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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
MARIETTA MEMORIAL HOSPITAL

Doing Business As

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

City or town, state or province, country, and ZIP or foreign postal code
MARIETTA, OH 45750

D Employer identification number
31-4379509

E Telephone number
(740) 374-1641

G Gross receipts $ 313,898,704

F Name and address of principal officer
ERIC YOUNG
401 MATTHEW STREET
MARIETTA, OH 45750

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: ▶ MMHOSPITAL ORG

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

L Year of formation 1929

M State of legal domicile OH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
WE ENHANCE THE QUALITY OF LIFE IN THE MID-OHIO VALLEY WE NURTURE AND CARE FOR OUR COMMUNITY BY CARING FOR YOU, YOUR FRIENDS, NEIGHBORS AND RELATIVES 24 HOURS A DAY, SEVEN DAYS A WEEK, 365 DAYS A YEAR WE ARE QUALITY, WITH ACCREDITATIONS, CERTIFICATIONS AND DESIGNATIONS TO EXPRESS, UTILIZE AND DEMONSTRATE OUR EXPERTISE WE ARE TECHNOLOGY DRIVEN, WITH UP-TO-DATE AND CUTTING-EDGE DIAGNOSTIC CAPABILITIES WE ARE A PILLAR IN THIS COMMUNITY WITH ROOTS FIRMLY PLANTED IN THE REGIONS WE SERVE WE ARE AT YOUR DOORSTEP, WITH PROGRAMS AND EDUCATIONAL INFORMATION THAT PROMOTE GOOD HEALTH AND DISEASE PREVENTION WE ARE VOLUNTEERS AT LOCAL COMMUNITY EVENTS WE ARE ADVOCATES FOR SUPERIOR HEALTH CARE SYSTEMS WE ARE TEACHERS, TRAINING FUTURE HEALTH CARE PROFESSIONALS WE ARE COMPASSIONATE, CARING AND DEDICATED TO CREATING A HEALTH CARE SETTING IN WHICH QUALITY OF LIFE AND SERVICE EXCELLENCE ARE EXPERIENCED BY OUR PATIENTS, THEIR FAMILIES, THE MEDICAL STAFF AND THE COMMUNITY WE ARE MMH

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**	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	2,274
6	Total number of volunteers (estimate if necessary)	**6**	101
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	3,839,590	3,097,736
9	Program service revenue (Part VIII, line 2g)	303,570,390	307,275,768
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-1,381,119	1,153,049
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,758,467	2,372,151
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	309,787,328	313,898,704

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
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)	156,465,484	164,238,697
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	154,618,843	150,438,030
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	311,084,327	314,676,727
19	Revenue less expenses Subtract line 18 from line 12	-1,296,999	-778,023

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	326,033,970	337,510,577
21	Total liabilities (Part X, line 26)	226,723,775	243,593,383
22	Net assets or fund balances Subtract line 21 from line 20	99,310,195	93,917,194

Part II Signature Block

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

Sign Here

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

ERIC YOUNG CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MATTHEW DASTA		2015-08-13		P00544683

Firm's name ▶ BLUE & CO LLC | Firm's EIN ▶ 35-1178661

Firm's address ▶ 8800 LYRA DRIVE SUITE 450
COLUMBUS, OH 43240 | Phone no (614) 885-2583

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

MARIETTA MEMORIAL HOSPITAL IS A NOT-FOR-PROFIT COMMUNITY HOSPITAL WHERE SERVICE EXELLENCE AND CLINICAL QUALITY CREATE THE REGION'S BEST EXPERIENCE FOR PATIENTS AND THEIR FAMILIES, PHYSICIANS, THE COMMUNITY, AND OUR EMPLOYEES

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 $ 234,656,993 including grants of $) (Revenue $ 308,466,970)

DURING THE TWELVE MONTHS ENDING SEPTEMBER 30, 2014 THE HOSPITAL PROVIDED 35,138 INPATIENT CARE DAYS, 138,505 HOURS OF OBSERVATION CARE, 11,590 SURGICAL CASES, 34,617 PHYSICAL THERAPY PROCEDURES, 50,995 EMERGENCY VISITS, 700 DELIVERIES, 24,500 CHEMOTHERAPY TREATMENTS, 26,591 RADIATION TREATMENTS, 8,330 WOUND CARE VISITS, 1,088 CARDIAC CATHERIZATIONS AND 150,795 IMAGING PROCEDURES MARIETTA MEMORIAL BELIEVES IN MORE THAN PROVIDING THE BEST LOCAL HEALTHCARE WE BELIEVE IN INVESTING IN OUR COMMUNITY, SUPPORTING OUR NEIGHBORS, OUR FAMILIES AND FRIENDS OUR COMMITMENT IS TRULY TO OUR COMMUNITY - AS AN EMPLOYER, AS A CORPORATE CITIZEN AND AS A COMMUNITY RESOURCE AND AS A HEALTHCARE PROVIDER TO THAT END, THE HOSPITAL, ITS PHYSICIANS, STAFF AND VOLUNTEERS EXTEND THEMSELVES WELL BEYOND PATIENT CARE WE PROVIDE COMMUNITY CLINICAL SUPPORT SERVICES, WELLNESS EDUCATION, PROGRAMS, SUPPORT GROUPS, FINANCIAL SUPPORT TO LOCAL ORGANIZATIONS, AND OUR OWN PERSONAL TIME TO ENSURE THE HIGHEST QUALITY OF LIFE FOR EVERYONE WITHIN OUR COMMUNITY WE CALL IT GIVING BACK PART OF OUR MISSION EXTENDS TO WELLNESS EDUCATION AND HEALTH PREVENTION WE SPEAK OUT IN OUR COMMUNITY, WE SPONSOR SUPPORT GROUPS, WE PROVIDE DOZENS OF WELLNESS PROGRAMS AND WE PROVIDE MONTHLY OPPORTUNITIES FOR FREE AND/OR LOW COST HEALTH SCREENINGS THE HOSPITAL SUPPORTS PARTNERSHIPS, COMMUNITY HEALTH COALITIONS, AREA CHAMBERS OF COMMERCE, LOCAL NOT-FOR-PROFIT ORGANIZATIONS, LOCAL SCHOOLS AND GOVERNMENTS ADDITIONALLY, MANY OF OUR STAFF MEMBERS, PHYSICIANS AND VOLUNTEERS DONATE THEIR TIME TO SERVE ON LOCAL BOARDS, COMMITTEES, AND ASSOCIATIONS WE PROVIDE OPPORTUNITIES FOR LOCAL STUDENTS TO TRAIN WITHIN OUR HOSPITAL UNDER VARIOUS EDUCATIONAL PROGRAMS AND AGREEMENTS WITH AREA SCHOOL SYSTEMS THIS SERVES BOTH THE STUDENTS AND THE COMMUNITY AS IT OFTEN INCREASES OUR SUPPLY OF LOCAL HEALTH CARE WORKERS

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

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

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 234,656,993

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		No
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		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	405		
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	2,274		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	17		
	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**	15		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**		No
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 ▶ OH

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

▶ ERIC YOUNG 401 MATTHEW STREET
MARIETTA, OH 45750 (740) 374-1641

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) THOMAS TUCKER CHAIRMAN	1 00	X		X				0	0	0
(2) MICHAEL IADEROSA VICE-CHAIRMAN	1 00	X		X				0	0	0
(3) COLLEEN COOK SECRETARY	1 00	X		X				0	0	0
(4) MICHAEL ARCHER BOARD MEMBER	1 00	X						0	0	0
(5) MARK BRADLEY TREASURER	1 00	X		X				0	0	0
(6) DENNIE BURCHETT BOARD MEMBER	1 00	X						0	0	0
(7) JOSEPH COOPER MD BOARD MEMBER	1 00	X						0	0	0
(8) THOMAS DANFORD DDS BOARD MEMBER	1 00	X						0	0	0
(9) CHARLOTTE HATFIELD PHD BOARD MEMBER	1 00	X						0	0	0
(10) LARRY HAWN BOARD MEMBER	1 00	X						0	0	0
(11) JOHN MATTHEWS BOARD MEMBER	1 00	X						0	0	0
(12) RANDALL PERRY BOARD MEMBER	1 00	X						0	0	0
(13) JAY STOWE BOARD MEMBER	1 00	X						0	0	0
(14) CHUCK SULERZYSKI BOARD MEMBER	1 00	X						0	0	0
(15) GEORGE TOKODI DO BOARD MEMBER	1 00	X						0	0	0
(16) JAMES BARENGO BOARD MEMBER	1 00	X						0	0	0
(17) MATT MACATOL MD BOARD MEMBER	1 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) J SCOTT CANTLEY CEO	40 00			X				708,387	0	53,268
(19) ERIC YOUNG CFO	40 00			X				350,378	0	45,563
(20) DEEANN GEHLAUF SR VP BUSINESS	40 00				X			275,600	0	13,518
(21) ROBERTA HOWARD VP NURSING	40 00					X		243,924	0	32,641
(22) KEVIN MALCOMB VP POST ACUTE	40 00					X		210,954	0	47,281
(23) JOAN WASHBURN VP CLINICAL	40 00					X		273,654	0	52,054
(24) PAUL WESTBROCK VP LEGAL	40 00					X		304,937	0	42,855
(25) BONNIE FLANNERY VP QUALITY	40 00					X		198,784	0	47,684
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								2,566,618	0	334,864

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 ▶39

			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
CARETECH SOLUTIONS INC PO BOX 674271 DETROIT MI 48267	INFORMATION TECHNOLOGY	3,464,946
HORIZON HEALTH 1965 LAKEPOINT DRIVE SUITE 100 LEWISVILLE TX 75057	PSYCHIATRIC MANAGEMENT	2,382,471
CPEOPLE LP 2274 ROCKBROOK DRIVE LEWISVILLE TX 75057	INFORMATION TECHNOLOGY	1,532,026
MEDONE SYSTEMS LLC 401 MATTHEW STREET MARIETTA OH 45750	HOSPITALIST SERVICE	1,220,915
REVMD PARTNERS LLC 1111 PASQUINELLI DR SUITE 400 WESTMONT IL 60559	BILLING	1,157,626

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 ▶7

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	3,063,000			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	34,736			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		3,097,736			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	623000	307,275,768	307,275,768		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		307,275,768			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,153,049			1,153,049
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	163,392				
	b	Less rental expenses	0				
	c	Rental income or (loss)	163,392				
	d	Net rental income or (loss) . . . . . ▶			163,392		163,392
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss) . . . . . ▶					
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	INVESTMENT IN AFFILIATES	900099	1,191,202	1,191,202		
	b	CAFETERIA	722210	1,017,557			1,017,557
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		2,208,759			
	12	**Total revenue.** See Instructions . . . . . ▶		313,898,704	308,466,970	0	2,333,998

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				
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	1,875,543		1,875,543	
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	126,294,037	110,101,582	16,192,455	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	4,603,361	3,959,319	644,042	
9 Other employee benefits	23,837,701	21,432,780	2,404,921	
10 Payroll taxes	7,628,055	2,988,025	4,640,030	
11 Fees for services (non-employees)				
a Management				
b Legal	320,532		320,532	
c Accounting	61,701		61,701	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	36,209,061	17,044,690	19,164,371	
12 Advertising and promotion	650,968	18,279	632,689	
13 Office expenses	1,573,245	374,761	1,198,484	
14 Information technology				
15 Royalties . .				
16 Occupancy	2,414,032	134,720	2,279,312	
17 Travel	698,045	316,557	381,488	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	6,238,167		6,238,167	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	15,680,776	573,556	15,107,220	
23 Insurance	2,744,400	119,445	2,624,955	
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-MEDICAL AND DR	51,100,036	49,728,070	1,371,966	
b BAD DEBT	21,948,207	21,948,207		
c RENTAL EQUIPMENT	6,332,257	3,829,944	2,502,313	
d OTHER	4,466,603	2,087,058	2,379,545	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	314,676,727	234,656,993	80,019,734	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		22,176	1	23,219
	2	Savings and temporary cash investments		35,267,412	2	37,857,502
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		79,950,289	4	65,319,000
	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		14,565,463	7	14,060,357
	8	Inventories for sale or use		3,825,368	8	5,209,603
	9	Prepaid expenses and deferred charges		5,788,264	9	6,910,552
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 303,945,121			
	b	Less accumulated depreciation	10b 148,857,599	134,886,726	10c	155,087,522
	11	Investments—publicly traded securities		37,619,926	11	17,887,245
	12	Investments—other securities See Part IV, line 11		1,209,665	12	1,278,399
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		12,898,681	15	33,877,178
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		326,033,970	16	337,510,577
Liabilities	17	Accounts payable and accrued expenses		74,536,598	17	84,516,153
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		146,476,712	20	140,895,000
	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		5,710,465	24	15,700,101
	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		0	25	2,482,129
	26	**Total liabilities.** Add lines 17 through 25		226,723,775	26	243,593,383
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		97,850,530	27	92,388,795
	28	Temporarily restricted net assets		1,459,665	28	1,528,399
	29	Permanently restricted net assets			29	
		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		99,310,195	33	93,917,194
	34	Total liabilities and net assets/fund balances		326,033,970	34	337,510,577

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	313,898,704
2	Total expenses (must equal Part IX, column (A), line 25)	2	314,676,727
3	Revenue less expenses Subtract line 2 from line 1	3	-778,023
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	99,310,195
5	Net unrealized gains (losses) on investments	5	
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	-4,614,978
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	93,917,194

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
MARIETTA MEMORIAL HOSPITAL

Employer identification number
31-4379509

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 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
MARIETTA MEMORIAL HOSPITAL

Employer identification number
31-4379509

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,402,944		2,402,944
b Buildings		169,822,014	73,234,114	96,587,900
c Leasehold improvements				
d Equipment		131,720,163	75,623,485	56,096,678
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				155,087,522

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

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

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

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

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

(a) Description	(b) Book value
(1) THIRD PARTY SETTLEMENTS	3,879,560
(2) OTHER ASSETS	914,054
(3) UNAMORTIZED BOND COSTS	2,897,317
(4) GOODWILL	4,591,643
(5) LTP OTHER INTANGIBLE ASSET	2,200,000
(6) DUE FROM RELATED PARTIES	19,394,604
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	33,877,178

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	
OTHER LIABILITIES	1,900,000
DUE TO RELATED ORGANIZATIONS	582,129
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	2,482,129

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	
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	
3	Subtract line **2e** from line **1**			3	
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			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

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	
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	
3	Subtract line **2e** from line **1**			3	
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			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

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 X, LINE 2	ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE MANAGEMENT TO EVALUATE TAX POSITIONS TAKEN BY THE SYSTEM AND RECOGNIZE A TAX LIABILITY IF THE SYSTEM HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY VARIOUS FEDERAL AND STATE TAXING AUTHORITIES MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY THE SYSTEM, AND HAS CONCLUDED THAT AS OF SEPTEMBER 30, 2014 AND 2013, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE ACCOMPANYING FINANCIAL STATEMENTS AS SUCH, THE SYSTEM IS GENERALLY EXEMPT FROM INCOME TAXES HOWEVER, THE SYSTEM, EXCLUDING MSC, IS REQUIRED TO FILE FEDERAL FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX WHICH IS AN INFORMATIONAL RETURN ONLY THE SYSTEM AND MSC HAVE FILED THEIR TAX RETURNS FOR PERIODS THROUGH 2013 THE RETURNS FOR MSC ARE GENERALLY OPEN TO EXAMINATION BY THE RELEVANT TAXING AUTHORITIES FOR A PERIOD OF THREE YEARS FROM THE LATER OF THE DATE THE RETURN WAS FILED OR ITS DUE DATE (INCLUDING APPROVED EXTENSIONS) THE SYSTEM AND MSC ARE SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS HOWEVER, AS OF THE DATE THE FINANCIAL STATEMENTS WERE ISSUED, THERE WERE NO AUDITS FOR ANY TAX PERIODS IN PROGRESS

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARIETTA MEMORIAL HOSPITAL

Employer identification number
31-4379509

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		7,546	9,006,212	1,146,117	7,860,095	2 690 %
b Medicaid (from Worksheet 3, column a)		74,339	39,821,754	22,837,553	16,984,201	5 800 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		81,885	48,827,966	23,983,670	24,844,296	8 490 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		28,731	478,707		478,707	0 160 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits		28,731	478,707		478,707	0 160 %
k **Total.** Add lines 7d and 7j		110,616	49,306,673	23,983,670	25,323,003	8 650 %

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						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	21,948,207	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	68,051,989
6	Enter Medicare allowable costs of care relating to payments on line 5	6	72,873,708
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-4,821,719
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	1 MARIETTA SURGERY CENTER	OUTPATIENT SURGERY	44 000 %		46 000 %
2	2 MARIETTA HOME HEALTH & HOSPICE	HOME HEALTH CARE	49 000 %		0 %
3	3 MARIETTA OCCUPATIONAL HEALTH PARTNERS	OCCUPATIONAL HEALTH	51 000 %		49 000 %
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 MARIETTA MEMORIAL HOSPITAL

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

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

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100 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 200 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**	Yes	
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☑ Reporting to credit agency			
b ☑ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

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

	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, 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 $ 21,948,207

Form and Line Reference	Explanation
PART III, LINE 4	FOOTNOTE TO ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSES ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED ON THE SYSTEMS EVALUATION OF ITS MAJOR PAYOR SOURCES OF REVENUE, THE AGING OF THE ACCOUNTS, HISTORICAL LOSSES, CURRENT ECONOMIC CONDITIONS, AND OTHER FACTORS UNIQUE TO THEIR SERVICE AREA AND THE HEALTHCARE INDUSTRY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PAYMENTS, 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 SYSTEM RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE

Form and Line Reference	Explanation
PART III, LINE 8	THE HOSPITAL HAS A DETAILED FINANCIAL ASSISTANCE POLICY WHICH STATES THAT TO PARTICIPATE IN CHARITY CARE CANDIDATES MUST COOPERATE FULLY IN ADDITION THE HOSPITAL EDUCATES PATIENTS WILL LIMITED ABILITY TO PAY REGARDING FINANCIAL ASSISTANCE FOR THIS REASON THE ORGANIZATION BELIEVES THAT IT ACCURATELY CAPTURES ALL CHARITY CARE DEDUCTIONS PROVIDED ACCORDING TO THE FINANCIAL ASSISTANCE POLICY AND THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS NEGLIGIBLE

Form and Line Reference	Explanation
PART III, LINE 9B	THE HOSPITAL PROVIDES CARE WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES TO PATIENTS WHO COMPLETE A CHARITY CARE APPLICATION IF A PATIENT COMPLETES AND SIGNS THE APPLICATION AND THEIR INCOME IS LESS THAN 100% OF THE FPG (BASED ON FAMILY SIZE) THEN THE ENTIRE ACCOUNT BALANCE IS DISMISSED IF THE PATIENT QUALIFIES FOR PARTIAL CHARITY CARE, I E THE INCOME IS GREATER THAN 100% OF FPG AND LESS THAN 200% THEN THE AMOUNT DISMISSED IS PRO-RATED BASED UPON THE WRITTEN INTERNAL POLICY THE REMAINING AMOUNT AFTER CHARITY ADJUSTMENT IS SUBJECT TO THE SAME COLLECTION PROCESS AS ANY PATIENT WITH A SELF PAY BALANCE WOULD EXPERIENCE

Additional Data

Software ID:
Software Version:
EIN: 31-4379509
Name: MARIETTA MEMORIAL HOSPITAL

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
MARIETTA MEMORIAL HOSPITAL	PART V, SECTION B, LINE 3 SURVEY OF COMMUNITY HEALTH COUNCIL MEMBER AGENCIES
MARIETTA MEMORIAL HOSPITAL	PART V, SECTION B, LINE 4 SELBY GENERAL HOSPITAL
MARIETTA MEMORIAL HOSPITAL	PART V, SECTION B, LINE 6I WE HAVE AGREED THAT MEMBER AGENCIES OF THE COMMUNITY HEALTH CO UNCIL WILL APPLY THE REPORT FINDINGS TO THEIR DOMAIN AND CREATE INDIVIDUAL ACTION PLANS
MARIETTA MEMORIAL HOSPITAL	PART V, SECTION B, LINE 20D A SELF PAY DISCOUNT OF 40% IS AVAILABLE TO ALL PATIENTS WHO D O NOT QUALIFY FOR ANY FINANCIAL ASSISTANCE WHO PAY IN FULL OR BY AN ACCEPTABLE PLAN THE 4 0% DISCOUNT EQUALS A PAYMENT AMOUNT LOWER THAN THE LOWEST PAYING COMMERCIAL INSURANCE CO
MARIETTA MEMORIAL HOSPITAL	PART V, SECTION B, LINE 22 A SELF PAY DISCOUNT OF 40% IS AVAILABLE TO ALL PATIENTS WHO DO NOT QUALIFY FOR ANY FINANCIAL ASSISTANCE WHO PAY IN FULL OR BY AN ACCEPTABLE PLAN THE 40 % DISCOUNT EQUALS A PAYMENT AMOUNT LOWER THAN THE LOWEST PAYING COMMERCIAL INSURANCE CO

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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
MARIETTA MEMORIAL HOSPITAL

Employer identification number
31-4379509

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)J SCOTT CANTLEY CEO	(i)	592,599	78,375	37,413	23,000	30,268	761,655	0
	(ii)	0	0	0	0	0	0	0
(2)ERIC YOUNG CFO	(i)	320,128	30,250	0	15,063	30,500	395,941	0
	(ii)	0	0	0	0	0	0	0
(3)DEEANN GEHLAUF SR VP BUSINESS	(i)	246,500	29,100	0	11,563	1,955	289,118	0
	(ii)	0	0	0	0	0	0	0
(4)ROBERTA HOWARD VP NURSING	(i)	216,964	26,960	0	10,063	22,578	276,565	0
	(ii)	0	0	0	0	0	0	0
(5)KEVIN MALCOMB VP POST ACUTE	(i)	191,754	19,200	0	17,125	30,156	258,235	0
	(ii)	0	0	0	0	0	0	0
(6)JOAN WASHBURN VP CLINICAL	(i)	240,854	32,800	0	21,500	30,554	325,708	0
	(ii)	0	0	0	0	0	0	0
(7)PAUL WESTBROCK VP LEGAL	(i)	273,223	31,714	0	12,106	30,749	347,792	0
	(ii)	0	0	0	0	0	0	0
(8)BONNIE FLANNERY VP QUALITY	(i)	176,529	22,255	0	15,963	31,721	246,468	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation

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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
MARIETTA MEMORIAL HOSPITAL

Employer identification number
31-4379509

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	SOUTHEASTERN OHIO PORT AUTHORITY	82-0585565	841895AJ4	07-20-2012	145,517,368	HOSPITAL FACILITIES REVENUE		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	145,517,368			
4	Gross proceeds in reserve funds	10,125,625			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	2,785,475			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARIETTA MEMORIAL HOSPITAL

Employer identification number
31-4379509

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JOHN MATTHEWS	BOARD MEMBER	2,329,737	CONSTRUCTION		No
(2) MICHAEL ARCHER	BOARD MEMBER	209,543	RENTAL OF BUILDING		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARIETTA MEMORIAL HOSPITAL

Employer identification number
31-4379509

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF THE ORGANIZATION IS MARIETTA AREA HEALTHCARE INC
FORM 990, PART VI, SECTION A, LINE 7A	MARIETTA AREA HEALTH INC IS RESPONSIBLE FOR MAKING THE FINAL DECISIONS WITH REGARD TO CERT AIN FINANCIAL AND ORGANIZATIONAL ISSUES THAT SIGNIFICANTLY IMPACT MARIETTA MEMORIAL HOSPIT AL
FORM 990, PART VI, SECTION B, LINE 11	THE PROCESS OF REVIEWING THE FORM 990 ENTAILS A DETAILED REVIEW BY THE ORGANIZATION'S ACCO UNTING DEPARTMENT THE GOVERNING BODY RECEIVES AN ELECTRONIC COPY OF THE FORM 990 INCLUDIN G REQUESTED SCHEDULES, AS ULTIMATELY FILED WITH THE IRS, FOR REVIEW
FORM 990, PART VI, SECTION B, LINE 12C	THE WRITTEN CONFLICT OF INTEREST POLICY IS REGULARLY AND CONSISTENTLY MONITORED AND COMPLI ANCE ENFORCED BY THE CORPORATE INTEGRITY COMMITTEE. THE SCOPE OF THIS POLICY INCLUDES THE DIRECTORS,OFFICERS AND SENIOR EXECUTIVES THE PURPOSE OF THE POLICY IS TO PROTECT THE HOSP ITAL'S INTEREST WHEN IT IS CONTEMPLATING ENTERING INTO A TRANSACTION OR ARRANGEMENT THAT M IGHT BENEFIT THE PRIVATE INTEREST OF AN INTERESTED OFFICER, DIRECTOR OR PERSON ANY CONFLI CT RESULTING IN INELIGIBILITY FOR OR REMOVAL FROM THE BOARD OR SPECIFIC COMMITTEES INCLUDE THE THE FOLLOWING A REPEATED, INTENTIONAL FAILURE TO DISCLOSE A CONFLICT OF INTEREST B HAVING A FAMILY MEMBER WHO IS A SENIOR EXECUTIVE FOR THE HOSPITAL C A MATERIAL INVESTM ENT OR EMPLOYMENT RELATIONSHIP INVOLVING AN INTERESTED PERSON IN AN ASC, A PROPRIETARY HOS PITAL, OR NURSING FACILITY WITHIN THE HOSPITAL'S SERVICE AREA THAT IS NOT OWNED BY THE HOS PITAL ANNUAL DISCLOSURES ARE REQUIRED SETTING FORTH ALL BUSINESS AND OTHER AFFILIATIONS, WHICH RELATE IN ANY WAY TO THE HOSPITAL THE COMMITTEE RECOMMENDS THE DISQUALIFICATION OR REMOVAL OF INTERESTED PERSONS WHEN NECESSARY AND REPORTS TO THE BOARD THOSE DIRECTORS WHIC H THE COMMITTEE HAS DETERMINED MEET THE DEFINITION OF INDEPENDENT DIRECTOR
FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE REVIEWS FAIR MARKET WAGE DATA SPECIFIC APPROVAL OF BOARD MUST BE SOUGHT IF PHYSICIAN COMPENSATION IS 75% OR GREATER OF MEDIAN IN THE ANNUAL MGMA STUDY EXECUTIVE AND ALL OTHER HOSPITAL STAFF COMPENSATION IS SET AT MEDIAN AN EXECUTIVE COMPENS ATION FIRM IS UTILIZED (YAFFE & COMPANY) A SEPARATE INDEPENDENT CONSULTANT (VMG) IS RETAI NED FOR PHYSICIAN COMPENSATION STUDIES AS NEEDED
FORM 990, PART VI, SECTION C, LINE 19	THE DOCUMENTS CAN BE VIEWED IN THE ADMINISTRATION OFFICE
FORM 990, PART IX, LINE 11G	PURCHASED SERVICES PROGRAM SERVICE EXPENSES 13,999,734 MANAGEMENT AND GENERAL EXPENSES 1 8,489,641 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 32,489,375 MEDICAL PROFESSIONAL FEES P ROGRAM SERVICE EXPENSES 3,044,956 MANAGEMENT AND GENERAL EXPENSES 674,730 FUNDRAISING EX PENSES 0 TOTAL EXPENSES 3,719,686
FORM 990, PART XI, LINE 9	TRANSFERS 401,341 CHANGE IN INTEREST OF NET ASSETS 68,734 PENSION RELATED CHANGES -5,085 ,155 CHANGE IN UNREALIZED GAINS ON INVESTMENTS 102

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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
MARIETTA MEMORIAL HOSPITAL

Employer identification number
31-4379509

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) MARIETTA AREA HEALTH INC 401 MATTHEW ST MARIETTA, OH 45750 31-1150470	NURSING HOME	OH	501(C)(3)	LINE 9	MARIETTA AREA HEALTHCARE INC		No
(2) MARIETTA CONT CARE RETIREMENT COMM 401 MATTHEW ST MARIETTA, OH 45750 31-1421830	ASSISTED LIVING AND RETIREMENT FACILITY	OH	501(C)(3)	LINE 3	MARIETTA AREA HEALTHCARE INC		No
(3) SELBY GENERAL HOSPITAL 1106 COLEGATE DRIVE MARIETTA, OH 45750 31-4379509	HOSPITAL	OH	501(C)(3)	LINE 9	MARIETTA AREA HEALTHCARE INC		No
(4) MARIETTA AREA HEALTHCARE INC 401 MATTHEW ST MARIETTA, OH 45750 31-1126451	PROMOTION OF HEALTH CARE SERVICES	OH	501(C)(3)	LINE 11C, III-FI	N/A		No
(5) MEMORIAL HEALTH FOUNDATION PO BOX 97 MARIETTA, OH 45750 31-1011321	FOUNDATION	OH	501(C)(3)	LINE 11B, II	N/A		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) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) MARIETTA OCCUPATIONAL HEALTH 401 MATTHEW ST MARIETTA, OH 45750 04-3587132	HEALTH CARE	OH	MARIETTA MEMORIAL HOSPITAL	EXCLUDE	275,562	572,670		No			No	51 000 %
(2) MARIETTA SURGERY CENTER 611 SECOND ST MARIETTA, OH 45750 31-1684367	HEALTH CARE	OH	MARIETTA MEMORIAL HOSPITAL	EXCLUDE	1,038,401	283,185		No			No	44 000 %
(3) MARIETTA HOME HEALTH AND HOSPICE 5959 S SHERWOOD FOREST BLVD BATON ROUGE, LA 70816 26-1480799	HEALTH CARE	LA		EXCLUDE	229,548	229,548		No			No	50 000 %

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

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

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

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

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

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Form **4562**
Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2013

Attachment Sequence No **179**

Name(s) shown on return
MARIETTA MEMORIAL HOSPITAL

Business or activity to which this form relates
FORM 990 PAGE 10

Identifying number
31-4379509

Part I **Election To Expense Certain Property Under Section 179**
Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not include listed property.)** (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not include listed property.)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property						
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs		S/L	
h	Residential rental property			27 5 yrs	MM	S/L	
				27 5 yrs	MM	S/L	
i	Nonresidential real property			39 yrs	MM	S/L	
					MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year			12 yrs	S/L	
c	40-year			40 yrs	MM	S/L

Part IV **Summary** (see instructions.)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	15,680,776
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2013 tax year (see instructions)					
43 Amortization of costs that began before your 2013 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2014 AND 2013

CPAs ADVISORS

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MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

TABLE OF CONTENTS
SEPTEMBER 30, 2014 AND 2013

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Marietta Area Health Care, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Marietta Area Health Care, Inc. and Subsidiaries (collectively referred to as the "System"), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Correction of an Error

As discussed in Note 2 to the consolidated financial statements, an error resulting in understatement of previously reported investment income and overstatement of net change in unrealized gains on investments for the year ended September 30, 2013, was discovered by management of the System during the current year. Accordingly, investment income and net change in unrealized gains on investments have been restated in the 2013 consolidated financial statements now presented. There was no effect on net assets as of September 30, 2013, to correct the error. Our opinion is not modified with respect to that matter.

Change in Accounting Principle

Also discussed in Note 2 to the consolidated financial statements, the System adopted new accounting guidance, Financial Accounting Standards Board Accounting Standards Update No. 2012-01, *Health Care Entities (Topic 954) Continuing Care Communities- Refundable Advance Fees.* Our opinion is not modified with respect to that matter.

Baird G., LLC

December 4, 2014
Columbus, OH

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2014 AND 2013

ASSETS

	2014	2013
Current assets		
Cash and cash equivalents	$ 39,482,010	$ 36,549,228
Patient accounts receivable, net of allowance for doubtful accounts of $33,944,565 in 2014 and $35,941,547 in 2013	71,748,915	66,990,489
Other receivables	156,969	25,559
Estimated third-party settlements	4,388,419	4,120,787
Inventories	5,575,141	4,148,154
Prepaid expenses and other assets	7,080,281	5,620,130
Total current assets	128,431,735	117,454,347
Cash and investments limited as to use		
Board designated assets and donor restricted funds	29,772,092	32,724,839
Held by trustee- under bond indenture agreement	11,206,047	26,679,965
	40,978,139	59,404,804
Property, plant and equipment, net		
Used in operations	180,070,151	159,201,306
Assets used for rental purposes	1,954,733	2,141,635
	182,024,884	161,342,941
Other assets		
Notes receivable	592,726	557,256
Unamortized bond issue costs	2,897,317	2,936,185
Goodwill	4,683,214	4,683,214
Other intangible assets	2,200,000	-
Other	1,199,130	1,550,392
	11,572,387	9,727,047
Total assets	$ 363,007,145	$ 347,929,139

See accompanying notes to consolidated financial statements.

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2014 AND 2013

LIABILITIES AND NET ASSETS

	2014	2013
Current liabilities		
Line of credit	$ 5,000,000	$ 5,000,000
Accounts payable and accrued expenses	27,317,402	25,442,766
Accrued salaries, wages and related liabilities	23,813,860	22,242,277
Accrued interest payable	2,694,184	2,719,944
Other obligations	432,326	1,881
Current portion of long-term debt	4,736,220	2,933,131
Deferred revenue, current	72,738	193,418
Total current liabilities	64,066,730	58,533,417
Accrued pension cost	32,822,013	26,446,813
Long-term debt, less current portion	147,163,825	144,891,656
Deferred revenue	7,840,513	6,942,150
Other	1,900,000	-
Total liabilities	253,793,081	236,814,036
Net assets		
Unrestricted:		
Controlling interest	107,330,023	109,287,992
Non-controlling interest	355,642	367,446
Total unrestricted	107,685,665	109,655,438
Temporarily restricted	1,528,399	1,459,665
Total net assets	109,214,064	111,115,103
Total liabilities and net assets	$ 363,007,145	$ 347,929,139

See accompanying notes to consolidated financial statements.

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
Operating revenue		
Net patient service revenue	$ 355,040,481	$ 351,720,809
Less: provision for bad debts	(24,505,185)	(37,403,838)
Net patient service revenue less provision for bad debts	330,535,296	314,316,971
Other operating revenue	4,675,587	7,768,399
Total operating revenue	335,210,883	322,085,370
Operating expenses		
Salaries and wages	143,442,018	138,924,640
Employee benefits	41,123,714	39,050,552
Supplies	60,045,642	57,579,523
Purchased services	37,588,890	37,652,394
Medical professional fees	4,100,560	3,525,354
Rent	7,082,355	6,237,861
Insurance	3,245,767	3,026,977
Utilities	4,204,303	4,185,245
Interest and amortization	7,152,934	8,401,428
Depreciation	18,164,530	14,846,288
Other	7,407,676	6,450,874
Total operating expenses	333,558,389	319,881,136
Operating income	1,652,494	2,204,234
Non-operating gains (losses)		
Investment income	2,823,943	2,844,393
Unrestricted contributions	650,147	369,372
Other	(520,040)	(479,817)
Total non-operating gains	2,954,050	2,733,948
Excess of revenues over expenses	$ 4,606,544	$ 4,938,182

See accompanying notes to consolidated financial statements.

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	$ 4,606,544	$ 4,938,182
Net change in unrealized gains on investments	(12,205)	(341,550)
Pension related changes other than net periodic pension cost	(5,085,155)	9,700,900
Other	(1,478,957)	(2,037,923)
Change in unrestricted net assets	(1,969,773)	12,259,609
Less change in unrestricted net assets attributable to non-controlling interest	(11,804)	(151,198)
Change in unrestricted net assets attributable to controlling interest	(1,957,969)	12,410,807
Temporarily Restricted net assets		
Investment income and unrealized losses on investments	68,734	57,539
Change in temporarily restricted net assets	68,734	57,539
Change in net assets	(1,901,039)	12,317,148
Net assets, beginning of year	111,115,103	98,797,955
Net assets, end of year	$ 109,214,064	$ 111,115,103

See accompanying notes to consolidated financial statements.

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
Operating activities		
Change in net assets	$ (1,901,039)	$ 12,317,148
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization	38,868	59,424
Bad debts	24,505,185	37,403,838
Depreciation - assets used for operations	18,164,530	14,846,288
Depreciation - assets used for rental purposes	757,360	759,305
(Gain) loss on disposal of property, plant and equipment	(5,727)	38,147
Proceeds from restricted contributions and investment income	(68,734)	(57,539)
Net change in unrealized gains on investments	12,205	341,550
Other changes in unrestricted net assets	1,127,000	1,433,250
Realized gains on investments	(2,823,943)	(2,844,393)
Changes in operating assets and liabilities		
Patient accounts receivable	(29,263,611)	(38,439,474)
Inventories	(1,426,987)	(1,192,590)
Prepaid expenses and other current assets	(1,591,561)	(1,828,218)
Other assets	351,262	(132,673)
Accounts payable and accrued expenses	1,574,636	693,198
Accrued salaries, wages and related liabilities	1,571,583	7,742,661
Accrued interest payable	(25,760)	1,535,280
Estimated third-party settlements	(267,632)	(1,907,328)
Pension liability	6,375,200	(6,638,972)
Deferred revenue	777,683	(264,465)
Net cash from operating activities	17,880,518	23,864,437
Cash flows from investing activities		
Purchase of property, plant and equipment	(36,822,369)	(27,263,219)
Change in notes receivable	(35,470)	64,101
Change in assets whose use is limited	21,238,403	17,308,291
Net cash from investing activities	(15,619,436)	(9,890,827)
Cash flows from financing activities		
Proceeds from restricted contributions and investment income	68,734	57,539
Dividends paid on non-controlling interest	(1,127,000)	(1,433,250)
Change in other obligations	430,445	(1,078,349)
Proceeds from long term borrowings	4,000,000	-
Principal payments on long-term obligations	(2,700,479)	(3,222,666)
Net cash from financing activities	671,700	(5,676,726)
Net change in cash and cash equivalents	2,932,782	8,296,884
Cash and cash equivalents, beginning of year	36,549,228	28,252,344
Cash and cash equivalents, end of year	$ 39,482,010	$ 36,549,228
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 7,178,694	$ 6,866,148
Equipment acquired under capital leases	$ 2,775,737	$ 4,402,177
Acquisition of medical records	$ 2,200,000	$ -

See accompanying notes to consolidated financial statements.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Marietta Area Health Care, Inc. ("MAHC") is a nonprofit corporation organized under the laws of the State of Ohio to provide and promote health care services.

MAHC is the sole corporate member of Marietta Area Health, Inc. (the "Nursing Home"), Memorial Health Foundation (the "Foundation"), Marietta Continuing Care Retirement Community, Inc. (the "MCCRC"), Selby General Hospital ("Selby"), Marietta Memorial Hospital ("MMH") and Marietta Health Care Physicians, Inc. ("MHCPI"). Selby and MMH will be collectively known as the "Hospitals." All of these subsidiaries are Ohio nonprofit organizations.

During 2010, MMH purchased a 51% interest in Marietta Surgery Center, Ltd ("MSC"). MSC is consolidated with the operations of MAHC for financial statements purposes.

The accompanying consolidated financial statements include the accounts of MAHC and subsidiaries (the "System"). All significant intercompany transactions and balances have been eliminated in consolidation.

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 certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

Investments consisting of certificates of deposit with a maturity of three months or less when purchased are considered to be cash equivalents, excluding assets whose use is limited.

The System maintains cash balances with several banking institutions. At September 30, 2014 and 2013, certain amounts on deposit at these institutions exceeded the amounts which would be covered by the Federal Deposit Insurance Corporation ("FDIC").

Investments and Assets Whose Use Is Limited

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues under expenses, unless the income or loss is restricted by donor or law. Realized gains and losses are determined based on the specific identification method. Unrealized gains and losses on investments are excluded from the excess of revenues under expenses.

The System continually reviews non-trading investments for impairment conditions that indicate that an other-than-temporary decline in market value has occurred. In conducting this review, numerous factors are considered which, individually or in combination, indicate that a decline is other-than-temporary and that a reduction of the carrying value is required. These factors include specific information pertaining to an individual company or a particular industry and general market conditions that reflect prospects for the economy as a whole. Based on this review, there were no other-than-temporary losses during the year ended September 30, 2014 and 2013.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to the changes in value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the accompanying financial statements.

Assets whose use is limited include assets held by trustees under indenture agreements, donor restricted assets designated for supporting the Strecker Cancer Center and designated assets set aside by the Board of Directors (the "Board") to fund the following obligations of the System:

- Expansion and renovation project and other capital improvements;
- Payment of principal and interest on outstanding bond obligations and other financing arrangements;
- Payment of obligations arising from the System's self-insurance arrangements;
- Payment of obligations arising from the System's deferred compensation agreements.

Classification of Net Assets

The System's financial statements report net assets and changes in three net assets in classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted net assets - Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the System, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily restricted net assets - Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The System's unspent contributions are classified in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of property or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the System, unless the donor provides more specific directions about the period of its use. Donor-restricted contributions whose restrictions are met in the same year as received are reported as unrestricted. The temporarily restricted net assets are the result of donor gifts support the Strecker Cancer Center.

Permanently restricted net assets – Permanently restricted net assets are resources whose use by the System is limited by donor-imposed restrictions that neither expire by being used in accordance with the donor's restriction nor by the passage of time. The System does not have any permanently restricted net assets.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of operations and changes in net assets unless the use of the related resource is subject to temporary or permanent donor restriction. All expenses and net losses other than losses are reported as decreases in unrestricted net assets.

Patient Accounts Receivable and Net Patient Service Revenue

The System recognizes net patient service revenues on the accrual basis of accounting in the reporting period in which services are performed based on the current gross charge structure, less actual adjustments and estimated discounts for contractual allowances, principally for patients covered by Medicare, Medicaid, and managed care and other health plans. Gross patient service revenue is recorded in the accounting records using the established rates for the type of service provided to the patient. The System recognizes an estimated contractual allowance to reduce gross patient charges to the estimated net realizable amount for services rendered based upon previously agreed-to rates with a payor. The System utilizes the patient accounting system to calculate contractual allowances on a payor-by-payor basis based on the rates in effect for each primary third-party payor. Another factor that is considered and could further influence the level of the contractual reserves includes the status of accounts receivable balances as inpatient or outpatient. The System's management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms that result from contract renegotiations and renewals.

Payors include federal and state agencies, including Medicare and Medicaid, managed care health plans, commercial insurance companies, employers, and patients. These third-party payors provide payments to the System at amounts different from its established rates based on negotiated reimbursement agreements. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and fee schedule payments. Retroactive adjustments under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The System is a provider of services to patients entitled to coverage under Medicare and Medicaid.

Medicare: Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Non-prospectively determined inpatient services for exempt units are paid based on a cost reimbursement methodology. Outpatient services (including ambulatory surgery, radiology, and other diagnostic services) are paid based on a payment system entitled Ambulatory Payment Classification. The System's Medicare cost reports have been settled by the Medicare intermediary through 2010.

Medicaid: Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed on a prospective payment system. Capital cost relating to Medicaid inpatient services are paid on the cost-reimbursement method. The System is reimbursed for outpatient services on an established fee-for-service methodology. The System's Medicaid cost reports have been settled through 2007.

The estimated settlements recorded at September 30, 2014 and 2013 could differ from actual settlements based on the results of cost report audits by appropriate government authorities or their agents. In the opinion of management, adequate provision has been made in the financial statements for any adjustments that may result from their audits.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is substantially in compliance with all applicable laws and regulations. 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.

Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts based on the System's evaluation of its major payor sources of revenue, the aging of the accounts, historical losses, current economic conditions, and other factors unique to their service area and the healthcare industry. For receivables associated with self-pay payments, 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 System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The September 30, 2014 and 2013 allowance for doubtful accounts of $33,944,565 and $35,941,547, respectively, relates to reserves for self-pay balances.

The allowance for doubtful accounts is based on a percentage of self-pay accounts receivable at September 30, 2014 and 2013. The System's self-pay write-offs increased $3,411,093 from $23,091,074 for 2013 to $26,502,167 for 2014. The increase in write-offs is the result of the aging of self-pay accounts receivable. The System does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

They System has not changed its charity care or uninsured discount policies during fiscal year 2014 or 2013.

Unamortized Bond Issue Costs

Financing costs are amortized over the term of the debt.

Inventories

Inventories, which consist of supplies, are stated at the lower of cost determined by the last-in, first out method (LIFO), or market.

Physician Recruitment Agreements and Physician Advances Receivable

Consistent with the System's policy on physician relocations and recruitment, the System provides income guarantees to certain physicians who agree to relocate to the community to fill a need in the System's service area and commit to remain in practice for a specified term. Under such agreements, the System is required to make payments to the physicians in excess of amounts earned in their respective practices up to the amount of the income guarantee.

Income guarantee periods are generally one to two years. Such payments are recoverable from the physician in the event that their commitment period is not met, which is typically three years. The System also advances monies to physicians under various cash flow support and loan arrangements. These loans are unsecured and are forgiven systematically in accordance with the loan agreements. Should the arrangement between the System and the physician be terminated prior to the end date the System will pursue collection of any outstanding advances.

Goodwill

The excess of cost over the fair value of the identifiable assets acquired in a business combination is reported as goodwill in accordance with accounting principles generally accepted in the United States of America. The System is required to perform an impairment test for goodwill at least annually or more frequently if adverse events or changes in circumstances indicate that the asset may be impaired. The System performs the annual impairment test at the end of each year.

Other Intangible Assets

Other intangible assets relate to the purchase of medical records and practice name of a physician practice. The assets are being amortized over their estimated useful lives of ten years.

Self-Insurance Programs

The System has self-insurance programs for workers' compensation and employee health insurance. Operations are charged with the cost of claims reported and an estimate of claims incurred but not reported. The estimated liability for unpaid claims, including incurred but not reported losses, is reflected in the balance sheet as an accrued liability. The plan has stop loss coverage that begins at $200,000 per participant and has an annual maximum reinsurance coverage amount per participant of $2,000,000 annually.

Property, Plant and Equipment

Additions to property, plant and equipment have been recorded at cost or at fair value if acquired by gift. The carrying value of assets sold, retired, or otherwise disposed of and the related allowances for depreciation are eliminated from the accounts with any gains or losses reported as other expense. The System provides for depreciation and obsolescence of property, plant and equipment by monthly charges to expense. These charges are calculated to depreciate, on the straight-line method, the gross carrying amounts of depreciable assets over the expected useful lives of the various classes of assets.

The range of useful lives used in computing depreciation is:

Land improvements	10-25 years
Buildings and building equipment	5-40 years
Major and minor equipment	5-20 years

Property and equipment not used in operations consists of land and buildings related to rental properties held by MMH.

Charity Care

The System provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because the System does not collect amounts deemed to be charity care, they are not reported as revenue.

Of the System's total reported operating expenses (approximately $333,558,000 and $319,881,000 during 2014 and 2013, respectively), an estimated $7,280,000 and $8,698,000 arose from providing services to charity patients during 2014 and 2013, respectively. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the System's total expenses divided by gross patient service revenue. The System participates in the Hospital Care Assurance Program (HCAP) which provides for additional payments to hospitals that provide a disproportionate share of uncompensated services to the indigent and uninsured. Net amounts received through this program totaled approximately $931,000 and $2,258,000 for 2014 and 2013, respectively and are reported as net patient service revenue in the financial statements.

Operating and Nonoperating Activities

The System's primary purpose is to provide diversified health care services to the community. As such, activities related to the ongoing operations of the System are classified as revenue. Revenue includes those generated from direct patient care, related support services and sundry revenues.

Gains and losses not directly related to the ongoing operations of the System or that occur infrequently are reported as nonoperating. Included in nonoperating are investment income, unrestricted contributions, and rental revenue net of depreciation and other expenses related to property and equipment not used in the System's operations.

Excess of Revenues Over Expenses

For purposes of reporting, transactions deemed by management to be directly related to the provision of health care services are reported as excess of revenues over expenses. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, dividends paid to non-controlling interests, transfers from affiliates and pension related changes other than net periodic pension cost.

Non-controlling Interest

Non-controlling interest represents the portion of the equity (net assets) that is attributable to investors that are external to and not included in the System's consolidated financial statements.

Obligation to Provide Future Services

MCCRC estimates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance deposit fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from the advance fees, a liability is recorded (obligation to provide future services and the use of facilities) with the corresponding charge to income. Management has determined that no accrual for an obligation to provide future services is required as of September 30, 2014 and 2013.

Prospective Resident and Security Deposits and Deferred Revenue

MCCRC may collect a percentage of the expected entrance fees from prospective residents once an independent living unit is identified for occupancy. These initial deposits are refundable to the prospective residents until their time of occupancy less a $500 administrative fee, which may be waived subject to provisions in the residency agreement. The remaining percentage of the expected entrance fees is collected at the residents' point of occupancy. MCCRC may also collect deposits from prospective residents, designated as waiting list fees, which place those prospective residents at a priority level. These deposits are applied towards the prospective residents' entrance fees. Finally, MCCRC collects a $2,500 security deposit on each of its assisted living units.

The residents of MCCRC's independent living units are entitled to a refund of their entrance deposit fees depending upon the initial amount of the deposit and whether the units occupied are for single occupancy (55% or 95%) or double occupancy (50% or 90%). Refunds are subject to a new resident paying the entrance deposit fees and other provisions as provided in the residency agreement. MCCRC amortizes to revenue the non-refundable entrance deposit fees received over the remaining actuarial life expectancy of the resident. The refundable entrance deposit fees are not armortized to revenue and are accounted for and reported as a liability. The unamortized entrance deposit fees are classified as deferred revenue in the accompanying financial statements.

Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, patient accounts receivable, assets whose use is limited, pledge and notes receivables, accounts payable, accrued liabilities, estimated third-party settlements, deferred revenue, refundable advance fees, derivative liabilities, and long-term debt. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, patient accounts receivable, pledge receivables, accounts payable, accrued liabilities and estimated third-party settlements approximate fair value based upon the short term maturity of these instruments. The carrying values reported in the consolidated balance sheets for assets whose use is limited equal fair value as based upon quoted market prices for those or similar investments which are observable. The carrying value reported in the consolidated balance sheets for the interest rate swap is based on current market interest rates compared to the fixed interest rate of the swap. The fair values of the notes receivable, deferred revenue and refundable advance fees have not been determined as the timing of any refund settlement, if any, is not specified. The carrying value reported in the consolidated balance sheet for long-term debt approximates fair value based primarily on the current borrowing rates of the primary debt indentures.

Federal Income Taxes

The System, excluding MSC, is organized as a tax-exempt organization under Section 501(c)(3) of the United States Internal Revenue Code. MSC is organized as a limited liability company, whereby, net taxable income is taxed directly to the members and not MSC.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the System and recognize a tax liability if the System has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the System, and has concluded that as of September 30, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements.

As such, the System is generally exempt from income taxes. However, the System, excluding MSC, is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only. The System and MSC have filed their tax returns for periods through 2013. The returns for MSC are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions). The System and MSC are subject to routine audits by taxing jurisdictions. However, as of the date the financial statements were issued, there were no audits for any tax periods in progress.

Electronic Health Records (EHR) Incentive Payments

The System receives EHR incentive payments under the Medicare and Medicaid programs. To qualify for these payments, the System must meet "meaningful use" criteria that become more stringent over time. The System periodically submits and attests to its use of certified EHR technology, satisfaction of meaningful use objectives, and various patient data. These submissions generally include performance measures for each annual EHR reporting period (ending on September 30th). The related EHR incentive payments are paid out over a four year transition schedule and are based upon data that is captured in the System's cost reports. The payment calculation is based upon an initial amount as adjusted for discharges, Medicare utilization using inpatient days multiplied by a factor of total charges excluding charity care to total charges, and a transitional factor that ranges from 100% in first payment year and thereby decreasing by 25% each payment year until it is completely phased out in the fifth year.

The System recognizes EHR incentive payments as grant income when there is reasonable assurance that the System will comply with the conditions of the meaningful use objectives and any other specific grant requirements. In addition, the financial statement effects of the grants must be both recognizable and measurable. During 2014 and 2013, the System recognized approximately $3,063,000 and $5,666,000, respectively, in EHR incentive payments as grant income using the cliff recognition method. Under the cliff recognition method, the System records income at the end of EHR reporting period in which compliance is achieved. EHR incentive income is included in other operating revenue in the consolidated statement of operations and changes in net assets. EHR incentive income recognized is based on management's estimate and amounts are subject to change, with such changes impacting operations in the period the changes occur.

Receipt of these funds is subject to the fulfillment of certain obligations by the System as prescribed by the program, subject to future audits and may be subject to repayment upon a determination of noncompliance.

Subsequent Events

The System has evaluated events or transactions occurring subsequent to the consolidated balance sheet date for recognition and disclosure in the accompanying financial statements through the date the financial statements are issued, which is December 4, 2014.

2. RESTATEMENT

Management discovered that investment income and unrealized gains on investments for the year ended September 30, 2013, were reported incorrectly. During 2013, the System changed investment custodians and transferred investments. As part of the transfer, the cost of certain investments were incorrectly reported to the new custodian. In 2014, management received corrected investment statements which included the correct cost values of investments as of September 30, 2013. Investment income and unrealized gains on investments for the year end September 30, 2013 were recalculated and the 2013 consolidated financial statements have been restated to reflect the corrected amounts. There was no effect on ending net assets and change in net assets as a result of this correction. Also, as investments are carried at fair value on the balance sheets there was no effect on previously reported investment carrying values.

During 2014, the System adopted Accounting Standards Update 2012-01, *Healthcare Entities (Topic 954), "Continuing Care Retirement Communities – Refundable Advance Fees."* which requires continuing care retirement communities to record refundable advance fees as deferred revenue only if those specific contracts limit the refund to the reoccupancy proceeds of the resident's specific unit. The System's contracts do not meet the criteria for recognizing a deferral of revenue and subsequent amortization. As such, all refundable advance fees previously amortized have been removed from revenue and net assets and reported as a liability.

The 2013 consolidated financial statements have been retroactively restated to address the correction of error and the implementation of the new standard. The effects on the financial statements are detailed below:

	As previously reported	Effects of new standards implementation	Effects of correction of error	As restated
Consolidated balance sheet				
Deferred revenue	$ 4,657,114	$ 2,285,036	$ -	$ 6,942,150
Net assets- unrestricted (controlling interest)	$ 111,573,028	$ (2,285,036)	$ -	$ 109,287,992
Consolidated statement of operations and changes in net assets				
Net patient service revenue	$ 351,914,227	$ (193,418)	$ -	$ 351,720,809
Investment income	$ 2,200,225	$ -	$ 644,168	$ 2,844,393
Net change in unrealized gains on investments	$ 302,618	$ -	$ (644,168)	$ (341,550)
Change in net assets	$ 12,510,566	$ (193,418)	$ -	$ 12,317,148
Net assets at 10/1/2012	$ 100,889,573	$ (2,091,618)	$ -	$ 98,797,955
Net assets at 9/30/2013	$ 113,400,139	$ (2,285,036)	$ -	$ 111,115,103
Consolidated statement of cash flows				
Change in net assets	$ 12,510,566	$ (193,418)	$ -	$ 12,317,148
Net change in unrealized gains on investments	$ (302,618)	$ -	$ 644,168	$ 341,550
Realized gains (losses) on investments	$ (2,200,225)	$ -	$ (644,168)	$ (2,844,393)
Deferred revenue	$ (457,883)	$ 193,418	$ -	$ (264,465)

3. PATIENT ACCOUNTS RECEIVABLE AND THIRD PARTY SETTLEMENTS

The details of patient accounts receivable are set forth below:

	2014	2013
Patient accounts receivable	$ 192,242,561	$ 167,135,489
Less allowances for:		
Uncollectible accounts	(33,944,565)	(35,941,547)
Contractual adjustments	(86,549,081)	(64,203,453)
Net patient accounts receivable	$ 71,748,915	$ 66,990,489

The System provides services without collateral to its patients, most of whom are local residents and insured under third-party payor agreements. The mix of receivables and revenue from patients and third-party payors is as follows:

	2014		2013	
	Accounts Receivable	Revenue	Accounts Receivable	Revenue
Medicare	30%	49%	29%	46%
Medicaid	22%	15%	15%	13%
Commercial	22%	30%	22%	33%
Patient pay	26%	6%	34%	8%
Total	100%	100%	100%	100%

4. CASH AND INVESTMENTS LIMITED AS TO USE

Assets whose use is limited include assets held by trustees under indenture agreements, donor restricted funds, and designated assets set aside by the Board for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes.

The composition of cash and investments limited as to use carried at fair value is set forth in the following table:

	2014	2013
Board designated assets and donor restricted funds		
Money market	$ 373,180	$ 36,353
Cash and cash equivalents	120,373	124,908
Mutual funds	28,983,564	31,075,568
Commingled trust real estate fund	294,975	1,488,010
	$ 29,772,092	$ 32,724,839
Held by trustee - under bond indenture agreement		
Money market	$ 1,040,191	$ 4,378,041
Cash and cash equivalents	2,970,087	11,437,853
US government and corporate bonds	7,195,769	10,864,071
	$ 11,206,047	$ 26,679,965

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the System has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2014 and 2013.

Money markets: Valued based at the subscription and redemption activity at a $1 stable net asset value (NAV). However, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the System are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the System are deemed to be actively traded.

Corporate bonds: Valued based on the use of observable inputs for similar types of investments. These investments yield a regular or fixed return in the form of fixed periodic payments and the eventual return of principal at maturity.

US government mortgage-backed securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Real estate investment trusts (REIT): Valued at the daily closing price as reported by the fund. REIT's held by the System are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The funds held by the System are deemed to be actively traded.

The System's policy is to recognize transfers, if any, between levels as of the actual date of the event or change in circumstances. No transfers between levels occurred in 2014 and 2013.

Assets and liabilities measured at fair value on a recurring basis as of September 30, 2014 are as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Money markets	$ -	$ 1,413,371	$ -	$ 1,413,371
Mutual Funds				
Mid-Cap	651,843	-	-	651,843
Large-Cap	7,755,887	-	-	7,755,887
Small-Cap	827,846	-	-	827,846
Fixed income	15,960,518	-	-	15,960,518
Foreign	3,787,470	-	-	3,787,470
Real estate investment trusts	294,975	-	-	294,975
Corporate bonds				
Financial services	-	1,217,620	-	1,217,620
US government mortgage-backed securities	-	5,978,149	-	5,978,149
Total assets at fair value	$ 29,278,539	$ 8,609,140	$ -	$ 37,887,679
Cash				442,515
Certificates of deposit				2,647,945
Total investments				$ 40,978,139

Assets and liabilities measured at fair value on a recurring basis as of September 30, 2013 are as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Money markets	$ -	$ 4,414,394	$ -	$ 4,414,394
Mutual Funds				
Mid-Cap	1,959,438	-	-	1,959,438
Large-Cap	9,534,559	-	-	9,534,559
Small-Cap	1,497,798	-	-	1,497,798
Fixed income	14,786,427	-	-	14,786,427
Foreign	3,297,346	-	-	3,297,346
Real estate investment trusts	1,488,010	-	-	1,488,010
Corporate bonds				
Financial services	-	3,568,157	-	3,568,157
US government mortgage-backed securities	-	7,295,914	-	7,295,914
Total assets at fair value	$ 32,563,578	$ 15,278,465	$ -	$ 47,842,043
Cash				5,144,940
Certificates of deposit				6,417,821
Total investments				$ 59,404,804

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is summarized as follows:

	2014	2013
Used in operations:		
Land and land improvements	$ 11,880,565	$ 11,867,905
Buildings and fixed equipment	187,185,398	176,686,738
Major movable and minor equipment	147,098,699	127,980,963
Construction-in-progress	17,516,077	8,731,543
	363,680,739	325,267,149
Less allowances for depreciation	(183,610,588)	(166,065,843)
	$ 180,070,151	$ 159,201,306
Assets used for rental purposes:		
Land and buildings	$ 4,290,209	$ 4,290,209
Less allowances for depreciation	(2,335,476)	(2,148,574)
	$ 1,954,733	$ 2,141,635

7. LONG TERM DEBT

Long term obligations consist of the following:

	2014	2013
Southeastern Ohio Port Authority, Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2012, (Memorial Health System Obligated Group Project) maturing in various annual amounts through 2042, interest due semiannually at fixed rates ranging from 3 0% - 6 0%	$ 140,895,000	$ 142,785,000
Note payable, Peoples Bank, Marietta Memorial Hospital, payable in monthly payments of $66,667 through April 2016 plus fixed interest at 5%, and a lump sum payment of $2,733,333 on May 1, 2016	4,000,000	-
Note payable, Peoples Bank, Marietta Area Health Care Inc , payable with monthly principal payments of $27,722 plus fixed interest at 5 25% through September 1, 2016	304,944	637,610
Capital leases, payable in monthly installments ranging from $2,508 to $26,821 per month, including fixed interest ranging from 1 85%-3 45%, secured by equipment leased	6,700,101	4,402,177
	151,900,045	147,824,787
Less current maturities	(4,736,220)	(2,933,131)
Long-term obligations	$ 147,163,825	$ 144,891,656

During 2012, MMH, MAHC, the Nursing Home, Selby, MCCRC, MHCPI and the Foundation formed an Obligated Group (the Obligated Group) for the purpose of issuing $145,675,000 Southeastern Ohio Port Authority Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2012 (Memorial Health System Obligated Group Project) (Series 2012 Bonds). The purpose of the Series 2012 Bonds was to (i) to refund previous outstanding revenue bonds (ii) refinance loans and lines of credit (iii) finance certain improvements to existing hospital facilities including the acquisition, construction, renovation, equipping, and installation of an electronic medical records system, and equipment purchases and remodeling at certain facilities (iv) finance the cost of terminating certain interest rate swap agreements relating to the prior bond issuances, (v) fund a debt service fund for the Series 2012 bonds (vi) pay capitalized interest on a portion of the Series 2012 bonds; and (vii) pay costs associated with the issuing of the Series 2012 bonds. Each member of the Obligated Group is jointly and severally obligated with respect to all of the Series 2012 Bonds.

Substantially all real property and assignment of profits from the Obligated Group have been pledged as collateral against retirement of the Series 2012 Bonds (the Bonds). The net carrying amount of the secured property is approximately $182,025,000. In addition, the Obligated Group is required to maintain specified balances in special funds held by the trustee and comply with certain financial ratios. Management believes it is in compliance with these covenants.

Under the terms of the Peoples Bank Note, Marietta Area Health Care, Inc., the Obligated Group is required to maintain specified balances in special funds held by the trustee and comply with certain financial ratios. This is an unsecured bank note.

During 2014, the System entered into a note payable for $4,000,000 with Peoples Bank, proceeds from which to be used to fund information technology costs. The note is to be repaid with monthly principal payments of $66,667 and matures May 1, 2016 with a final lump sum payment of $2,733,333. The interest rate associated with the note is 5%. Substantially all of the real property and assignment of profits from the Obligated Group have been pledged as collateral against the note. The net carrying amount of the secured property is approximately $182,025,000.

The System entered into five separate capital lease agreements during fiscal year 2014 and four separate capital lease agreements during fiscal year 2013. These capital lease obligations are payable in monthly installments ranging from $2,508 to $26,821 per month, including interest ranging from 1.85% to 3.45%. The leases are secured by the equipment leased.

At September 30, 2014, future scheduled minimum payments for the long-term obligations and capital leases by year and in the aggregated consist of the following:

	Bonds and Notes Payable	Leases Payable
2015	$ 3,064,944	$ 1,808,118
2016	5,345,000	1,802,031
2017	2,265,000	1,758,414
2018	2,370,000	1,285,452
2019	2,495,000	364,047
Thereafter	129,660,000	-
Total payments	$ 145,199,944	$ 7,018,062
Less amounts representing interest		317,961
Total minimum future payments		$ 6,700,101

Assets held under capital lease obligations are include with property and equipment on the consolidated balance sheet. A summary of these assets and related depreciation on September 30 is as follows:

	2014	2013
Equipment	7,273,962	$ 4,498,225
Less: accumulated depreciation	980,816	23,525
	$ 6,293,146	$ 4,474,700

MMH capitalized interest cost in fiscal years 2014 and 2013 in the amount of $865,200 and $575,075, respectively.

8. LINE OF CREDIT

MMH entered into an unsecured revolving line of credit with Peoples Bank in the amount of $5,000,000, in September, 2012. The line carries an interest rate of 1.0% over the Prime rate (3.25% as of September 30, 2014) and requires monthly interest payments. As of September 30, 2014 and 2013, MMH had outstanding borrowings on the line of $5,000,000. The line of credit expires in March 2015.

9. DEFERRED REVENUE FOR ADVANCE FEES

Deferred revenue for advance fees represents the unamortized refundable and nonrefundable portions of entrance deposit fees received from residents of MCCRC and consists of the following at September 30:

	2014	2013
Refundable entrance deposit fees	$ 7,470,409	$ 6,718,444
Nonrefundable entrance deposit fees	1,824,552	1,694,327
Accumulated amortization	(1,381,710)	(1,277,203)
Total deferred revenue	$ 7,913,251	$ 7,135,568

MCCRC refunded $432,000 and $1,175,000 in 2014 and 2013, respectively, in entrance deposits to former residents as determined by their contracts. In the event MCCRC were to discontinue operations, $7,470,409 would be refundable to residents at September 30, 2014.

10. RETIREMENT PLANS

Pension Plan

MMH has a noncontributory defined benefit plan (the "Plan") for employees who meet certain requirements as to age and length of service. Benefits for retired or terminated employees or their beneficiaries are based on employees' compensation during their period of credited service. MMH's funding policy is to make the minimum annual contribution required by federal regulations. MMH expects to contribute $1,426,073 to the Plan during 2015. Employees hired after July 1, 2007 are not eligible to participate in the Plan.

Supplemental Executive Retirement Plan

MMH has a noncontributory defined benefit supplemental executive retirement plan ("SERP") for certain officers, management, and other highly compensated employees. Benefits for these retired employees are based on employees' final average compensation, adjusted for pension payable under the MMH defined benefit pension plan, and primary social security benefit. MMH does not expect to make any contributions to the SERP during 2015.

Details regarding the Plan and SERP at September 30, 2014 and 2013 are as follows:

	2014	2013
Change in benefit obligation		
Benefit obligation at beginning of year	$ 64,845,208	$ 68,462,721
Service cost	2,209,277	2,501,015
Interest cost	3,196,929	2,876,820
Actuarial losses	7,319,834	(6,977,986)
Benefits paid	(1,977,431)	(2,017,362)
Benefit obligation at end of year	$ 75,593,817	$ 64,845,208
Change in plan assets		
Fair value of plan assets at beginning of year	$ 38,398,395	$ 35,376,936
Actual return on plan assets	3,916,229	3,564,507
Contributions	2,434,611	1,474,314
Benefits paid	(1,977,431)	(2,017,362)
Fair value of plan assets at end of year	$ 42,771,804	$ 38,398,395
Funded Status	$ (32,822,013)	$ (26,446,813)
Amounts recognized in the consolidated balance sheets consist of		
Noncurrent liabilities	$ (32,822,013)	$ (26,446,813)
Related changes in unrestricted net assets		
Net loss	$ 26,401,980	$ 21,297,718
Prior service cost	38,228	57,340
Total	$ 26,440,208	$ 21,355,058
Accumulated Benefit Obligation	$ 63,324,807	$ 54,346,328
Other Pension Related Changes Other than Net Periodic Pension Cost		
Net loss	$ 6,462,429	$ (7,598,652)
Amortization of net loss	(1,358,162)	(2,076,521)
Amortization of prior service cost	(19,112)	(25,727)
Total recognized in other pension changes other than net periodic pension cost	$ 5,085,155	$ (9,700,900)
Components of Net Periodic Benefit Cost		
Service cost	$ 2,209,277	$ 2,501,015
Interest cost	3,196,929	2,876,820
Expected return on plan assets	(3,058,819)	(2,943,841)
Amortization of prior service cost	19,112	25,727
Recognized net actuarial (gain) or loss	1,358,162	2,076,521
Net periodic benefit cost	$ 3,724,661	$ 4,536,242

	2015
Estimated amounts that will be amortized from other changes in unrestricted net assets over the next fiscal year	
Amortization of prior service cost (credit)	$ 1,793,613
Amortization of net loss	$ 19,112

	2014	2013
Weighted-average assumptions at the measurement date of September 30, 2014 and 2013 used to determine benefit obligations at September 30		
Discount rate	4.35%	5.00%
Rate of compensation increase	3.25%	3.25%
Weighted-average assumptions used to determine expense (income):		
Discount rate	5.00%	4.25%
Expected long term return on plan assets	8.00%	8.00%
Rate of compensation increase	3.25%	3.25%
The Plan's weighted average asset allocation by asset category are as follows:		
Equity securities	71.00%	63.00%
Debt securities	25.00%	36.00%
Other	4.00%	1.00%

MMH's investment policy is to invest assets per the target allocations stated above. The assets will be reallocated periodically to meet the above target allocations. The investment policy will be reviewed periodically, under the advisement of a certified investment advisor, to determine if the policy should be changed.

The overall investment return goal is to achieve a return greater than a blended mix of stated indices tailored to the same assets mix of the Plan assets over a full market cycle (three to five years).

In order to achieve a prudent level of portfolio diversification, the securities of any one company should not exceed more than 10% of the total Plan assets, and no more than 25% of total Plan assets should be invested in any one industry (other than securities of U.S. Government of Agencies). Additionally, no more than 10% of the Plan assets shall be invested in foreign securities.

The expected long-term rate of return for the Plan's total assets is based on the expected return of each of the above categories, weighted based on the median of the target allocation for each class.

Plan Assets

The fair values of the System's pension plan assets as of September 30, 2014 were:

	Level 1	Level 2	Total
Assets:			
Cash and cash equivalents	$ 36,712	$ -	$ 36,712
Money market funds	1,565,120	-	1,565,120
Corporate Bonds	-	3,453,534	3,453,534
Mutual funds:			
Fixed income mutual funds	7,318,209	-	7,318,209
Large-cap mutual funds	11,133,190	-	11,133,190
Mid-cap mutual funds	2,038,663	-	2,038,663
Small-cap mutual funds	1,678,828	-	1,678,828
International mutual funds	15,547,548	-	15,547,548
Total assets at fair value	$ 39,318,270	$ 3,453,534	$ 42,771,804

The fair values of the System's pension plan assets as of September 30, 2013 were:

	Level 1	Level 2	Total
Assets:			
Cash and cash equivalents	$ 25,220	$ -	$ 25,220
Money market funds	175,940	-	175,940
Corporate Bonds	-	3,184,836	3,184,836
Mutual funds:			
Fixed income mutual funds	8,225,064	-	8,225,064
Large-cap mutual funds	12,087,640	-	12,087,640
Mid-cap mutual funds	1,939,302	-	1,939,302
Small-cap mutual funds	1,882,088	-	1,882,088
International mutual funds	10,878,305	-	10,878,305
Total assets at fair value	$ 35,213,559	$ 3,184,836	$ 38,398,395

The benefits expected to be paid over the next ten years, as estimated based on the same assumptions used to measure MMH's benefit obligations at the end of the year, are as follows:

Years Ended September 30	Estimated Pension Benefits
2015	$ 2,062,411
2016	2,131,968
2017	2,234,678
2018	2,376,724
2019	2,597,463
2020-2024	18,178,940

Defined Contribution Plan

MMH and Selby employees were eligible to participate in Memorial Health System Hospitals Defined Contribution Plan (the "DC Plan") as of January 1, 2009. Eligible employees must complete one year of service and have attained age 21 and not be eligible for MMH's Defined Benefit Retirement Plans. MMH and Selby contribute 2% of compensation for those eligible with up to 4 years of service. Participants with 5 to 14 years of service at the end of the previous plan year, shall have a contribution of 3% of compensation and those with 15 or more years of service at the end of the previous plan year, MMH and Selby shall contribute 4% of compensation. The amount of MMH's and Selby's contribution to the Plan for the year ended September 30, 2014 and 2013 was approximately $817,000 and $699,000, respectively.

403(b) Pension Plans and Tax Deferred Annuity Plan

MMH and Selby employees also have the option to contribute to 403(b) Pension Plan or a Tax Deferred Annuity plan. Certain age, length of service and hours-worked requirements must be met to be eligible for participation. Total employer contributions to these plans during 2014 and 2013 amounted to approximately $615,000 and $776,000 respectively.

11. NET PATIENT SERVICE REVENUE

Net patient service revenue is comprised of the following:

	2014	2013
Charges at established rates	$ 907,883,370	$ 838,936,827
Deductions:		
Medicare contractual adjustments	255,837,583	222,741,941
Medicaid contractual adjustments	94,270,303	70,871,137
Other contractual adjustments	182,921,249	170,816,272
Charity care	19,813,754	22,786,668
Provision for bad debts	24,505,185	37,403,838
Total deductions	577,348,074	524,619,856
Net patient service revenue	$ 330,535,296	$ 314,316,971

12. ACCOUNTING FOR NON-CONTROLLING INTEREST

The breakout of the change in unrestricted net assets is shown in two components, displaying both the portion attributable to both the controlling interest and non-controlling interest in the table below:

	Controlling Interest	Non-Controlling Interest	Total
Beginning balance as of October 1, 2012	$ 96,877,185	$ 518,644	$ 97,395,829
Excess of revenues over expenses	3,656,130	1,282,052	4,938,182
Net change in unrealized gains on investments	(341,550)	-	(341,550)
Pension related changes other than net periodic pension cost	9,700,900	-	9,700,900
Other	(604,673)	(1,433,250)	(2,037,923)
Change in unrestricted net assets	12,410,807	(151,198)	12,259,609
Ending balance as of September 30, 2013	$ 109,287,992	$ 367,446	$ 109,655,438
Excess of revenues over expenses	3,491,348	1,115,196	4,606,544
Net change in unrealized gains on investments	(12,205)	-	(12,205)
Pension related changes other than net periodic pension cost	(5,085,155)	-	(5,085,155)
Other	(351,957)	(1,127,000)	(1,478,957)
Change in unrestricted net assets	(1,957,969)	(11,804)	(1,969,773)
Ending balance as of September 30, 2014	$ 107,330,023	$ 355,642	$ 107,685,665

13. PROFESSIONAL LIABILITY INSURANCE

Based on the nature of its operations, the System is at times subject to pending or threatened legal actions which arise in the normal course of activities. The System is insured against medical professional liability claims under an occurrence-based policy. The policy covers claims resulting from incidents that occur during the policy term, regardless of when the claims are reported to the insurance carrier. The System's management believes asserted and unasserted claims and assessments will not result in losses which would exceed the limits of insurance coverage under an umbrella policy of $20,000,000, with an annual aggregate per claim limit of $3,000,000, subject to a self-insured retention of $75,000 per claim and $225,000 in the aggregate.

14. COMMITMENTS AND CONTINGENCIES

Information Technology Agreements

During the year ended September 30, 2009, the System entered into an information technology services agreement with CareTech Solutions, Inc. effective through June 2014 with the option to renew for up to two additional three year terms. During September 2014, the System extended the term through December 2017. The base service fee charged to the System for 2014 and 2013 was $3,550,000 and $3,030,000, respectively. Under the terms of the agreement, the base service fee will be adjusted annually based on the consumer price index. Payments under the agreement are to be made on a monthly basis.

Operating Lease Commitments

The System leases various office space and equipment under operating leases expiring at various dates through 2053. Total rental expense for the years ended September 30, 2014 and 2013 was $7,082,355 and $6,282,300, respectively.

The total rental commitment on non-cancelable operating and other leases for future years is as follows for the years ending September 30:

2015	$	9,507,151
2016		8,796,316
2017		6,688,758
2018		4,766,047
2019		4,228,306
Thereafter		37,092,654
	$	71,079,232

Letter of Intent

In October 2014, the System entered into a non-binding letter of intent to sell the Nursing Home and MCCRC to an unrelated third party. The financial statements have not been modified with respect to this agreement.

Planned Financing

The System plans to issue approximately $60,000,000 in bonds during fiscal 2015. The purpose of the bonds will be to finance certain improvements to existing hospital facilities and to refinance certain loans and lines of credit. The financial statements have not been modified with respect to this planned financing.

Other Commitments

The System is committed to contracts related to software implementation and expansion and modernization of System facilities. These commitments total approximately $3,578,000 and are expected to be completed in fiscal 2015.

15. FUNCTIONAL EXPENSES

The System provides general health care services to residents within its geographic service area. Estimated expenses related to providing these services for the year ended September 30, 2014 and 2013, are as follows:

	2014	2013
Program services	$ 270,096,299	$ 259,021,250
Fundraising	77,379	74,206
General and administrative	63,384,711	60,785,680
Total	$ 333,558,389	$ 319,881,136

16. ACQUISITION OF MEDICAL RECORDS

On September 17, 2014, MMH entered into a purchase agreement of approximately $2,200,000 for certain intangibles including the practice name and medical records of a medical practice owned and operated by PARS Neurosurgical Associates, Inc. There were no other assets acquired or liabilities assumed. MMH recorded other intangible assets of $2,200,000 associated with the purchase which is attributable to the practice name and patient records. As of September 30, 2014 no payments had been made. Based on the agreement, $300,000 is recorded in accounts payable and is to be paid on October 1, 2014. The remaining $1,900,000 is recorded as a long term liability and is to be paid in installments of $950,000 in October 2015 and 2016. The assets will be amortized over their estimated useful lives.

SUPPLEMENTARY INFORMATION

[illegible]

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Marietta Area Health Care, Inc.
Marietta, Ohio

We have audited the consolidated financial statements of Marietta Area Health Care, Inc. and Subsidiaries as of and for the years ended September 30, 2014 and 2013, and have issued our report thereon dated December 4, 2014, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The consolidating information on pages 36 through 40 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baird G., LLC

December 4, 2014
Columbus, OH

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEETS
SEPTEMBER 30, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

	Marietta Memorial Hospital	Marietta Memorial Health Foundation	Marietta Area Health, Inc	Marietta Area Health Care, Inc	Selby General Hospital	Marietta Continuing Care Retirement Community, Inc	Eliminations	Combined Obligated Group	Marietta Surgery Center, Ltd	Eliminations	2014 Consolidated	2013 Consolidated
Assets												
Current assets												
Cash and cash equivalents	$ 37,880,720	$ 527,743	$ 770,953	$ -	$ 1,125 ✓	$ -	$ -	$ 39,180,541	$ 301,469	$ -	$ 39,482,010	$ 36,549,228
Patient accounts receivable, net	65,319,000	-	742,005	-	5,304,219 ✓	146,485	-	71,511,709	237,206	-	71,748,915	66,990,489
Other receivables	-	154,281	-	-	-	-	-	154,281	2,688	-	156,969	25,559
Estimated third-party settlements	3,879,560	-	18,651	-	490,208 ✓	-	-	4,388,419	-	-	4,388,419	4,120,787
Inventories	5,209,603	-	16,491	-	349,047 ✓	-	-	5,575,141	-	-	5,575,141	4,148,154
Prepaid expenses and other assets	6,910,552	-	-	-	-	16,377	-	6,926,929	153,352	-	7,080,281	5,620,130
Due from related organizations	19,394,604	-	388,933	-	-	193,196	(19,976,733)	-	-	-	-	-
Total current assets	138,594,039	682,024	1,937,033	-	6,144,599	356,058	(19,976,733)	127,737,020	694,715	-	128,431,735	117,454,347
Cash and investments limited as to use												
Board designed assets and donor restricted funds	6,681,198	21,065,668	1,130,360	-	-	894,866	-	29,772,092	-	-	29,772,092	32,724,839
Held by trustee - under bond indenture agreements	11,206,047	-	-	-	-	-	-	11,206,047	-	-	11,206,047	26,679,965
	17,887,245	21,065,668	1,130,360	-	-	894,866	-	40,978,139	-	-	40,978,139	59,404,804
Property, plant and equipment, net												
Used in operations	153,132,790	-	5,590,252	-	11,989,519 ✓	9,176,326	-	179,888,887	181,264	-	180,070,151	159,201,306
Assets used for rental purposes	1,954,733	-	-	-	-	-	-	1,954,733	-	-	1,954,733	2,141,635
	155,087,523	-	5,590,252	-	11,989,519	9,176,326	-	181,843,620	181,264	-	182,024,884	161,342,941
Interest in net assets of Marietta Memorial Health Foundation	1,278,399	-	-	-	-	-	(1,278,399)	-	-	-	-	-
Other assets												
Notes receivable, net	592,726	-	-	-	-	-	-	592,726	-	-	592,726	557,256
Due from related organizations	13,467,631	-	-	-	-	-	(13,467,631)	-	-	-	-	-
Unamortized bond issue costs	2,897,317	-	-	-	-	-	-	2,897,317	-	-	2,897,317	2,936,185
Goodwill	4,591,643	-	91,571	-	-	-	-	4,683,214	-	-	4,683,214	4,683,214
Other intangible assets	2,200,000	-	-	-	-	-	-	2,200,000	-	-	2,200,000	-
Other	914,054	-	285,076	-	-	-	-	1,199,130	-	-	1,199,130	1,550,392
Total assets	$ 337,510,577	$ 21,747,692	$ 9,034,292	$ -	$ 18,134,118 ✓	$ 10,427,250	$ (34,722,763)	$ 362,131,166	$ 875,979	$ -	$ 363,007,145	$ 347,929,139

See Report of Independent Auditors on Supplementary Information on page 35.

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEETS
SEPTEMBER 30, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

	Marietta Memorial Hospital	Marietta Memorial Health Foundation	Marietta Area Health, Inc	Marietta Area Health Care, Inc	Selby General Hospital	Marietta Continuing Care Retirement Community, Inc	Eliminations	Combined Obligated Group	Marietta Surgery Center, Ltd	Eliminations	2014 Consolidated	2013 Consolidated
Liabilities and net assets												
Current Liabilities												
Due to related organizations	$ 582,129	$ 110,812	$ -	$ -	$ 19,283,792	$ -	$ (19,976,733)	$ -	$ -	$ -	$ -	$ -
Line of credit	5,000,000	-	-	-	-	-	-	5,000,000	-	-	5,000,000	5,000,000
Accounts payable and accrued expenses	26,551,447	-	139,251	-	253,057	315,459	-	27,259,214	58,188	-	27,317,402	25,442,766
Accrued salaries, wages & related liabilities	22,448,509	-	236,623	-	1,036,738	-	-	23,721,870	91,990	-	23,813,860	22,242,277
Accrued interest payable	2,694,184	-	-	-	-	-	-	2,694,184	-	-	2,694,184	2,719,944
Other obligations	-	431,475	-	-	-	851	-	432,326	-	-	432,326	1,881
Current portion of long-term debt	4,431,276	-	-	-	304,944	-	-	4,736,220	-	-	4,736,220	2,933,131
Deferred revenue, current	-	-	-	-	-	72,738	-	72,738	-	-	72,738	193,418
Total current liabilities	61,707,545	542,287	375,874	-	20,878,531	389,048	(19,976,733)	63,916,552	150,178	-	64,066,730	58,533,417
Due to related organizations	-	-	4,069,497	-	3,801,328	5,596,806	(13,467,631)	-	-	-	-	-
Accrued pension cost	32,822,013	-	-	-	-	-	-	32,822,013	-	-	32,822,013	26,446,813
Long-term debt, less current portion	147,163,825	-	-	-	-	-	-	147,163,825	-	-	147,163,825	144,891,656
Deferred revenue	-	-	-	-	-	7,840,513	-	7,840,513	-	-	7,840,513	6,942,150
Other	1,900,000	-	-	-	-	-	-	1,900,000	-	-	1,900,000	-
Total liabilities	243,593,383	542,287	4,445,371	-	24,679,859	13,826,367	(33,444,364)	253,642,903	150,178	-	253,793,081	236,814,036
Net assets												
Unrestricted												
Controlling interest	92,388,795	19,927,006	4,588,921	-	(6,545,741)	(3,399,117)	-	106,959,864	370,159	-	107,330,023	109,287,992
Non-controlling interest	-	-	-	-	-	-	-	-	355,642	-	355,642	367,446
Total unrestricted	92,388,795	19,927,006	4,588,921	-	(6,545,741)	(3,399,117)	-	106,959,864	725,801	-	107,685,665	109,655,438
Temporarily restricted	1,528,399	1,278,399	-	-	-	-	(1,278,399)	1,528,399	-	-	1,528,399	1,459,665
Total net assets	93,917,194	21,205,405	4,588,921	-	(6,545,741)	(3,399,117)	(1,278,399)	108,488,263	725,801	-	109,214,064	111,115,103
Total liabilities and net assets	$ 337,510,577	$ 21,747,692	$ 9,034,292	$ -	$ 18,134,118	$ 10,427,250	$ (34,722,763)	$ 362,131,166	$ 875,979	$ -	$ 363,007,145	$ 347,929,139

See Report of Independent Auditors on Supplementary Information on page 35.

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

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1 - 0 |                |
1 - 1 |                |  31,873,922 00 +
1 - 2 |                |       9,984 00 +
1 - 3 |                |      42,036.00 +
1 - T | total revenue  |  31,925,942 00 *
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	Marietta Memorial Hospital	Marietta Memorial Health Foundation	Marietta Area Health, Inc	Marietta Area Health Care, Inc	Selby General Hospital	Marietta Continuing Care Retirement Community, Inc	Eliminations	Combined Obligated Group	Marietta Surgery Center, Ltd	Eliminations	2014 Consolidated	2013 Consolidated
Operating revenue												
Net patient service revenue	$ 307,275,768	$ -	$ 7,721,376	$ -	$ 31,873,922	$ 4,002,678	$ -	$ 350,873,744	$ 4,166,737	$ -	$ 355,040,481	$ 351,720,809
Less provision for bad debts	(21,948,207)	-	(48,840)	-	(2,508,138) Ⓐ	-	-	(24,505,185)	-	-	(24,505,185)	(37,403,838)
Net patient service revenue less provision for bad debts	285,327,561	-	7,672,536	-	29,365,784	4,002,678	-	326,368,559	4,166,737	-	330,535,296	314,316,971
Other operating revenue	5,435,151	-	-	-	9,984 Ⓑ	51,495	-	5,496,630	-	(821,043)	4,675,587	7,768,399
Total operating revenue	290,762,712	-	7,672,536	-	29,375,768	4,054,173	-	331,865,189	4,166,737	(821,043)	335,210,883	322,085,370
Operating expenses												
Salaries and wages	128,169,489	84,133	3,049,841	-	9,927,019	1,422,248	-	142,652,730	789,288	-	143,442,018	138,924,640
Employee benefits	36,069,115	8,142	1,050,720	-	3,396,348	444,769	-	40,969,094	154,620	-	41,123,714	39,050,552
Supplies	51,098,931	-	959,959	-	7,266,266	349,915	-	59,675,071	370,571	-	60,045,642	57,579,523
Purchased services	32,869,257	-	1,091,843	-	3,152,964	251,382	-	37,365,446	223,444	-	37,588,890	37,652,394
Medical professional fees	3,719,685	-	-	-	380,875	-	-	4,100,560	-	-	4,100,560	3,525,354
Rent	6,332,804	-	-	-	574,093	-	-	6,906,897	175,458	-	7,082,355	6,237,861
Insurance	2,744,400	-	106,410	-	394,957	-	-	3,245,767	-	-	3,245,767	3,026,977
Utilities	3,459,330	-	153,965	-	369,836	221,172	-	4,204,303	-	-	4,204,303	4,185,245
Interest and amortization	6,238,167	-	249,434	-	245,381	419,952	-	7,152,934	-	-	7,152,934	8,401,428
Depreciation	15,680,775	-	266,207	-	1,486,342	684,174	-	18,117,498	47,032	-	18,164,530	14,846,288
Other	5,832,731	479,624	451,709	-	228,182	319,746	(34,736)	7,277,256	130,420	-	7,407,676	6,450,874
Total operating expenses	292,214,684	571,899	7,380,088	-	27,422,263 Ⓐ	4,113,358	(34,736)	331,667,556	1,890,833	-	333,558,389	319,881,136
Operating income (loss)	(1,451,972)	(571,899)	292,448	-	1,953,505	(59,185)	34,736	197,633	2,275,904	(821,043)	1,652,494	2,204,234
Non-operating gains (losses)												
Investment income	1,153,049	1,502,726	113,537	-	13,504 ✓	41,120	-	2,823,936	7	-	2,823,943	2,844,393
Unrestricted contributions	34,736	615,411	-	-	-	-	-	650,147	-	-	650,147	369,372
Other	(513,836)	-	-	-	28,532	-	(34,736)	(520,040)	-	-	(520,040)	(479,817)
Total nonoperating gains	673,949	2,118,137	113,537	-	42,036	41,120	(34,736)	2,954,043	7	-	2,954,050	2,733,948
Excess of revenues over (under) expenses	$ (778,023)	$ 1,546,238	$ 405,985	$ -	$ 1,995,541	$ (18,065)	$ -	$ 3,151,676	$ 2,275,911	$ (821,043)	$ 4,606,544	$ 4,938,182

$25,451 is rental income $3,081 is misc. Ⓑ

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1 - 0 |              |
1 - 1 |      Ⓐ       |  2,508,138.00 +
1 - 2 |              | 27,422,263 00 +
1 - T | expenses     | 29,930,401 00 *
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1 - 0 |              |
1 - 1 |      Ⓑ       |  9,984 00 +
1 - 2 |              |  3,081 00 +
1 - T | misc income  | 13,065 00 *
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MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

	Marietta Memorial Hospital	Marietta Memorial Health Foundation	Marietta Area Health, Inc	Marietta Area Health Care, Inc	Selby General Hospital	Marietta Continuing Care Retirement Community, Inc	Eliminations	Combined Obligated Group	Marietta Surgery Center, Ltd	Eliminations	2013 Consolidated	2012 Consolidated
Unrestricted net assets												
Excess of revenues over (under) expenses	$ (778,023)	$ 1,546,238	405,985	$ -	$ 1,995,541	$ (18,065)	$ -	$ 3,151,676	$ 2,275,911	$ (821,043)	$ 4,606,544	$ 4,938,182
Net change in unrealized gains on investments	102	-	(35,801)	-	-	23,494	-	(12,205)	-	-	(12,205)	(341,550)
Pension related changes other than net periodic pension cost	(5,085,155)	-	-	-	-	-	-	(5,085,155)	-	-	(5,085,155)	9,700,900
Transfers from (to) related organizations	401,341	(401,341)	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	(2,300,000)	821,043	(1,478,957)	(2,037,923)
Change in unrestricted net assets	(5,461,735)	1,144,897	370,184	-	1,995,541	5,429	-	(1,945,684)	(24,089)	-	(1,969,773)	12,259,609
Less change in unrestricted net assets attributable to non-controlling interest	-	-	-	-	-	-	-	-	-	(11,804)	(11,804)	(151,198)
Change in unrestricted net assets attributable to controlling interest	(5,461,735)	1,144,897	370,184		1,995,541	5,429	-	(1,945,684)	(24,089)	11,804	(1,957,969)	12,410,807
Temporarily restricted net assets												
Change in interest in net assets of Marietta Memorial Health Foundation	68,734	-	-	-	-	-	(68,734)	-	-	-	-	-
Investment income and unrealized losses on investments	-	68,734	-	-	-	-	-	68,734	-	-	68,734	57,539
Change in temporarily restricted net assets	68,734	68,734	-	-	-	-	(68,734)	68,734	-	-	68,734	57,539
Change in net assets	(5,393,001)	1,213,631	370,184	-	1,995,541	5,429	(68,734)	(1,876,950)	(24,089)	-	(1,901,039)	12,317,148
Net assets, beginning of year	99,310,195	19,991,774	4,218,737	-	(8,541,282)	(3,404,546)	(1,209,665)	110,365,213	749,890	-	111,115,103	98,797,955
Net assets, end of year	$ 93,917,194	$ 21,205,405	4,588,921	$ -	$ (6,545,741)	$ (3,399,117)	$ (1,278,399)	$ 108,488,263	$ 725,801	$ -	$ 109,214,064	$ 111,115,103

See Report of Independent Auditors on Supplementary Information on page 35.

MARIETTA AREA HEALTH CARE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

	Marietta Memorial Hospital	Marietta Memorial Health Foundation	Marietta Area Health Inc	Marietta Area Health Care Inc	Selby General Hospital	Marietta Continuing Care Retirement Community Inc	Eliminations	Combined Obligated Group	Marietta Surgery Center Ltd	Eliminations	2014 Consolidated	2013 Consolidated
Operating activities												
Change in net assets	$ (5 393 001)	$ 1 213 631	$ 370 184	$ -	$ 1 995 541	$ 5 429	$ (68 734)	$ (1 876 950)	$ (24 089)	$ -	$ (1 901 039)	$ 12 317 148
Adjustments to reconcile change in net assets to net cash from operating activities												
Bad debts	21 948 207	-	48 840	-	2 508 138	-	-	24 505 185	-	-	24 505 185	37 403 838
Amortization	38 868	-	-	-	-	-	-	38 868	-	-	38 868	59 424
Depreciation - assets used for operations	15 680 775	-	266 207	-	1 486 342	684 174	-	18 117 498	47 032	-	18 164 530	14 846 288
Depreciation - assets used for rental purposes	757 360	-	-	-	-	-	-	757 360	-	-	757 360	759 305
Gain (loss) on disposal of property plant and equipment	(5 727)	-	-	-	-	-	-	(5 727)	-	-	(5 727)	38 147
Proceeds from restricted contributions and investment income	-	(68 734)	-	-	-	-	-	(68 734)	-	-	(68 734)	(57 539)
Net change in unrealized gains on investments	(102)	-	35 801	-	-	(23 494)	-	12 205	-	-	12 205	341 550
Other changes in unrestricted net assets	-	-	-	-	-	-	-	-	2 300 000	(1 173 000)	1 127 000	1 433 250
Realized gains on investments	(1 153 049)	(1 502 726)	(113 537)	-	(13 504)	(41 120)	-	(2 823 936)	(7)	-	(2 823 943)	(2 844 393)
Changes in operating assets and liabilities												
Patient accounts receivable	(27 034 512)	-	244 339	-	(2 556 675)	28 398	-	(29 318 450)	54 839	-	(29 263 611)	(38 439 474)
Inventories	(1 384 235)	-	3 856	-	(148 121)	-	-	(1 528 500)	101 513	-	(1 426 987)	(1 192 590)
Prepaid expenses and other current assets	(1 122 288)	(131 410)	-	-	-	1 000	(241 000)	(1 493 698)	(97 863)	-	(1 591 561)	(1 828 218)
Other assets	182 307	-	14 753	-	154 202	-	-	351 262	-	-	351 262	(132 673)
Accounts payable and accrued expenses	1 504 464	-	(8 887)	-	138 032	133 140	-	1 766 749	(192 113)	-	1 574 636	693 198
Accrued salaries wages and related liabilities	1 825 651	-	(52 830)	-	(221 655)	-	-	1 551 166	20 417	-	1 571 583	7 742 661
Accrued interest payable	(25 760)	-	-	-	-	-	-	(25 760)	-	-	(25 760)	1 535 280
Estimated third-party settlements	394 932	-	-	-	(662 564)	-	-	(267 632)	-	-	(267 632)	(1 907 328)
Pension liability	6 375 200	-	-	-	-	-	-	6 375 200	-	-	6 375 200	(6 638 972)
Due to related entities	582 129	110 812	(394 502)	-	319 043	(903 515)	-	(286 033)	-	286 033	-	-
Due from related entities	863 566	4 596	(388 933)	-	-	(193 196)	-	286 033	-	(286 033)	-	-
Deferred revenue	-	-	-	-	-	536 683	241 000	777 683	-	-	777 683	(264 465)
Net cash from operating activities	14 034 785	(373 831)	25 291	-	2 998 779	227 499	(68 734)	16 843 789	2 209 729	(1 173 000)	17 880 518	23 864 437
Cash flows from investing activities												
Purchase of property plant and equipment	(33 857 468)	-	(50 089)	-	(2 679 717)	(229 316)	-	(36 816 590)	(5 779)	-	(36 822 369)	(27 263 219)
Changes in notes receivable	(35 470)	-	-	-	-	-	-	(35 470)	-	-	(35 470)	64 101
Changes in interest in Foundation	(68 734)	-	-	-	-	-	68 734	-	-	-	-	-
Change in assets whose use is limited	20 885 832	337 510	584	-	13 504	966	-	21 238 396	7	-	21 238 403	17 308 291
Net cash from investing activities	(13 075 840)	337 510	(49 505)	-	(2 666 213)	(228 350)	68 734	(15 613 664)	(5 772)	-	(15 619 436)	(9 890 827)
Cash flows from financing activities												
Proceeds from restricted contributions and investment income	-	68 734	-	-	-	-	-	68 734	-	-	68 734	57 539
Dividends paid	-	-	-	-	-	-	-	-	(2 300 000)	1 173 000	(1 127 000)	(1 433 250)
Change in other obligations	-	430 976	-	-	-	851	-	431 827	(1 382)	-	430 445	(1 078 349)
Proceeds from long term borrowings	4 000 000	-	-	-	-	-	-	4 000 000	-	-	4 000 000	-
Principal payments on long-term obligations	(2 367 813)	-	-	-	(332 666)	-	-	(2 700 479)	-	-	(2 700 479)	(3 222 666)
Net cash from financing activities	1 632 187	499 710	-	-	(332 666)	851	-	1 800 082	(2 301 382)	1 173 000	671 700	(5 676 726)
Net change in cash and cash equivalents	2 591 132	463 389	(24 214)	-	(100)	-	-	3 030 207	(97 425)	-	2 932 782	8 296 884
Cash and cash equivalents, beginning of year	35 289 588	64 354	795 167	-	1 225	-	-	36 150 334	398 894	-	36 549 228	28 252 344
Cash and cash equivalents, end of year	$ 37 880 720	$ 527 743	$ 770 953	$ -	$ 1 125	$ -	$ -	$ 39 180 541	$ 301 469	$ -	$ 39 482 010	$ 36 549 228
Supplemental disclosure of cash flow information												
Cash paid for interest	$ 6 263 927	$ -	$ 249 434	$ -	$ 245 381	$ 419 952	$ -	$ 7 178 694	$ -	$ -	$ 7 178 694	$ 6 866 148
Equipment acquired under capital leases	$ 2 775 737	$ -	$ -	$ -	$ -	$ -	$ -	$ 2 775 737	$ -	$ -	$ 2 775 737	$ 4 402 177
Acquisition of medical records	$ 2 200 000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2 200 000	$ -	$ -	$ 2 200 000	$ -

See Report of Independent Auditors on Supplementary Information on page 35.