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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 black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 10-01-2008 and ending 09-30-2009

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
NORTHEAST HOSPITAL CORP

Doing Business As

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

City or town, state or country, and ZIP + 4
BEVERLY, MA 01915

D Employer identification number
04-2121317

E Telephone number
(978) 922-3000

G Gross receipts $ 342,440,576

F Name and address of Principal Officer
DENIS CONROY
85 HERRICK ST
BEVERLY, MA 01915

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

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

H(c) Group Exemption Number ▶

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

J Web site: ▶ N/A

K Type of organization ☑ Corporation ☐ trust ☐ association ☐ other ▶

L Year of Formation 1893 | **M** State of legal domicile MA

Part I Summary

1 Briefly describe the organization's mission or most significant activities

COMMITTED TO PROVIDING THE HIGHEST QUALITY MEDICAL CARE TO ALL INVIDUALS WHO CAN BENEFIT FROM OUR CONTINUUM OF CARE OUR CONCEPT OF CARE BROADLY EMBRACES THE HEALTH, WELL-BEING AND DIGNITY OF THE PATIENTS WE SERVE, REGARDLESS OF ABILITY TO PAY

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of employees (Part V, line 2a)	5	3,067
6	Total number of volunteers (estimate if necessary)	6	340
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	5,672,707
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,788,602	1,606,540
9	Program service revenue (Part VIII, line 2g)	292,577,444	311,770,196
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-1,134,434	2,634,821
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,399,442	4,769,960
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	296,631,054	320,781,517
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	18,350	15,750
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	151,573,927	185,590,998
16a	Professional fundraising fees (Part IX, column (A), line 11e)	918,656	1,313,436
b	(Total fundraising expenses, Part IX, column (D), line 25 1,313,436)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	148,256,730	130,227,089
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	300,767,663	317,147,273
19	Revenue less expenses Subtract line 18 from line 12	-4,136,609	3,634,244

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	334,327,406	330,113,690
21	Total liabilities (Part X, line 26)	189,524,995	214,904,666
22	Net assets or fund balances Subtract line 21 from line 20	144,802,411	115,209,024

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

Please Sign Here

****** | 2010-08-02
Signature of officer | Date

DENIS CONROY VP AND CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ NORTHEAST HEALTH SYSTEMS | Date | Check if self-empolyed ▶ ☐ | Preparer's PTIN (See Gen Inst)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ CO NORTHEAST HEALTH SYSTEMS
85 HERRICK ST
BEVERLY, MA 019151776

EIN ▶

Phone no ▶ (978) 922-3000

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

Part III Statement of Program Service Accomplishments (See the instructions.)

1 Briefly describe the organization's mission

Committed to providing the highest quality medical care to all individuals who can benefit

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 exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts 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 $ 238,090,905 including grants of $ 15,750) (Revenue $ 311,770,196)

SEE STATEMENT 1

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 $ 238,090,905 *Must equal Part IX, Line 25, column (B).*

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?	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? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where 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	Yes	
9	Did the organization report an amount in Part X, line 21, 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 hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	Yes	
13	Is the organization a school as 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 U S ?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 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, questions 3, 4, or 5? *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 questions 24b–24d and complete Schedule K. If "No," go to question 25*	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	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *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 section 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, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**		No
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
37	Did the organization conduct more than 5 percent 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

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	704		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	3,067		
b	If at least one is reported in 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 this return.*	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and 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 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	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 provide goods or services in exchange for any quid pro quo contribution of $75 or more?	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, during the year, 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	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			No
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			No
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			No
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			

Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body . .	1a 15		
b	Enter the number of voting members that are independent . .	1b 9		
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	Yes	
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 organizational documents since the prior Form 990 was filed? . .	4	Yes	
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5	Yes	
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	Yes	
11	Is there any officer, director or 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	11	Yes	

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No", go to line 13* . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does 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	
	Describe the process in Schedule O			
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," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

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

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 make these available Check all that apply

☐ own website ☑ another's website ☑ upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

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

DENIS CONROY
85 HERRICK ST
BEVERLY, MA 01915
(978) 922-3000

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

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

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed
* List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation, and current key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

* 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 the organization did not compensate any officer, director, trustee or key employee

(A) Name and Title	**(B)** Average hours per week	**(C)** Position (check all that apply)						**(D)** Reportable compensation from the organization (W-2/1099MISC)	**(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			

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
1b Total ▶								3,958,848	481,188	

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 168

			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**	Yes	
4	For any individual listed online 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 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

(A) Name and business address	(B) Description of services	(C) Compensation
ESSEX COUNTY OBGYN 85 HERRICK ST BEVERLY, MA 01915	OB HOSPITALIST SERV	839,572
COLLEGE STREET PARTNERS LLC 900 CUMMINGS CTR BEVERLY, MA 01915	PROJECT MANAGEMENT	248,382
JACKSON LEWIS LLP POBOX 416019 BOSTON, MA 02241	LEGAL SERVICES	212,459
HOSPITALIST MANAGEMENT RESOURCES POBOX 177 DEL MAR, CA 92014	HOSPITALIST CONSULTANT SERVICE	205,294
DON PADRE SEACOAST SERVICES PO BOX 1511 GLOUCESTER, MA 01930	MAINTENANCE	153,027

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 22

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 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 200,000				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 1,406,540				
	g	Noncash contributions included in lines 1a-1f $ 16,729				
	h	**Total (Add lines 1a-1f)**	1,606,540			
Program Service Revenue		Business Code				
	2a	NET PATIENT SERVICE REVENUE 900,099	311,770,196	311,770,196		
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total. Add lines 2a-2f** ▶ $ 311,770,196				
	3	Investment income (including dividends, interest other similar amounts)	70,072	70,072		
	4	Income from investment of tax-exempt bond proceeds	2,172,176	2,172,176		
	5	Royalties				
		(i) Real / (ii) Personal				
	6a	Gross Rents 553,779				
	b	Less rental expenses 603,981				
	c	Rental income or (loss) -50,202				
	d	Net rental income or (loss)	-50,202	-50,202		
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 17,273,187 / 4,108,504				
	b	Less cost or other basis and sales expenses 17,349,276 / 3,639,842				
	c	Gain or (loss) -76,089 / 468,662				
	d	Net gain or (loss)	392,573	392,573		
Other Revenue	8a	Gross income from fundraising events (not including $ 141,908 of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b 65,960				
	c	Net income or (loss) from fundraising events	75,948	75,948		
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000* 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	LAB SSI INCOME 621,500	5,453,418		5,453,418	
	b	OTHER OPERATING INCOME 900,099	2,366,341	2,366,341		
	c	CAFETERIA SALES 900,099	1,433,951	1,433,951		
	d	All other revenue	-4,509,496	-4,728,785	219,289	
	e	**Total. Add lines 11a-11d** $ 4,744,214				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e	320,781,517	313,502,270	5,672,707	

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) but are not required to complete columns (B), (C), and (D).

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 U S See Part IV, line 21	15,750	15,750		
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,813,413	0	2,813,413	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	154,476,858	128,832,492	0	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,131,252	4,202,879	928,373	0
9 Other employee benefits	13,114,725	10,741,940	2,372,785	0
10 Payroll taxes	10,054,750	8,235,592	1,819,158	0
11 Fees for services (non-employees)				
a Management				
b Legal	521,643	0	521,643	0
c Accounting	207,800	0	207,800	0
d Lobbying	45,000	0	45,000	0
e Professional fundraising *See Part IV, line 17*	1,313,436			1,313,436
f Investment management fees	25,443	0	25,443	0
g Other				
12 Advertising and promotion	593,695	0	593,695	0
13 Office expenses	68,600,715	41,928,757	26,671,958	0
14 Information technology	2,243,331	1,371,124	872,207	0
15 Royalties				
16 Occupancy	6,075,803	3,713,531	2,362,272	0
17 Travel	1,075,812	657,536	418,276	0
18 Payments of travel or entertainment expenses for any Federal, state or local public officials				
19 Conferences, conventions and meetings				
20 Interest	3,435,268	0	3,435,268	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	17,886,616	10,932,300	6,954,316	0
23 Insurance	4,518,928	2,761,969	1,756,959	0
24 Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a UNCOMPENSATED CARE POOL	3,495,935	3,495,935	0	0
b PROVISION FOR BAD DEBT	9,166,584	9,166,584	0	0
c UNRELATED BUSINESS TAX	300,000	0	300,000	0
d MISCELLANEOUS	316,823	316,823	0	0
e NON-EMPLOYEE HEALTH CARE WORKERS	11,717,693	11,717,693	0	0
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	317,147,273	238,090,905	77,742,932	1,313,436
26 **Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		156,954	2	16,937,116
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		35,463,989	4	35,022,827
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*		3,565,490	5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) *Complete Part II of Schedule L*			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		5,462,358	8	5,493,956
	9	Prepaid expenses and deferred charges		4,374,505	9	4,093,468
	10a	Land, buildings, and equipment cost basis	10a 359,145,057			
	b	Less accumulated depreciation *Complete Part VI of Schedule D*	10b 201,994,720	167,705,426	10c	157,150,337
	11	Investments—publicly traded securities		104,002,589	11	101,430,577
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*			12	
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*		13,596,095	15	9,985,409
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*		334,327,406	16	330,113,690
Liabilities	17	Accounts payable and accrued expenses		27,641,163	17	26,651,406
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		121,789,256	20	113,339,703
	21	Escrow account liability *Complete Part IV of Schedule D*			21	
	22	Payable 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		3,037,366	23	431,173
	24	Unsecured notes and loans payable			24	
	25	Other liabilities *Complete Part X of Schedule D*		37,057,210	25	74,482,384
	26	**Total liabilities.** *Add lines 17 through 25*		189,524,995	26	214,904,666
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		131,120,697	27	102,119,016
	28	Temporarily restricted net assets		7,150,126	28	6,557,281
	29	Permanently restricted net assets		6,531,588	29	6,532,727
		Organizations that do not follow SFAS 117, 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		144,802,411	33	115,209,024
	34	Total liabilities and net assets/fund balances		334,327,406	34	330,113,690

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990	☐ cash ☑ accrual ☐ other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a	Yes	
b	Were the organization's financial statements audited by an independent accountant?		2b	Yes	
c	If "Yes" to lines 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	
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?		3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

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).** (Attach Schedule H)

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 331/3% 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 331/3% 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).** (See instructions)

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 - Other

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 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 organizations the organization supports

(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 support?
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in IRC 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.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						0

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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						0
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** ▶

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f **15**

16a **33 1/3% Test - 2008.** 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% Test - 2007.** If the organization did not check the 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 - 2008.** 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 - 2007.** 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 the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 1-5						
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 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Total of lines 7a and 7b						
8 **Public Support** (Substract line 7c from line 6)						0

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 30 June, 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)						0

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** ☐

Computation of Public Support Percentage

15 Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15	0 %
16 Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16	

Computation of Investment Income Percentage

17 Investment Income Percentage for **2008** (line 10c column (f) divided by line 13 column (f))	17	0 %
18 Investment Income Percentage from **2007** Schedule A, Part IV-A, line 27h	18	

19a **33 1/3% Tests - 2008.** 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% Tests - 2007.** 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.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 04-2121317
Name: NORTHEAST HOSPITAL CORP

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
GEORGE BURKE , TRUSTEE	2 00	X						0	0	0
JONATHAN SCHREIBER , PRES MEDICAL STAFF	2 00	X						0	0	0
PAUL MUNIZ , TRUSTEE	2 00	X						0	0	0
HUGH O'FLYNN , TRUSTEE	2 00	X						0	0	0
NANCY PALMER , TRUSTEE	4 00	X						0	0	0
JAGRUTI PATEL , TRUSTEE	2 00	X						0	0	0
NORMAN SEPPALA , TRUSTEE	2 00	X						0	0	0
DAVID ST LAURENT , TRUSTEE	4 00	X						0	0	0
PAUL MCCONNELL , TRUSTEE	2 00	X						0	0	0
ROBERT ERWIN , TRUSTEE	2 00	X						0	0	0
DAVID DICHIARA , TRUSTEE	2 00	X						0	0	0
TOM GRANT , TRUSTEE	2 00	X						0	0	0
MICHAEL SHEA , TRUSTEE	2 00	X						0	0	0
STEVEN LAVERTY , PRESIDENT 10/8-11/08	40 00		X					751,282	189,000	0
HENRY RAMINI , PRESIDENT 11/08-9/09	40 00			X				63,969	0	0
WILLIAM DONALDSON , ASSISTANT SECRETARY	40 00			X				194,002	104,000	0
DENIS CONROY , ASSITANT TREASURER	40 00			X				325,908	113,880	0
PAULINE PIKE , CHIEF OPERATIONS OFFICER	40				X			295,966	28,288	
JOEL FLEIT , SR VP OPERATIONS	40				X			276,320	11,440	
GREGORY BIRD , VP PATIENT AFFAIRS	40				X			238,873	11,440	
JAMES PURDY , ASST VP LELAND	40				X			209,044		
PETER SHORT , VP MEDICAL AFFAIRS	40					X		301,818	13,260	
BARRY GINSBERG , MEDICAL DIRECTOR LELAND	40					X		298,994		
GARY MARLOW , DIR FINANCIAL SERVICES	40					X		225,863		
ALTHEA LYONS , VP HUMAN RESOURCES	40					X		204,490	9,880	
STEVEN GILLESPIE , PHYSICIAN	40					X		197,345		
JOHN WILHELM , FORMER VP FINANCE	0				X		X	135,795		
PHILIP CORMIER , FORMER COO	0					X	X	239,179		

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SCHEDULE C
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)
- Section 501(c)(3) organizations complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990EZ, Part VI, line 47 (Lobbying Activities)
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax)
- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization	Employer identification number
NORTHEAST HOSPITAL CORP	04-2121317

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations. (See the instructions for Schedule C for details.)

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

2 Political expenditures $ _____

3 Volunteer hours _____

Part I-B To be completed by all organizations exempt under section 501(c)(3). (See the instructions for Schedule C for details.)

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3). (See the instructions for Schedule C for details.)

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

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

3 Total of direct and indirect exempt function expenditures Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b $ _____

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

5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)		
c	Total lobbying expenditures (add lines 1a and 1b)		
d	Other exempt purpose expenditures		
e	Total exempt purpose expenditures (add lines 1c and 1d)		
f	Lobbying nontaxable amount Enter the amount from the following table in both columns—		

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

g	Grassroots nontaxable amount (enter 25% of line 1f)		
h	Subtract line 1g from line 1a Enter -0- if line g is more than line a		
i	Subtract line 1f from line 1c Enter -0- if line f is more than line c		

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

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)		(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a	Lobbying non-taxable amount					
b	Lobbying ceiling amount (150% of line 2a, column(e))					
c	Total lobbying expenditures					
d	Grassroots non-taxable amount					
e	Grassroots ceiling amount (150% of line d, column (e))					
f	Grassroots lobbying expenditures					

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines c through i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		250
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?	Yes		950
i	Other activities If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			1,200
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes" enter the amount of any tax incurred under section 4912			
c	If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** (See the instructions for Schedule C for details.)

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

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** (See the instructions for Schedule C for details.)

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

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i Also, complete this part for any additional information

Identifier	Return Reference	Explanation
Pt II-B Line 1i		

Part IV Supplemental Information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

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 may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other 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 pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of certified historic structure
☐ Preservation of open space

2 Complete lines 2a–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	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, 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, 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 XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, 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 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 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 XIV

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 Trust, 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 why in Part XIV 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 XIV

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	13,681,714				
b Contributions	1,406,540				
c Investment earnings or losses	40,498				
d Grants or scholarships	165,189				
e Other expenditures for facilities and programs	1,873,555				
f Administrative expenses					
g End of year balance	13,090,008				

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 50 000 %
- c Term endowment ▶ 50 000 %

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

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

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

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	1,053,608	16,660,231		17,713,839
b Buildings	6,611,485	182,171,400	77,803,823	110,979,062
c Leasehold improvements				
d Equipment	516,361	152,131,972	124,190,897	28,457,436
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				157,150,337

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

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

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

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

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
UNAMORTIZED FINANCING COSTS	3,420,217
DUE FROM AFFILIATES	2,038,604
OTHER NON-CURRENT ASSETS	2,825,408
SPLIT DOLLAR LIFE INSURANCE	1,701,180
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	9,985,409

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of Liability	(b) Amount
Federal Income Taxes	
ESTIMATED 3RD PARTY SETTLEMENT	9,873,617
CURRENT INSTALLMENT LONG TERM DEBT	8,489,139
CURRENT PORTION POST RETIREMENT MEDICAL BENEFITS	285,879
ACCRUED PENSION LIABILITY	41,003,496
POST RETIREMENT MEDICAL BENEFITS	2,158,475
PROFESSIONAL LIABILITY RESERVE	1,830,408
OTHER NON CURRENT ACCRUED LIABILITIES	10,841,370
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	74,482,384

In Part XIV, 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

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	320,781,517
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	317,147,273
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,634,244
4	Net unrealized gains (losses) on investments	4	-297,943
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-32,337,982
9	Total adjustments (net) Add lines 4 - 8	9	-32,635,925
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-29,001,681

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	318,880,477
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 XIV)	2d	-607,626		
e	Add lines **2a** through **2d**			2e	-607,626
3	Subtract line **2e** from line **1**			3	319,488,103
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 XIV)	4b	1,293,414		
c	Add lines **4a** and **4b**			4c	1,293,414
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	320,781,517

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	315,517,014
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	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d	-1,313,436		
e	Add lines **2a** through **2d**			2e	-1,313,436
3	Subtract line **2e** from line **1**			3	316,830,450
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 XIV)	4b	316,823		
c	Add lines **4a** and **4b**			4c	316,823
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	317,147,273

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

▶ **Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than $15,000 on Form 990-EZ, line 6a.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

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

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

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

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions?		**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
		Yes	**No**			
Total			▶			

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 BH GOLF CLASSIC (event type)	(b) Event #2 LYONS AMBULANCE GOLF TOURN (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	83,050	58,858		141,908
	2 Less Charitable contributions				
	3 Gross revenue (line 1 minus line 2)	83,050	58,858		141,908
Direct Expenses	4 Cash Prizes				
	5 Non-cash Prizes				
	6 Rent/Facility costs				
	7 Other direct expenses	47,182	18,778		65,960
	8 Direct expense summary Add lines 4 through 7 in column (d) ▶				65,960
	9 Net income summary Combine lines 3 and 8 in column (d) ▶				75,948

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

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

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities ____			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

		Yes	No
13	Indicate the percentage of gaming activity operated in		
a	The organization's facility **13a**		
b	An outside facility **13b**		
14	Provide the name and address of the person who prepares the organization's gaming/special events books and records		
	Name ▶ _____		
	Address ▶ _____		
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a**		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____		
c	If "Yes," enter name and address		
	Name ▶ _____		
	Address ▶ _____		
16	Gaming manager information		
	Name ▶ _____		
	Gaming manager compensation ▶ $ _____		
	Description of services provided ▶ _____		
	☐ Director/officer ☐ Employee ☐ Independent contractor		
17	Mandatory distributions		
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? **17a**		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $		

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.
▶ Attach to Form 990.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from *worksheets 1 and 2)*						
b Unreimbursed Medicaid (from *worksheet 3, column a)*						
c Unreimbursed costs—other means-tested government programs (from *Worksheet 3, column b)*						
d **Total** Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from (worksheet 4)						
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 to community groups (from worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part II Community Building Activities (Complete this table if the organization conducted any community building activities) *(Optional for 2008)*

		(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, and Collection Practices *(Optional for 2008)*

Section A—Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		
2	Enter the amount of the organization's bad debt expense (at cost) 2			
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit			

Section B—Medicare

5	Enter total revenue received from Medicare (including DSH and IME) 5		
6	Enter Medicare allowable costs of care relating to payments on line 5 6		
7	Enter line 5 less line 6—surplus or (shortfall) 7		
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit, and the costing methodology or source used to determine the amount reported on line 6 and indicate which of the following methods was used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C—Collection Practices

9a	Does the organization have a written debt collection policy?	9a		
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV Management Companies and Joint Ventures *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V **Facility Information** *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
BEVERLY HOSPITAL 85 HERRICK ST BEVERLY,MA 01915	X								
BAYRIDGE HOSPITAL 60 GRANITE ST LYNN,MA 01904	X								
ADDISON GILBERT HOSPITAL 298 WASHINGTON ST GLOUCESTER,MA 01930	X								
BEVERLY HOSPITAL AT DANVERS 480 MAPLE STREET DANVERS,MA 01923	X								

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

2 **Needs Assessment.** Describe how the organization assesses the health care needs of the communities it serves

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 charity care policy

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

5 **Community Building Activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

6 Provide any other information important to describing how the organization's hospitals 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)

7 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 communites served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 if additional space is needed . . . ▶ ☑

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 1

3 Enter total number of other organizations . . . ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

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

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

See Additional Data Table

Identifier	Return Reference	Explanation
Pt I Line 2		ELIZABETH TORREY JOHNSON SCHOLARSHIP FUND ALL ELIGIBLE APPLICANTS MUST SUBMIT AND APPLICATION THAT INCLUDES AMONG OTHER THINGS THE COST OF TUITION, ROOM AND BOARD, TEXTBOOKS AND MISC FEES, ETC ALSO AVAILABLE FINANCIAL RESOURCES INCLUDING GRANTS, SCHOLARSHIPS, U-PLAN AND FINANCIAL AID THAT HAS BEEN APPLIED OR AWARDED PERSONAL AND FAMILY FINANCIAL RESOURCES TO BE PAID TOWARD THESE COSTS ETJ SCHOLARSHIPS ARE PAID 1/2 FOR FALL AND 1/2 FOR SPRING SEMESTERS CONFIRMATION OF ENROLLMENT FROM THE 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

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

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 line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ 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			
a	Receive a severance payment or change of control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		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			
	501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.			
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**	Yes	
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 Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
STEVEN LAVERTY	(i)	615,020	136,262			13,236	764,518	415,447
	(ii)	189,000				3,751	192,751	185,476
WILLIAM DONALDSON	(i)	147,315	46,687			13,795	207,797	131,124
	(ii)	104,000				8,050	112,050	103,063
DENIS CONROY	(i)	256,308	69,600			14,388	340,296	228,726
	(ii)	113,880				7,457	121,337	114,624
PAULINE PIKE	(i)	252,361	43,605			11,064	307,030	224,489
	(ii)	28,288				1,337	29,625	23,116
JOEL FLEIT	(i)	240,095	36,225			14,765	291,085	221,477
	(ii)	11,440				922	12,362	11,437
GREGORY BIRD	(i)	208,858	30,015			20,698	259,571	183,298
	(ii)	11,440				1,147	12,587	11,717
JAMES PURDY	(i)	182,314	26,730			16,151	225,195	159,134
	(ii)							
PETER SHORT	(i)	256,631	45,187			19,841	321,659	229,180
	(ii)	13,260				968	14,228	13,430
BARRY GINSBERG	(i)	298,994				21,835	320,829	229,661
	(ii)							
GARY MARLOW	(i)	195,863	30,000			15,235	241,098	146,250
	(ii)							
ALTHEA LYONS	(i)	178,140	26,350			20,331	224,821	159,692
	(ii)	9,880				1,117	10,997	9,158
STEVEN GILLESPIE	(i)	197,345				13,356	210,701	151,604
	(ii)							
JOHN WILHELM	(i)	135,795					135,795	118,632
	(ii)							
PHILIP CORMIER	(i)	202,649	36,530				239,179	210,795
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Pt I Line 1b		Certain gross up payments were made based on the contract agreement with the
		individual, as approved by the Board of Directors
Pt I Line 4a		STEVEN LAVERTY - SEVERANCE $79,880 JOHN WILHELM - SEVERANCE $135,795
Pt I Line 4b		Split dollar life insurance premiums were paid on behalf of the President in thea mount o $218,669 in C/Y 2008
Pt I Line 6a		FY07 BONUSES PAID IN 2008 A PORTION OF BONUS IS RELATED TO THE ORGANIZATION
		MEETING ITS BUDGETED NET INCOME, ALONG IWTH OTHER CORPORATE GOALS INCLUDING
		quality measurements such as patient satisfaction and quality of care

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 04-2121317
Name: NORTHEAST HOSPITAL CORP

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
STEVEN LAVERTY	(I)	615,020	136,262			13,236	764,518	415,447
	(II)	189,000				3,751	192,751	185,476
WILLIAM DONALDSON	(I)	147,315	46,687			13,795	207,797	131,124
	(II)	104,000				8,050	112,050	103,063
DENIS CONROY	(I)	256,308	69,600			14,388	340,296	228,726
	(II)	113,880				7,457	121,337	114,624
PAULINE PIKE	(I)	252,361	43,605			11,064	307,030	224,489
	(II)	28,288				1,337	29,625	23,116
JOEL FLEIT	(I)	240,095	36,225			14,765	291,085	221,477
	(II)	11,440				922	12,362	11,437
GREGORY BIRD	(I)	208,858	30,015			20,698	259,571	183,298
	(II)	11,440				1,147	12,587	11,717
JAMES PURDY	(I)	182,314	26,730			16,151	225,195	159,134
	(II)							
PETER SHORT	(I)	256,631	45,187			19,841	321,659	229,180
	(II)	13,260				968	14,228	13,430
BARRY GINSBERG	(I)	298,994				21,835	320,829	229,661
	(II)							
GARY MARLOW	(I)	195,863	30,000			15,235	241,098	146,250
	(II)							
ALTHEA LYONS	(I)	178,140	26,350			20,331	224,821	159,692
	(II)	9,880				1,117	10,997	9,158
STEVEN GILLESPIE	(I)	197,345				13,356	210,701	151,604
	(II)							
JOHN WILHELM	(I)	135,795					135,795	118,632
	(II)							
PHILIP CORMIER	(I)	202,649	36,530				239,179	210,795
	(II)							

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

Part I Bond Issues *(Required for 2008)*

	(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	
							Yes	No	Yes	No
A	MASS HLTH & EDUC FACILITIES AUTH SERIES H	04-2456011	57586CQJ7	08-03-2006	23,000,000	CONST AMBULATORY FACILITY		X		X
B	MASS HLTH & EDUC FACILITIES AUTH SERIES G	04-2456011	57586CDV4	10-27-2004	55,000,000	CONS/RENOV BEV HOPS ER/GAR		X		X
C	MASS HLTH & EDUC FACILITIES AUTH SERIES M-2	04-2456011	57585KA57	05-30-2003	13,410,000	RENOV BEN HOSP ENDO,PACU, ETC		X		X

Part II Proceeds *(Optional for 2008)*

		A	B	C	D	E
1	Total Proceeds of Issue	23,000,000	55,000,000	13,410,000		
2	Gross Proceeds in Reserve Funds	4,064,143	4,064,143	1,341,000		
3	Proceeds in Refunding or Defeasance Escrows	9,375,639	9,375,639			
4	Other Unspent Proceeds					
5	Issuance Costs from Proceeds	406,011	814,592	67,050		
6	Working Capital Expenditures from Proceeds	2,375,606	2,375,606			
7	Capital Expenditures from Proceeds	22,593,989	3,837,020	12,001,950		
8	Year of Substantial Completion	2007	2007	2004		

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

Part III Private Business Use *(Optional for 2008)*

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

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b	Are there any research agreements with respect to the financed property which may result in private business use?										
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4	Enter the percentage of financed property used in a private business use by entities other than a 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 501(c)(3) organization, or a state or local government										
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage *(Optional for 2008)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?										
6	Did the bond issue qualify for an exception to rebate?										

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

Identifier	Return Reference	Explanation
Pt VI-A, Line 2		Assitant Secretary William Donaldson married to VP Cynthia Donaldson

Identifier	Return Reference	Explanation
Pt VI-A, Line 4		see attachment indicating changes in ByLaws

Identifier	Return Reference	Explanation
Pt VI-A, Line 5		A FORMER EMPLOYEE IS BEING INVESTIGATED BY THE MASSACHUSETTS ATTORNEY GENERAL'S OFFICE RELATED TO A POSSIBLE DIVERSION OF FUNDS

Identifier	Return Reference	Explanation
Pt VI-A, Line 7a		Northeast Health System is the sole member of Northeast Hospital Corporation and elects the Northeast Hospital Corp Board of Trustees

Identifier	Return Reference	Explanation
Pt VI-A, Line 7b		Northeast Health System reserves to itself the power to approve certain actions taken by the Board of Northeast Hospital Corporation

Identifier	Return Reference	Explanation
Pt VI-A, Line 10		A COPY OF THE 990, ALONG WITH A THREE PAGE REVIEW KEY, WAS DISTRIBUTED TO THE FINANCE COMMITTEE OF THE BOARD OF TRUSTEES FOR REVIEW AT THE JULY 14, 2009 MEETING THE REPORT WAS DISCUSSED AT THE MEETING, WITH SPECIFIC REVIEW OF KEY COMPONENTS OF THE RETURN

Identifier	Return Reference	Explanation
Pt VI-B, Line 12c		EACH YEAR THE MEMBERS OF THE BOARD ARE PROVIDED WITH A COPY OF THE POLICY AND LIST ANY POTENTIAL CONFLICTS THIS ACKNOWLEDGEMENT IS KEPT ON FILE WITH THE CORPORATED RECORDS AND THE CHAIR AND CEO ARE MADE AWARE OF ANY CONFLICTS IF A POTENTIAL CONFLICT EXISTS, TRUSTEES RECUSE THEMSELVES FROM THE DISCUSSIONS OR ARE ASKED BY THE CHAIR WHEN APPROPRIATE

Identifier	Return Reference	Explanation
Pt VI-B, Line 15		The Compensation Committee, comprised of independent trustees, meets annually to review executive salaries, benefits and bonuses and utilizes comparison data from Lawrence Associates

Identifier	Return Reference	Explanation
Pt VI-C, Line 19		THE ARTICLES OF ORGANIZATION ARE PUBLIC DOCUMENTS FILES WITH THE SECRETARY OF STATE THE ARTICLES OF ORGANIZATION AND BYLAWS ARE AVAILABLE UPON REQUEST CONFLICTS OF INTEREST POLICY IS AVAILABLE UPON REQUEST THE ORGANIZATION PUBLISHES AN ANNUAL REPORT WHICH CONTAINS AUDITED FINANCIAL INFORMATION AS WELL AS BOARD MEMBERSHIP

Identifier	Return Reference	Explanation
Schedule D, Part IX		SPLIT DOLLAR LIFE INS REPRESENTS THE VALUE OF TWO SPLIT DOLLAR LIFE INSURANCE POLICIES OF TWO FORMER EMPLOYEES

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
NORTHEAST HOSPITAL CORP

Employer identification number
04-2121317

Part I Identification of Disregarded Entities

(A) Name, address, and EIN 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

(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
See Additional Data Table					

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations? Yes	(H) No	(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(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
CABLE PROPOERTIES INC COUNTY ROAD IPSWICH, MA01938 04-3033832	CABLE DEVELOP	MA	NE HEALTH SYS	C			0 %
NORTHEAST PROPRIETARY COPR 85 HERRICK ST BEVERLY, MA01915 04-2855191	MEDICAL SERVICE	MA	NE HEALTH SYS	C			0 %
NORTHEAST PHO INC 55 TOZER RD BEVERLY, MA01915 04-3258053	MEDICAL SERVICE	MA	NE HEALTH SYS	C			0 %

Part V Transactions with Related Organizations

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

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

(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1) **See Additional Data Table**		
(2)		
(3)		
(4)		
(5)		
(6)		

Part VI Unrelated Organizations Taxable as a Partnership

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) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproprtionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data

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Software ID: 08000082
Software Version:
EIN: 04-2121317
Name: NORTHEAST HOSPITAL CORP

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

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(3))	(F) Direct Controlling Entity
NORTHEAST MEDICAL PRACTICE 85 HERRICK ST BEVERLY, MA01915 04-3201853	PHYSICIAN PRACTICE	MA	501(c)3	9	NE HEATH SYSTEM
NORTHEAST HEALTH SYSTEM 85 HERRICK ST BEVERLY, MA01915 04-3240453	PARENT HOLDING CO	MA	501(c)3	11c	NE HEALTH SYSTEM
NORTHEAST FOUNDATION 55 TOZER RD BEVERLY, MA01915 04-2829132	SUPPORT HOSPITAL	MA	501(c)3	7	NE HEALTH SYSTEM
CAB HEALTH AND RECOVERY 0 CENTENNIAL DRIVE PEABODY, MA01960 04-2400270	SUBSTANCE ABUSE SERVICE	MA	501(c)3	9	NE HEALTH SYSTEM
HEALTH & EDUCATION SERVICE 131 RANTOUL ST BEVERLY, MA01915 04-2777145	SERVE MENTALLY ILL	MA	501(c)3	7	NE HEALTH SYSTEM
SEACOAST NURSING AND REHAB 300 WASHINGTON ST GLOUCESTER, MA01930 04-1305001	HEALTHCARE	MA	501(c)3	9	NE HEALTH SYSTEM
NORTHEAST PROFESSIONAL NURSES REGISTRY 800 CUMMINGS CTR BEVERLY, MA01915 04-1287349	HEALTHCARE	MA	501(c)3	9	NE HEALTH SYSTEM
NORTHEAST SENIOR HEALTH 85 HERRICK ST BEVERLY, MA01915 04-2731137	HEALTHCARE	MA	501(c)3	9	NE HEALTH SYSTEM

Form 990, Schedule R, Part V - Transactions with Related Organizations

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(1)	NORTHEAST MEDICAL PRACTICE	a	236,302
(2)	NORTHEAST SENIOR HEALTH	a	220,262
(3)	NORTHEAST MEDICAL PRACTICE	b	2,800,000
(4)	NORTHEAST LONG TERM CARE	d	6,775,000
(5)	HEALTH & EDUCATION SERVICES	d	1,161,795
(6)	SEACOAST NURSING HOME AND REHAB	d	6,669,553
(7)	CAB HEALTH AND RECOVERY	d	4,767,371
(8)	NORTHEAST MEDICAL PRACTICE (SAME AS 'A' ABOVE)	i	236,302
(9)	NORTHEAST SENIOR HEALTH (SAME AS 'A' ABOVE)	i	220,262
(10)	NORTHEAST FOUNDATION	l	1,114,226
(11)	HEALTH & EDUCATION SERVICES	l	15,833,994
(12)	NORTHEAST MEDICAL PRACTICE	n	101,635

Northeast Health System
Northeast Hospital Corporation
Combined Meetings of the Board of Trustees
February 26, 2009

What follows is a brief outline of the significant changes proposed for the Bylaws of Northeast Health System.

Northeast Health System Bylaws:

Article III: Board of Trustees

1) Board responsibilities are expanded to include reviews of subsidiary strategic plans and compensation/ hiring decisions for executives with system wide responsibilities.

2) Board size is reduced from 15-18 Trustees to 7-11 Trustees.

3) Standing Committees of the Board will include Audit, Investment, Governance and Insurance and Claims Committees. Executive Committee is eliminated due to smaller Board size and Risk Management Committee has been eliminated.

4) Terms of Committee Chairs are limited to 5 years. In addition, a Subsidiary Leadership Committee is added.

NORTHEAST HOSPITAL CORPORATION
04-2121317

FORM 990
PART III
PROGRAM SERVICE ACCOMPLISHMENTS
Statement 1

The hospital provides high quality care to the sick and injured, on both an inpatient and outpatient basis, without regard to race, creed, national origin, age, gender, disability, or ability to pay. In fiscal year 2009, the hospital provided the following:

Admissions	21,665
Emergency Room Visits	63,993
Total Outpatient Encounters	486,975
Free Care Cases	6,423

In addition, the hospital provides a variety of ancillary services, a partial list includes.
Radiology, Laboratory, O/P clinic, rehabilitation, endoscopy, mammography, MRI, nuclear medicine, vascular, ultrasound, sleep study, surgical day care, cardiac catheterizations

In addition, the hospital provided approximately $4,041,000 in un-reimbursed MassHealth (Medicaid) services during the year.

Further the hospital provides a number of programs to benefit our community either at no charge or at reduced rates Please refer to the attached Community Benefits Report.

Community Benefits Report Standardized Summary

Addison Gilbert Hospital
Beverly Hospital
Beverly Hospital at Danvers

Northeast Hospital Corporation
85 Herrick Street
Beverly, MA 01915

Report for Fiscal Year 2009

Community Benefits Mission

The Community Benefits Program at Northeast Hospital Corporation (NHC) incorporates the Community Health concepts of wellness, adaptation, self-care and health promotion. Strategies used in Community Benefits health activities include prevention, early detection, early intervention and long-term management. Health issues addressed encompass the realms of safety, chronic disease, infectious disease and substance abuse.

Also included with the Community Benefits Mission Statement is the Mission Statement NHC. The corporate Mission Statement is founded in the concepts of quality, caring and community.

Key Collaborations and Partnerships

The Community Benefits program is organized by the Department of External Affairs of NHC with the responsibility for overall management centered with the Manager of Community Relations.

Community Health Needs Assessment

In 2007, John Snow Inc. (JSI) was contracted by Beverly Hospital to conduct a comprehensive needs assessment that would identify the major concerns and priorities on the North Shore so that Beverly Hospital could develop community health programming and services that would more effectively meet the needs of the community. The assessment process is intended to inform Beverly Hospital's five-year strategic plan to ensure that its services and community health programs remain responsive to the communities they serve and that strong partnerships are built and renewed with the communities and other stakeholders in the area. The following is a summary of the process and methods used during the three phase assessment.

Phase I – Preliminary Needs Assessment

- Conduct a preliminary needs assessment that relies on publicly available data.
- Conduct a series of structured key informant interviews internally with select staff and board members.

Phase II – Targeted Community Engagement

- Conduct a series of structured key informant interviews externally with community leaders, health and social service providers and other key stakeholders in the community.
- Collect primary data directly from the community residents through a series of direct mail surveys.
- Develop a final Needs Assessment Report and conduct a strategic planning retreat.

Phase III – Strategic Plan Development and Reporting

- Consolidate all of the project findings and deliverables into a comprehensive Community Needs Assessment and Community Engagement Strategic Plan that will include:
    - A list of the community healthcare needs and priorities identified overall and by the community.
    - Supporting documentation and data.
    - Recommending priority health needs and a set of preliminary programmatic recommendations for review.
- Develop a reporting strategy; develop a series of presentations / materials; present to the community

Community Benefits Plan

As mentioned earlier, the results of the survey and the work with local community groups indicated four themes for healthy community intervention:

1. Lifestyle Behavior Modification
2. Mental Health
3. Chronic Disease Management
4. Access to Healthcare Services

To date, this organization continues to pursue programs that focus on those four themes in our community outreach and in Community Benefits programs (see Section(s) 5 and 8)

Short-term goals:

- Screenings were developed in the following areas: skin cancer screenings, oral cancer screenings, pap smear clinics, depression seminars, diabetes screenings, bone density screenings, blood pressure clinics, flu clinics, CPR programs, cardiovascular risk assessment, osteoporosis risk assessment, diabetes risk assessment, body mass index and breast cancer risk assessment.

- A number of disease management initiatives have been instituted including cardiac rehabilitation, heart failure management, pulmonary rehabilitation, osteoporosis management, vascular health and women's health screenings. In 2003, Northeast Hospital Corporation (NHC) created the Lifestyle Management Institute (LMI). The LMI provides programs and education, and proactively identifies populations with, or at risk of, established medical conditions. The LMI offers a full range of services to the community, including risk assessment, prevention education, diagnostic testing, coordinated medical treatment and continuous monitoring. Effective disease management using appropriate medical protocols reduces the number of hospital admissions and emergency room visits, shortens the length of hospital stays and improves the overall health and quality of life for people with chronic illness.

- Within each of the chronic disease areas, an initiative was developed to identify and manage the treatment of each patient and family.

- A database has been developed by the LMI for patient maintenance and appropriate follow-up.

Key Accomplishments of Reporting Year

By offering a variety of health and wellness programs, Addison Gilbert Hospital, Beverly Hospital and Beverly Hospital at Danvers provides patients, families and community members the opportunity to remain healthy and well Many programs are provided for free or for a nominal fee during FY2009 and they included, but were not limited to: Community Health and Educational Fairs; Adult CPR & Baby/Child Saver CPR; Vascular (PVD) Screenings; Blood Pressure Clinics, Bone Density Screenings; Diabetes Screenings; Foot Screenings; Flu Clinic, Senior Adult Luncheon Lectures; Osteoporosis Prevention & Exercise; Prenatal Yoga; Skin Cancer Screenings; Hearing Screenings; Speech and Language Screenings for Children, and educational programs in correlation to healthy initiatives.

Plans for Next Reporting Year

Anticipated Goals and Program Initiatives

1. Work towards building programs that stem from the results of the community health needs assessment.
2. Continue to cultivate new community relationships, as well as maintain current relationships with community organizations, members and businesses
3. Create additional community-based health outreach programs.
4. Partner with local communities on medication take back programs.
5. Continue with health and disease management programs through the LMI within specific identified areas.
6. Continue our established efforts of financial counseling in Gloucester and Beverly.
7. Maintain our primary prevention programs through health screenings, counseling, health fairs and lectures.
8. Maintain and further develop our disease specific support groups.
9. Continue to look for and participate in sponsorship opportunities.
10. Continue to build relationships with local non profit organizations such as; Beverly Boostraps, The Open Door, North Shore United Way, North Shore Community Health Network, Danvers Cares and the Healthy Gloucester Collaborative.

Contact Information

Gerald B MacKillop, Jr. M.B.A.
Community Relations Manager
Northeast Hospital Corporation
55 Tozer Road
Beverly, MA 01915
Ph: 978-236-1615
gmackill@nhs-healthlink.org

FORM 990
SCHEDULE D
PART XIV

EXPLANATIONS

PART III

4. Description of Organizations collection and explain how it furthers the organization's exempt purpose:
"Old Fort and Ten Pound Island, Gloucester" by Fitz Hugh Lane, c 1850
The artwork is by a local artist, depicting a local scene, which, when displayed, serves to strengthen the link with community residents who utilize the hospital.

PART V

4. Describe the intended uses of the organization's endowment funds
Endowment funds used as earmarked by donor to cover costs of ongoing programs of the hospital

PART XI

8. Reconciliation of Change in Net Assets - "Other" Describe

Change in temporarily restricted invesments	(55,589)
Change in restricted contributions	(1,237,825)
Net assets released from restriction used for operations	1,022,634
Net assets released from restriction used for purchase of property and equipment	1,016,110
Transfer to Affiliates	(2,800,000)
Minimum Pension Liability Adjustment	(30,283,311)
	(32,337,982)

PART XII

2d. Reconciliation of Revenue per F/S with Revenue per return - "Other" Describe

Non operating expenses	(1,313,436)
Other operating expenses	(316,823)
Net assets released from restriction used for operations	1,022,634
	(607,626)

4b. Change in restricted contributions 1,237,825
Change in temporarily restricted investments 55,589
1,293,414

PART XIII

2d. Reconciliation of Expenses per F/S with Expenses per return - "Other" Describe

Professional Fundraising Fees	(1,313,436)

4b. Other operating revenue 316,823