference	Explanation
F990, PART X	THE ORGANIZATION MAINTAINS A REVOCABLE SELF-INSURANCE TRUST TO FUND THE RELATED ACTUARIALLY DETERMINED LIABILITY FOR INCURRED BUT UNPAID CLAIMS THE ASSET AND CORRESPONDING LIABILITY ARE PRESENTED ON LINES 15 AND 25 IN THE CURRENT YEAR IN THE PRIOR YEAR, THE ASSET AND CORRESPONDING LIABILITY WERE OFFSET

Return Reference	Explanation
FORM 990, PART XI, LINE 9	TRANSFERS BETWEEN RELATED ENTITIES -13,502,854 PENSION ADJUSTMENT 710,467 ASSETS RELEASED -51,924

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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
EXETER HOSPITAL INC

Employer identification number
22-2674014

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) Section 512(b)(13) controlled entity? No
(1) EXETER HEALTH RESOURCES INC 5 ALUMNI DRIVE EXETER, NH 03833 02-0222126	MANAGEMENT AND SUPPORTING ORGANIZATION, HOLDING COMPANY	NH	501(C)(3)	11			No
(2) CORE PHYSICIANS LLC 5 ALUMNI DRIVE EXETER, NH 03833 87-0807914	PHYSICIAN PRACTICES	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
(3) ROCKINGHAM VISITING NURSE ASSOC 5 ALUMNI DRIVE EXETER, NH 03833 02-0274905	HOME CARE, HOSPICE	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
(4) MATRIX HEALTH INC 5 ALUMNI DRIVE EXETER, NH 03833 02-0473737	MANAGE RESOURCES	NH	501(C)(3)	11	EXETER HEALTH RESOURCES INC		No
(5) EXETER MED REAL 5 ALUMNI DRIVE EXETER, NH 03833 02-0418718	REAL ESTATE HOLDING	NH	501(C)(25)		EXETER HEALTH RESOURCES INC		No
(6) EXETER HEALTH RESOURCES SELF INSURANCE TRUST 5 ALUMNI DRIVE EXETER, NH 03833 20-0753662	SELF INSURANCE TRUST	NH	501(C)(3)	11	EXETER HEALTH RESOURCES INC		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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) CONVERGENT HEALTH SYSTEMS INC 5 ALUMNI DRIVE EXETER, NH 03833 02-0469711	WELLNESS CENTER	NH	EXETER HEALTH RESOURCES INC	C					No
(2) VX HEALTH SERVICES 5 ALUMNI DRIVE EXETER, NH 03833 02-0469712	FITNESS CENTER	NH	CONVERGENT HEALTH SYSTEMS INC	C					No
(3) EXETER MEDICAL SERVICES 5 ALUMNI DRIVE EXETER, NH 03833 02-0419850	INACTIVE PHYSICIAN PRACTICE	NH	CONVERGENT HEALTH SYSTEMS INC	C					No
(4) CORE HEALTH SERVICES OF MA 5 ALUMNI DRIVE EXETER, NH 03833 20-1598042	INACTIVE PHYSICIAN PRACTICE	MA	EXETER HEALTH RESOURCES INC	C					No

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) EXETER MED REAL	K	1,540,033	CASH
(2) EXETER MED REAL	L	277,284	CASH

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 22-2674014
Name: EXETER HOSPITAL INC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) EXETER HEALTH RESOURCES INC 5 ALUMNI DRIVE EXETER, NH 03833 02-0222126	MANAGEMENT AND SUPPORTING ORGANIZATION, HOLDING COMPANY	NH	501(C)(3)	11			No
(1) CORE PHYSICIANS LLC 5 ALUMNI DRIVE EXETER, NH 03833 87-0807914	PHYSICIAN PRACTICES	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
(2) ROCKINGHAM VISITING NURSE ASSOC 5 ALUMNI DRIVE EXETER, NH 03833 02-0274905	HOME CARE, HOSPICE	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
(3) MATRIX HEALTH INC 5 ALUMNI DRIVE EXETER, NH 03833 02-0473737	MANAGE RESOURCES	NH	501(C)(3)	11	EXETER HEALTH RESOURCES INC		No
(4) EXETER MED REAL 5 ALUMNI DRIVE EXETER, NH 03833 02-0418718	REAL ESTATE HOLDING	NH	501(C)(25)		EXETER HEALTH RESOURCES INC		No
(5) EXETER HEALTH RESOURCES SELF INSURANCE TRUST 5 ALUMNI DRIVE EXETER, NH 03833 20-0753662	SELF INSURANCE TRUST	NH	501(C)(3)	11	EXETER HEALTH RESOURCES INC		No

Exeter Hospital, Inc.

Audited Financial Statements

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

EXETER HOSPITAL, INC.

AUDITED FINANCIAL STATEMENTS

September 30, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Exeter Hospital, Inc.

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
December 17, 2014

EXETER HOSPITAL, INC.

BALANCE SHEETS

September 30, 2014 and 2013

ASSETS

	2014	2013
Current assets:		
Cash and cash equivalents	$ 21,692,879	$ 18,403,121
Short-term investments (notes 7 and 8)	15,359,717	21,294,957
Accounts receivable, less allowance for doubtful accounts of $14,045,086 in 2014 and $11,964,284 in 2013 (note 4)	19,684,386	20,268,282
Inventories	2,893,065	2,712,209
Due from related entities (note 10)	1,972,861	1,341,944
Prepaid expenses and other current assets (note 3)	2,607,901	3,461,103
Current portion of funds held by trustee under revenue bond agreements (notes 6, 7 and 8)	10,022,354	1,251,250
Total current assets	74,233,163	68,732,866
Investments, limited as to use (notes 7 and 8)	137,246,693	135,972,642
Funds held by trustee under revenue bond agreements (notes 6, 7 and 8)	–	13,330
Property, plant and equipment, net (notes 5 and 6)	61,931,446	65,609,330
Amounts due from Parent Company self-insurance trust for professional liability claims (note 2)	2,326,999	2,483,335
Other assets	618,847	662,898
Total assets	$276,357,148	$273,474,401

LIABILITIES AND NET ASSETS

	2014	2013
Current liabilities:		
Accounts payable	$ 9,586,953	$ 9,664,980
Accrued salaries and payroll taxes	8,711,449	8,506,654
Accrued interest	33,002	--
Due to third-party payors (note 3)	4,494,473	4,070,633
Current portion of long-term debt (note 6)	2,325,000	2,215,000
Total current liabilities	25,150,877	24,457,267
Accrued pension and other liabilities (notes 6, 8 and 9)	16,487,836	15,522,504
Long-term debt, less current portion (note 6)	53,625,565	55,945,952
Reserve for professional liability claims (notes 2 and 13)	2,326,999	2,483,335
Net assets:		
Unrestricted	161,761,072	158,059,210
Temporarily restricted	235,478	236,812
Permanently restricted	16,769,321	16,769,321
	178,765,871	175,065,343
Total liabilities and net assets	$276,357,148	$273,474,401

See accompanying notes.

EXETER HOSPITAL, INC.

STATEMENTS OF OPERATIONS

Years Ended September 30, 2014 and 2013

	2014	2013
Net patient service revenues, net of contractual allowances and discounts (note 3)	$193,250,081	$183,613,156
Less provision for bad debts	(14,755,338)	(12,331,212)
Net patient service revenues less provision for bad debts	178,494,743	171,281,944
Disproportionate share funding (note 14)	2,619,600	–
Other revenues (note 3)	3,190,484	3,343,738
Net assets released from restrictions used for operations (note 10)	55,966	129,584
Total revenues and other support	184,360,793	174,755,266
Operating expenses (note 12):		
Salaries and benefits (notes 9 and 10)	86,418,320	89,325,741
Supplies and other	67,853,269	66,918,720
Depreciation	9,961,966	10,647,930
New Hampshire Medicaid enhancement tax (note 14)	9,852,049	9,005,628
Interest	471,946	497,567
Total operating expenses	174,557,550	176,395,586
Income (loss) from operations	9,803,243	(1,640,320)
Nonoperating gains (losses):		
Unrestricted contributions	11,207	10,242
Investment income and dividends (note 7)	1,513,204	1,784,363
Realized gains on investments, net (note 7)	5,311,226	3,307,942
Unrealized gains on investments, net (note 7)	2,106,015	6,256,198
Impact of interest rate swaps (note 6)	(1,999,961)	2,822,978
Contributions to community programs	(602,075)	(820,991)
Other	348,880	16,639
Nonoperating gains (losses), net	6,688,496	13,377,371
Excess of revenues and other support, and nonoperating gains (losses) over expenses from continuing operations	16,491,739	11,737,051
Loss from discontinued operations (note 1)	–	(232,107)
Excess of revenues and other support, and nonoperating gains (losses) over expenses	16,491,739	11,504,944
Net transfers to affiliates (note 10)	(13,502,854)	(16,898,654)
Adjustment to pension liability (note 9)	710,467	4,185,464
Net assets released from restrictions used for capital purchases	2,510	–
Increase (decrease) in unrestricted net assets	$ 3,701,862	$ (1,208,246)

See accompanying notes.

EXETER HOSPITAL, INC.

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2014 and 2013

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
Balances at October 1, 2012	$ 159,267,456	$239,506	$16,769,321	$176,276,283
Excess of revenues and other support, and nonoperating gains (losses) over expenses	11,504,944	–	–	11,504,944
Restricted gifts, bequests and contributions	–	41,887	–	41,887
Adjustment to pension liability	4,185,464	–	–	4,185,464
Net transfers to affiliates	(16,898,654)	–	–	(16,898,654)
Net assets released from restrictions used for operations	–	(44,581)	–	(44,581)
Decrease in net assets	(1,208,246)	(2,694)	–	(1,210,940)
Balances at September 30, 2013	158,059,210	236,812	16,769,321	175,065,343
Excess of revenues and other support, and nonoperating gains (losses) over expenses	16,491,739	–	–	16,491,739
Restricted gifts, bequests and contributions	–	53,100	–	53,100
Adjustment to pension liability	710,467	–	–	710,467
Net transfers to affiliates	(13,502,854)	–	–	(13,502,854)
Net assets released from restrictions used for operations	–	(51,924)	–	(51,924)
Net assets released from restrictions used for capital purchases	2,510	(2,510)	–	–
Increase (decrease) in net assets	3,701,862	(1,334)	–	3,700,528
Balances at September 30, 2014	$ 161,761,072	$235,478	$16,769,321	$178,765,871

See accompanying notes

EXETER HOSPITAL, INC.

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2014 and 2013

	2014	2013
Operating activities and net gains:		
Increase (decrease) in net assets	$ 3,700,528	$ (1,210,940)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities and net gains (losses) from continuing operations:		
Depreciation and amortization	10,007,418	10,695,548
Loss from discontinued operations	–	232,107
Net realized and unrealized gains on investments	(7,417,241)	(9,564,140)
Restricted gifts, bequests and contributions	(53,100)	(41,887)
Net transfers to affiliates	13,502,854	16,898,654
Adjustment to pension liability	(710,467)	(4,185,464)
Adjustment of interest rate swaps to fair value	102,781	(4,779,575)
Changes in operating assets and liabilities:		
Accounts receivable, net	583,896	(936,981)
Inventories	(180,856)	(8,714)
Amounts due (to) from related entities	(630,917)	478,835
Other current and noncurrent assets	856,414	(159,710)
Accounts payable	(78,027)	(4,349,106)
Accrued salaries and payroll taxes	204,795	128,041
Accrued interest	33,002	–
Due to third-party payors	423,840	–
Accrued pension and other liabilities	1,573,018	1,027,063
Net cash provided by operating activities and net gains (losses) from continuing operations	21,917,938	4,223,731
Net cash flows used by discontinued operations	–	(1,287,299)
Net cash provided by operating activities and net gains (losses)	21,917,938	2,936,432
Investing activities:		
Purchase of property, plant and equipment, net of disposals	(6,284,082)	(4,344,934)
(Increase) decrease in funds held by trustee under revenue bond agreement	(8,757,774)	3,026,289
Net sales (purchases) of investments	6,143,190	(1,789,414)
Decrease in short-term investments	5,935,240	203,223
Net cash used by investing activities	(2,963,426)	(2,904,836)
Financing activities:		
Repayment of long-term debt	(2,215,000)	(2,115,000)
Net transfers to affiliates	(13,502,854)	(16,898,654)
Restricted gifts, bequests and contributions	53,100	41,887
Net cash used by financing activities	(15,664,754)	(18,971,767)
Increase (decrease) in cash and cash equivalents	3,289,758	(18,940,171)
Cash and cash equivalents at beginning of year	18,403,121	37,343,292
Cash and cash equivalents at end of year	$ 21,692,879	$ 18,403,121

See accompanying notes.

1. Organization

Exeter Hospital, Inc. is a not-for-profit acute care hospital which primarily serves residents of New Hampshire. Exeter Hospital, Inc. is controlled by Exeter Health Resources, Inc (Resources), a not-for-profit corporation which functions as the parent company to the Hospital.

On August 31, 2013, Exeter Healthcare, Inc (Healthcare) merged with Exeter Hospital, Inc In accordance with accounting rules for entities under common control, these financial statements reflect the financial position, results of operations and cash flows as if this merger had occurred at the beginning of the reporting period. These entities are collectively referred to as "the Hospital" in these financial statements The operating results and activity of Healthcare is reflected in discontinued operations in the statements of operations and cash flows for the year ended September 30, 2013.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for the allowance for doubtful accounts, long-lived assets, insurance costs, employee benefit plans, contractual allowances, third-party payor settlements and the assessment of litigation and contingencies. It is reasonably possible that actual results could differ from those estimates

Classification of Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. During fiscal 2014 and 2013, the Hospital appropriated all earnings on these funds to offset the costs of patient care activities in accordance with the intent of the donor. Income earned on permanently restricted net assets, including net realized and unrealized appreciation on investments, is included in the statement of operations as unrestricted resources.

2. Significant Accounting Policies (Continued)

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

Performance Indicator

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

The statement of operations also includes excess of revenues and other support, and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and other support, and nonoperating gains (losses) over expenses, consistent with industry practice, include net assets released from restrictions for capital purchases, pension liability adjustments, and transfers to affiliates for other than goods and services.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the tax positions of the Hospital and has concluded that it has maintained its tax-exempt status, does not have any significant unrelated business income, and has taken no uncertain tax positions that require adjustment to the financial statements

With few exceptions, the Hospital is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2011.

Net Patient Service Revenues

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates and also provides a discount for patients without insurance from these rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur.

2. Significant Accounting Policies (Continued)

Charity Care

The Hospital has a formal charity care policy under which patient care is provided without charge or at amounts less than its established rates to patients who meet certain criteria. The Hospital rendered charity care in accordance with its formal charity care policy. The Hospital does not pursue collection of amounts determined to qualify as charity care, and therefore such amounts are not reported as revenue.

The Hospital determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The estimated costs of caring for charity care patients for the years ended September 30, 2014 and 2013 were $4,218,044 and $4,580,610, respectively. There were no funds received from gifts and grants to subsidize charity care services provided for the years ended September 30, 2014 or 2013.

Cash and Cash Equivalents

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

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

Accounts Receivable and the Allowance for Doubtful Accounts

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

2. Significant Accounting Policies (Continued)

The Hospital's allowance for doubtful accounts for self-pay patients increased from 81% of self-pay accounts receivable at September 30, 2013 to 98% of self-pay accounts receivable at September 30, 2014. The Hospital's self-pay bad debt writeoffs increased $68,000 from $9,416,000 in 2013 to $9,484,000 in 2014. The net change in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends

Inventories

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

Funds Held by Trustee Under Revenue Bond Agreements

Funds held by trustee under revenue bond and interest rate swap collateral asset agreements are recorded at fair value and are comprised of short-term investments, guaranteed investment contracts and United States Government obligations.

Investments and Investment Income

Investments are measured at fair value in the balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, and interest and dividends) is included in the excess of revenues and other support, and nonoperating gains (losses) over expenses as the Hospital has elected to reflect changes in fair value of investments and investments limited as to use in nonoperating gains, including both increases and decreases in value whether realized or unrealized, unless the income or loss is restricted by donor or law, in which case it would be reported as a change in temporarily or permanently restricted net assets.

Endowment, Investment and Spending Policies

The Hospital has adopted the investment policy for the management and investment of board designated and endowment funds as approved by the Executive Committee (the Committee) of the Exeter Health Resources Board of Trustees. The Committee has adopted a five year investment horizon for the board designated and endowment funds such that the changes and duration of investment losses are carefully weighed against the long term potential for appreciation of assets. The investment policy will, however, be reviewed whenever there are material changes to the organization's financial forecasts

The goal of the board designated and endowment funds is to support the Hospital's future capital expenditures and other major program needs and to generally increase the financial strength of the organization

Under the investment policy, the board designated and endowment funds are invested in a prudent manner with regard to preserving principal in real terms while achieving returns which at least rank in the top one-quarter of an appropriate peer group of actively managed portfolios, exceed an appropriate benchmark index (net of management fees) and rank in the top one-quarter of the Cambridge Associates Universe of comparable managers (where appropriate).

2. Significant Accounting Policies (Continued)

Property, Plant and Equipment

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

Bond Issuance Costs/Original Issue Discount

The bond issuance costs incurred to obtain financing for construction and renovation programs and the original issue discount are being amortized by the bonds outstanding method over the life of the bonds. Bond issuance costs are included in other assets. The original issue discount is presented as a reduction of the face amount of bonds payable.

Fair Value of Financial Instruments

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

The fair value of all financial instruments other than long-term debt approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value See note 8. The fair value of the Hospital's long-term debt is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements, and is disclosed in note 6.

Pension Plan

The Hospital participates in the pension plan of Resources. Resources has a contributory account balance defined benefit plan which covers substantially all employees. Resources' funding policy is to contribute annually at a rate intended to provide for the cost of benefits earned during the year determined in accordance with funding requirements of the Department of Labor. The plan benefits are based on the employee's annual compensation during the term of employment. For financial reporting purposes, an allocation of the projected benefit obligation, the fair value of plan assets, the funded status of the plan, and benefit costs is made by an independent actuary based upon former and current employees of the Hospital covered by the plan

2. Significant Accounting Policies (Continued)

Employee Fringe Benefits

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

Professional Liability Loss Contingencies

Effective December 11, 2003, Resources created a revocable self-insurance trust to fund the related actuarially-determined liability for incurred but unpaid claims. The Hospital pays malpractice premiums to Resources to fund its share of the liability. At September 30, 2014 and 2013, the Hospital carries on its balance sheets a reserve for professional liability claims of $2,326,999 and $2,483,335, respectively, which relate to claims outstanding and estimates of claims incurred but not reported at the Hospital. The Hospital also records a receivable from the self-insurance trust (which has assets of $4,717,360 and $5,091,017 at September 30, 2014 and 2013, respectively) related to estimated recoveries under coverages provided by the self-insurance trust. The possibility exists, as a normal risk of doing business, that professional liability claims in excess of the trust fund and insurance coverage may be asserted against Resources and the Hospital

With respect to all litigation matters, Resources and the Hospital consider the likelihood of a negative outcome. If Resources and the Hospital determine the likelihood of a negative outcome is probable and the amount of the loss can be reasonably estimated, Resources and the Hospital record an estimated loss for the expected outcome of the litigation. If the likelihood of a negative outcome is not considered to be probable but is considered to be reasonably possible and Resources and the Hospital are able to determine an estimate of the possible loss or a range of loss, Resources and the Hospital disclose that fact together with the estimate of the possible loss or range of loss. However, it is difficult to predict the outcome or estimate a possible loss or range of loss in some instances because litigation is subject to significant uncertainties Resources' and the Hospital's policy is to record legal and professional fees as incurred

See also note 13 related to contingencies and litigation.

Subsequent Events

Management of the Hospital evaluated events occurring between the end of its fiscal year and December 17, 2014, the date the financial statements were available to be issued.

3. Patient Service and Other Revenues

The following summarizes net patient service revenues for the years ended September 30, 2014 and 2013:

	2014	2013
Gross patient service revenues	$ 431,221,189	$ 385,532,279
Less contractual allowances and discounts	(237,971,108)	(201,919,123)
Net patient service revenues, net of contractual allowances and discounts	$ 193,250,081	$ 183,613,156

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

	2014	2013
Private payor	$127,830,371	$ 118,243,386
Medicare	55,565,841	53,346,423
Self-pay	6,974,103	9,301,046
Medicaid	2,879,766	2,722,301
	193,250,081	183,613,156
Provision for bad debts	(14,755,338)	(12,331,212)
Net patient service revenues less provision for bad debts	$178,494,743	$ 171,281,944

The Hospital maintains contracts with the Social Security Administration (Medicare) and the State of New Hampshire Division of Health and Human Services (Medicaid). The Hospital is paid a prospectively determined fixed price for Medicare and Medicaid inpatient acute care services depending on the patient's diagnostic related group classification. Medicare's payment methodology for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Capital costs and certain Medicaid outpatient services are also reimbursed on a prospectively determined fixed price The Hospital receives payment for other Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. The percentage of net patient service revenue earned from the Medicare and Medicaid programs was 29% and 1%, respectively, in 2014 and 2013

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Hospital believes that it is in substantial compliance with all applicable laws and regulations. There is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payors increased net patient service revenues by approximately $500,000 in 2013. There was no such effect in 2014.

3. Patient Service and Other Revenues (Continued)

The Hospital also maintains contracts with Anthem Health Plans of New Hampshire (Anthem) and various other payors which pay the Hospital for services based on charges with varying discounts.

Electronic Health Records Incentive Payments

The Centers for Medicare and Medicaid Services (CMS) Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS During 2014 and 2013, the Hospital filed its meaningful use attestations with CMS. Revenue totaling approximately $590,000 and $905,000 associated with these meaningful use attestations was recorded as other revenues for the years ended September 30, 2014 and 2013, respectively The Hospital's receivable of $500,000 and $840,000 due from CMS is included in prepaid expenses and other current assets at September 30, 2014 and 2013, respectively.

4. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local area 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	11%	13%
Medicaid	2	2
Other third party payors	44	39
Patients	43	46
	100%	100%

5. Property, Plant and Equipment

Property, plant and equipment at September 30 consists of the following:

	2014	2013
Land and land improvements	$ 3,616,514	$ 3,555,505
Buildings	87,150,316	88,491,125
Equipment	38,962,089	42,046,927
Construction and projects in progress	1,494,091	2,035,031
	131,223,010	136,128,588
Less accumulated depreciation	(69,291,564)	(70,519,258)
Net property, plant and equipment	$ 61,931,446	$ 65,609,330

6. Long-Term Debt

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

	2014	2013
New Hampshire Health and Education Facilities Authority (the Authority) - Revenue Bonds:		
Series 2012 bonds with variable interest rates as defined in the agreement (1.8% at September 30, 2014) Principal is payable in annual installments ranging from $930,000 to $2,665,000 through October 1, 2031. The bonds have an initial optional tender date of February 9, 2022 and may be redeemed in whole or in part commencing on various dates as defined in the Bond Indenture for no premium	$30,680,000	$31,645,000
Series 2003 bonds with a variable interest rate computed based on a weekly floater rate as determined in the agreement (currently 0.03% to 0.12% at September 30, 2014). Principal is payable in annual installments ranging from $560,000 to $1,125,000 through October 1, 2033	16,210,000	16,750,000
Series 2001B bonds with a variable interest rate computed based on a weekly floater rate as determined in the agreement (currently 0.03% to 0 12% at September 30, 2014) Principal is payable in annual installments ranging from $740,000 to $1,095,000 through October 2023	9,110,000	9,820,000
Less unamortized original issue discount	(49,435)	(54,048)
	55,950,565	58,160,952
Less current portion	(2,325,000)	(2,215,000)
	$53,625,565	$55,945,952

In February 2012, the Hospital, in conjunction with the Authority, issued $32,565,000 of tax-exempt revenue bonds (Series 2012) The proceeds of the Series 2012 bonds were principally used to advance refund the previously outstanding Series 2001A Bonds.

Under the terms of the loan agreements of the Series 2012, 2003 and Series 2001B bonds and an amended and restated Master Trust Indenture dated February 1, 2012 between the Hospital and a Master Trustee, the Hospital has granted the Authority a first security interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment In addition, under the terms of the respective loan agreements and Master Trust Indenture, the Hospital is required to meet certain covenant requirements At September 30, 2014, the Hospital was in compliance with these requirements.

6. Long-Term Debt (Continued)

The Series 2003 and 2001B bonds are subject to remarketing from time to time. To enhance the marketability of the bonds and in order to provide the availability of funds for the payment of the tendered bonds, the Authority has provided for the remarketing of the bonds. To the extent that the remarketing may not be successful, the Authority and the Hospital have provided for the purchase of such bonds by entering into letters of credit with a bank. Under these letters of credit, the bank will purchase the Series 2003 and Series 2001B bonds that have been tendered and not remarketed Amounts advanced under the letters of credit and not reimbursed to the bank by the thirtieth day will automatically be converted into a term loan to the Hospital. The term loan will be amortized over a period equal to one-half the remaining original amortization of the Series 2003 or 2001B bonds. The letters of credit also secure the Series 2003 and 2001B bonds, which allows the Trustee to draw up to $16,405,408 and $9,239,786 under the Series 2003 and 2001B bonds, respectively, for repayment of principal and interest. Drawings on the letters of credit will bear interest as defined in the agreements, and are subject to change based on the credit rating assigned to the borrower. The letters of credit under the Series 2003 and 2001B bonds expire on February 28, 2015 and March 4, 2015, respectively, and may be extended by the parties No amounts have been drawn on either letter of credit agreement at September 30, 2014.

The Hospital has agreements with the Authority which provide for the establishment of various funds, the use of which is generally restricted to the payment of debt These funds are administered by a trustee and income earned on certain of these funds is similarly restricted.

The funds held by the trustee under revenue bond and interest rate swap collateral asset agreements at September 30 are comprised of the following:

	2014	2013
Debt service principal fund	$ 1,300,159	$1,250,043
Construction fund and other	2,195	14,537
Collateralized swap fund	8,720,000	–
	$10,022,354	$1,264,580

Aggregate annual principal payments required on long-term debt for the five years ending September 30 are as follows:

2015	$2,325,000
2016	2,355,000
2017	2,355,000
2018	2,680,000
2019	2,790,000

In August 2005, the Hospital entered into an interest rate swap agreement that effectively converted the remaining Series 2001B bonds, excluding the approximate $4.6 million originally allocated to Healthcare, to a fixed rate through 2023 and also effectively converted the portion of the Series 2001B bonds previously swapped and all of the Series 2003 bonds to a fixed rate of 3.635% through October 2033.

6. Long-Term Debt (Continued)

In anticipation of the advance refunding of the Series 2001A bonds during fiscal 2012 and the issuance of the Series 2012 variable rate bonds in February 2012, the Hospital entered into a forward interest rate swap agreement in August 2005, which became effective October 2011, that effectively converts all of the outstanding variable rate debt on the Series 2012 bonds to a fixed rate of 3.708% through October 2031. The swap agreement requires a portion of the exposure to be collateralized by the Hospital. At September 30, 2014, there was a collateral asset in the amount of $8,720,000 required by the swap agreement included in the current portion of funds held by trustee under revenue bond agreements. There was no such requirement at September 30, 2013.

The interest rate swap agreements meet the definition of derivative instruments. Consequently, the fair value of the swaps (a liability of $8,239,688 and $8,136,907 at September 30, 2014 and 2013, respectively) is reported in accrued pension and other liabilities in the accompanying balance sheets and the (decrease) increase in fair value of $(102,781) and $4,779,575 for the years ended September 30, 2014 and 2013, respectively, is reported as nonoperating gains (losses) in the statements of operations. On a monthly basis, the Hospital pays or receives the difference between the fixed and variable rates as applied to the notional amount The resulting difference is charged to nonoperating gains (losses) Such other charges totaled $1,897,180 and $1,956,597 for the years ended September 30, 2014 and 2013, respectively The swaps, while serving as economic hedges, do not qualify as accounting hedges

Total interest paid on long-term debt, exclusive of payments related to the swap agreements, was $421,107 and $447,581 for the years ended September 30, 2014 and 2013, respectively. No capitalized interest was recorded for the years ended September 30, 2014 and 2013.

The fair value of long-term debt approximates carrying value at September 30, 2014 and 2013.

7. Investments and Assets Whose Use is Limited

Investments are stated at fair value as of September 30, 2014 and 2013, and are reported in the accompanying balance sheets, as follows.

	2014	2013
Short-term investments	$ 15,359,717	$ 21,294,957
Funds held by trustee – current	10,022,354	1,251,250
Investments, limited as to use	137,246,693	135,972,642
Funds held by trustee – long term	–	13,330
	$162,628,764	$158,532,179

7. Investments and Assets Whose Use is Limited (Continued)

The composition of investments and funds held by trustee at fair value at September 30, 2014 and 2013 is set forth in the following table:

	2014	2013
Cash and short-term investments	$ 32,632,704	$ 24,827,056
Fixed income securities	27,415,486	32,154,944
Marketable equity securities	44,603,648	55,545,191
Investments in limited partnerships, limited liability companies and offshore funds	58,257,528	46,311,202
Accrued interest and other	(280,602)	(306,214)
	$162,628,764	$158,532,179

Board designated and donor restricted investments at September 30, 2014 and 2013 are comprised of the following:

	2014	2013
Board designated for capital purchases, working capital and community service	$120,241,894	$ 118,966,509
Donor restricted	17,004,799	17,006,133
	$137,246,693	$ 135,972,642

Unrestricted investment income, and realized and unrealized gains on investments for the years ended September 30, 2014 and 2013 are summarized as follows:

	2014	2013
Investment income and dividends	$1,513,204	$ 1,784,363
Realized gains on investments, net	5,311,226	3,307,942
Unrealized gains on investments, net	2,106,015	6,256,198
Investment income and gains, net	$8,930,445	$11,348,503

There was no activity related to endowment funds within permanently restricted net assets for the years ended September 30, 2014 and 2013.

8. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value under generally accepted accounting principles. FASB ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements.

As defined in FASB ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date In determining fair value, the Hospital uses various methods including market, income and cost approaches. Based on these approaches, the Hospital often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Hospital is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

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

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

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

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets and liabilities that are subject to FASB ASC 820 At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3

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

8. Fair Value Measurements (Continued)

Fixed Income Investments (Debt Securities)

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

Marketable Equity Securities

Marketable equity securities, including certain mutual funds, are valued either based on stated market prices and at the net asset value of shares held by the Hospital at year end, if available, or for investments that are not actively traded in a securities exchange, the fair value is stated at the value of proportionate share of total fund net assets. Underlying plan investments within these funds are readily available and stated at quoted market prices, which generally results in the classification as Level 1 or 2 within the fair value hierarchy.

Alternative Investments and Inflation Hedging

The Hospital invests in alternative and inflation hedging investments that consist of certain limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments Management has approved procedures pursuant to the methods in which the Hospital values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified as Level 2 or 3, depending on the nature of the underlying assets and valuation methodologies used as reported by the fund managers.

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

8. Fair Value Measurements (Continued)

Fair Value on a Recurring Basis

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

	Total	Level 1	Level 2	Level 3
2014				
Assets:				
Cash and short-term investments	$ 32,632,704	$ 32,632,704	$ –	$ –
Fixed income	27,415,486	27,415,486	–	–
U.S. equities	33,752,383	19,212,365	14,540,018	–
International equities:				
Developed markets	24,569,451	12,086,764	12,482,687	–
Emerging markets	7,679,384	7,679,384	–	–
Inflation hedging	8,283,550	–	8,283,550	–
Alternative investments	28,576,408	–	–	28,576,408
Accrued interest and other	(280,602)	(280,602)	–	–
	$ 162,628,764	$ 98,746,101	$ 35,306,255	$ 28,576,408
Liabilities:				
Interest rate swap agreements	$ 8,239,688	$ –	$ –	$ 8,239,688
2013				
Assets:				
Cash and short-term investments	$ 24,827,056	$ 24,827,056	$ –	$ –
Fixed income	32,154,944	32,154,944	–	–
U.S. equities	28,336,629	15,660,833	12,675,796	–
International equities:				
Developed markets	18,001,968	9,894,447	8,107,521	–
Emerging markets	9,979,129	9,979,129	–	–
Inflation hedging	13,965,400	–	13,965,400	–
Alternative investments	31,573,267	–	–	31,573,267
Accrued interest and other	(306,214)	(306,214)	–	–
	$ 158,532,179	$ 92,210,195	$ 34,748,717	$ 31,573,267
Liabilities:				
Interest rate swap agreements	$ 8,136,907	$ –	$ –	$ 8,136,907

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

8. Fair Value Measurements (Continued)

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows:

	Interest Rate Swaps		Alternative Investments	
	2014	2013	2014	2013
Beginning balance	$(8,136,907)	$(12,916,482)	$31,573,267	$28,079,232
Realized (losses) gains, net	–	–	1,482,627	(55,149)
Unrealized gains, net	–	–	530,457	3,556,004
Withdrawals, net	–	–	(4,562,820)	(6,856)
Other	–	–	(447,123)	36
Change in fair value of interest rate swaps	(102,781)	4,779,575	–	–
	$(8,239,688)	$ (8,136,907)	$28,576,408	$31,573,267

Net Assets Value Per Share

In accordance with ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the table below sets forth additional disclosures for alternative investments valued based on net asset value to further demonstrate the nature and risk of the investments by category at September 30, 2014 and 2013:

Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
2014:				
Global equity funds	$ 841,320	$ –	Liquid	N/A
Global equity funds	4,145,138	–	Monthly	45 days
Global equity funds	15,658,682	–	Quarterly	30 – 90 days
Global equity funds	7,931,268	–	Annually	30 – 60 days
2013:				
Global equity funds	$ 660,975	$ –	Liquid	N/A
Global equity funds	3,504,630	–	Monthly	45 days
Global equity funds	18,173,917	–	Quarterly	30 – 90 days
Global equity funds	9,233,745	–	Annually	30 – 60 days

The Hospital's global equity funds consist of funds which invest in a wide variety of equity securities issued throughout the world. The fair value of the investments in this category has been estimated using the net asset value per share of the funds

8. Fair Value Measurements (Continued)

Investment Strategies

Fixed Income Investments (Debt Instruments)

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

Marketable Equity Securities

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

Alternative Investments and Inflation Hedging

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

Fair Value of Other Financial Instruments

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

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

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

Long-term debt The fair value of the long-term debt, as disclosed in Note 6, was calculated based upon discounted cash flows through maturity based on market rates currently available for borrowing with similar maturities.

Interest rate swap agreements. The valuation of the interest rate swap agreements is estimated by a third-party based on the anticipated cash flows under the swap agreements over their duration at market interest rates.

9. Pension Plan

A reconciliation of the changes in the Hospital's projected benefit obligation and the fair value of plan assets and a statement of funded status of the plan as of and for the years ended September 30, 2014 and 2013 are as follows:

	2014	2013
Changes in benefit obligations:		
Projected benefit obligations, beginning of period	$66,149,260	$65,631,557
Service cost	1,853,973	1,826,042
Interest cost	3,071,107	2,730,541
Benefits paid	(3,153,370)	(4,925,068)
Contributions by employees	1,551,536	1,517,805
Actuarial (gain) loss	461,373	(631,617)
Projected benefit obligations, end of period	$69,933,879	$66,149,260
Changes in plan assets:		
Fair value of plan assets, beginning of period	$58,865,090	$55,139,223
Actual return on plan assets	4,711,982	6,340,137
Contributions by employees	1,551,536	1,517,805
Contributions by employer	–	1,082,380
Benefits paid	(3,153,370)	(4,925,068)
Expenses paid	(162,199)	(289,387)
Fair value of plan assets, end of period	$61,813,039	$58,865,090
Net pension liability	$(8,120,840)	$(7,284,170)

Amounts recognized as an adjustment to unrestricted net assets consist of the following at September 30:

	2014	2013
Prior service cost	$ 1,512,585	$ 1,855,628
Net actuarial loss	11,324,145	11,691,569
	$12,836,730	$13,547,197

The weighted-average assumptions used to determine the pension benefit obligation at September 30, 2014 and 2013 are as follows:

	2014	2013
Discount rate	4.25%	4 75%
Rate of increase in future compensation levels	2.50%	2 50%

The accumulated benefit obligation as of the Plan's measurement date of September 30, 2014 and 2013 was $64,844,207 and $61,335,026, respectively

9. Pension Plan (Continued)

Net periodic pension cost includes the following components for the years ended September 30, 2014 and 2013:

	2014	2013
Service cost, including administrative expense	$ 2,088,173	$ 2,061,142
Interest cost on projected benefit obligation	3,071,107	2,730,541
Expected return on plan assets	(4,334,890)	(4,083,187)
Amortization of actuarial loss	379,704	646,323
Amortization of prior service cost	343,043	343,043
	$ 1,547,137	$ 1,697,862

The weighted-average assumptions used to determine net periodic benefit cost as of September 30, 2014 and 2013 are as follows

	2014	2013
Discount rate	4.75%	4.25%
Rate of increase in future compensation levels	2 50%	2 50%
Expected long-term rate of return on plan assets	7.50%	7 50%

Plan Assets

The primary investment objective of the Hospital's Retirement Plan is to provide pension benefits for its members and their beneficiaries by ensuring a sufficient pool of assets to meet the Plan's current and future benefit obligations. These funds are managed as permanent funds with disciplined longer-term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

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

The Plan aims to diversify its holdings among sectors, industries and companies No more than 5% of the total stock portfolio valued at market may be invested in the common stock of any one corporation. No more than 5% of the outstanding shares of any one company may be held. No more than 20% of stock valued at market may be held in any one industry category as defined in the Standard & Poor's S&P 500 index. Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at the time of purchase. Holdings of any individual issue must be 50% or less of the value of the total issue, excluding U.S. Treasury or other federal agencies or repurchase agreements involving such issues

9. Pension Plan (Continued)

A periodic review is performed of the pension plan's investment in various asset classes. The current asset allocation target is 80% equities with an allowable range of 50% to 80%, and 20% fixed income with an allowable range of 20% to 50%.

The fair value of the Hospital's pension plan assets at September 30, 2014 and 2013, by asset category are as follows (see Note 8 for level definitions)

2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,291,388	$ –	$ –	$ 3,291,388
Accrued interest and other	(43,334)	–	–	(43,334)
Mutual funds:				
Foreign	6,122,126	–	–	6,122,126
Fixed income securities	2,790,781	–	–	2,790,781
Common collective trusts:				
Russell 1000 Growth Index	3,358,882	–	–	3,358,882
Derivative instruments	–	4,061,176	–	4,061,176
Limited partnerships, limited liability companies and offshore funds:				
U.S. common stocks	–	8,273,390	–	8,273,390
Foreign securities	–	5,766,356	–	5,766,356
Fixed income securities	8,746,585	–	–	8,746,585
Emerging markets equity	–	2,237,736	–	2,237,736
Fund of funds – long/short equities	–	–	3,406,170	3,406,170
Fund of funds – U.S. and foreign securities and derivative instruments	–	–	3,823,429	3,823,429
Fund of funds – U.S. and foreign securities	–	–	4,264,568	4,264,568
Common stocks:				
Consumer discretionary	903,273	–	–	903,273
Consumer staples	1,037,415	–	–	1,037,415
Energy	617,632	–	–	617,632
Financial	1,009,906	–	–	1,009,906
Healthcare	723,039	–	–	723,039
Industrials	416,006	–	–	416,006
Information technology	927,969	–	–	927,969
Materials	69,672	–	–	69,672
Telecommunications	8,874	–	–	8,874
Total assets at fair value	$29,980,214	20,338,658	11,494,167	$61,813,039

9. **Pension Plan (Continued)**

2013	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 757,021	$ –	$ –	$ 757,021
Accrued interest and other	10,906	–	–	10,906
Mutual funds:				
Foreign	8,138,363	–	–	8,138,363
Common collective trusts:				
Russell 1000 Growth Index	2,924,384	–	–	2,924,384
Derivative instruments	–	5,534,055	–	5,534,055
Limited partnerships, limited liability companies and offshore funds:				
U.S. common stocks	–	8,088,389	–	8,088,389
Foreign securities	–	5,223,983	–	5,223,983
Fixed income securities	11,007,675	–	–	11,007,675
Fund of funds – long/short equities	–	–	3,594,172	3,594,172
Fund of funds – U S. and foreign securities and derivative instruments	–	–	3,487,971	3,487,971
Fund of funds – U.S. and foreign securities	–	–	4,675,025	4,675,025
Common stocks:				
Consumer discretionary	882,743	–	–	882,743
Consumer staples	947,208	–	–	947,208
Energy	567,801	–	–	567,801
Financial	703,614	–	–	703,614
Healthcare	635,779	–	–	635,779
Industrials	490,582	–	–	490,582
Information technology	1,065,272	–	–	1,065,272
Materials	118,922	–	–	118,922
Telecommunications	11,225	–	–	11,225
Total assets at fair value	$28,261,495	$18,846,427	$11,757,168	$58,865,090

A reconciliation of the plan's assets fair value measurements using significant unobservable inputs (Level 3) is as follows at September 30, 2014 and 2013.

	2014	2013
Beginning balance	$11,757,168	$10,619,244
Realized gains	332,043	–
Withdrawals	(1,118,640)	–
Unrealized gains, net	523,596	1,137,924
Ending balance	$11,494,167	$11,757,168

9. Pension Plan (Continued)

Contributions

The Hospital does not plan to contribute to its pension plan in the year ending September 30, 2015.

Estimated Future Benefit Payments

Benefit payments are estimated to be paid as follows:

2015	$ 2,908,434
2016	2,525,434
2017	2,656,578
2018	3,276,890
2019	3,536,335
Years 2020 – 2024	25,915,200

10. Related Party Transactions

During 2014 and 2013, the Hospital was charged approximately $5,500,000 and $6,100,000, respectively, in administrative and other fees by Resources. During 2014 and 2013, the Hospital had net transfers of $13,502,854 and $16,898,654, respectively, to affiliates for operating and other purposes At September 30, 2014 and 2013, the Hospital was owed $1,972,861 and $1,341,944, respectively, from Resources and affiliates. During 2014 and 2013, Resources released $4,042 and $178,099, respectively, of temporarily restricted net assets to the Hospital to offset patient care expenses and for capital acquisitions

Transfers

The Hospital transferred cash to Resources and forgave intercompany payable balances from other affiliates during the years ended September 30, 2014 and 2013 as summarized below:

	2014	2013
Resources	$ (7,575,000)	$ (10,480,842)
Core Physicians, LLC	(5,927,854)	(6,417,812)
Net transfers to Resources and affiliates	$(13,502,854)	$ (16,898,654)

Leases

The Hospital leases various space from related parties. Rental expense for the years ended September 30, 2014 and 2013 was approximately $1,615,000 and $1,874,000, respectively, and is included in supplies and other expenses in the accompanying statements of operations

11. Community Benefits (Unaudited)

The Hospital provides numerous community service programs such as patient transport, community education programs, health screenings, health publications and other health information services in addition to providing charitable services and funding the difference between Medicaid reimbursement and the cost of providing those services. In addition, the Hospital also directly subsidizes area community health service agencies which are in support of the Hospital's mission to improve the health of the community. The net cost of providing such benefits was $16,239,850 and $16,370,425 for the years ending September 30, 2014 and 2013, respectively.

12. 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	$150,772,662	$148,913,902
General and administrative	23,784,888	27,481,684
	$174,557,550	$176,395,586

13. Contingencies and Litigation

Resources currently maintains professional malpractice liability insurance and general liability insurance coverage under a combination of policies. The insurance for the professional liability coverage is primarily written on a "claims-made" basis and the commercial general liability coverage is primarily maintained on an "occurrence" basis. These coverages apply after a self-insured retention of $2.0 million per incident and $6.0 million annual aggregate for both fiscal 2014 and 2013. In addition, insurance coverage does not generally cover punitive damages.

In May 2012, it was discovered by affiliated physicians that several patients in the Hospital's cardiac catheterization lab had contracted the hepatitis C virus. The Hospital began an investigation immediately, and promptly reported the outbreak to the New Hampshire Department of Health & Human Services. A former technician in the cardiac catheterization lab has pled guilty to criminal activity which resulted in the hepatitis C infection of 46 people in 3 states, 34 of which were patients or relatives of patients at the Hospital.

As of the date of these financial statements, 33 of the 34 lawsuits have been settled.

13. Contingencies and Litigation (Continued)

During fiscal 2013, the Hospital's self-insured retention limits related to this matter were met. Accordingly, it is expected that future potential liabilities related to this matter will be covered by the Hospital's insurance. Based on the opinion of the Hospital's management in discussion with legal counsel, the ultimate outcomes of the remaining outstanding cases regarding this matter are currently uncertain, and an estimate of possible loss or a range of loss to the Hospital, and amounts that may be reimbursed from insurance or co-defendants cannot be reasonably estimated and are not reflected in the accompanying financial statements. Management considers it highly unlikely and a remote possibility that aggregate claims in these suits would exceed the amounts available under insurance coverage.

14. Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid enhancement tax (MET) equal to 5.5% of the Hospital's net patient service revenues, with certain exclusions. The amount of tax recognized by the Hospital for the fiscal years ended September 30, 2014 and 2013 was $9,852,049 and $9,005,628, respectively.

The Hospital and several other New Hampshire hospitals appealed their MET tax returns for years prior to 2013 with the State of New Hampshire based upon guidance from CMS that certain exclusions can be deducted from net patient service revenues. This appeal process was settled in May 2013, and included all tax years up to the State's fiscal year ended June 30, 2013 The favorable net impact of this settlement of $599,803 has reduced the expense associated with this tax for the year ended September 30, 2013.

Historically, the State has provided disproportionate share payments (DSH) to hospitals based on a set percentage of uncompensated care provided. As part of the State's budget process for the period ended June 30, 2012, the State eliminated DSH payments to certain New Hampshire hospitals, including the Hospital. During the year ended September 30, 2013, the Hospital paid the State's MET based on 5.5% of net patient service revenues, with certain exclusions, but did not receive disproportionate share payments The State reinstituted a portion of the DSH payments in the period ended June 30, 2014. During the year ended September 30, 2014, the Hospital received DSH interim funding of $2,619,600, subject to the State DSH annual audit and potential redistributions Also, during the year ended September 30, 2014, the Hospital participated in the audit of the State's 2011 DSH program which has not been finalized as of the date of these consolidated financial statements The Hospital has received no indication of adjustments, if any, that may be made to DSH received in 2011 or 2014. As such, no amounts have been reflected in the accompanying consolidated financial statements related to this contingency.