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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

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 10-01-2009 and ending 09-30-2010

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

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

C Name of organization
THE CHESHIRE MEDICAL CENTER

Doing Business As

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

City or town, state or country, and ZIP + 4
KEENE, NH 03431

D Employer identification number
02-0354549

E Telephone number
(603) 352-4111

G Gross receipts $ 158,174,790

F Name and address of principal officer
ARTHUR NICHOLS
580 COURT STREET
KEENE, NH 03431

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 Website: ▶ www cheshire-med com

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

L Year of formation 1980

M State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE PRIMARY PURPOSE OF THE CHESHIRE MEDICAL CENTER IS TO ENSURE ACCESS TO QUALITY HEALTH CARE SERVICES TO ALL RESIDENTS OF THE MONADNOCK REGION THE ORGANIZATION'S CHARITABLE MISSION IS ENHANCED THROUGH THE OPERATION OF A JOINT OPERATING PARTNERSHIP AGREEMENT WITH THE HITCHCOCK CLINIC THE PURPOSE OF THE JOINT OPERATING PARTNERSHIP AGREEMENT IS TO PROVIDE A MORE EXTENSIVE AND EFFECTIVE HEALTH CARE DELIVERY SYSTEM TO THE COMMUNITIES IN THE MONADNOCK REGION BY ESTABLISHING JOINT PLANNING AND DECISION MAKING PROCESSES, INTERGRATING HEALTH CARE SERVICES AND ESTABLISHING MECHANISMS FOR THE REINVESTMENT OF RESOURCES TO IMPROVE COMMUNITY HEALTH THE FINANCIAL RESULTS OF THE JOINT OPERATING PARTNERSHIP ARE REPORTED ANNUALLY ON FORM 1065, US PARTNERSHIP RETURN OF INCOME

Activities & Governance

2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
3	Number of voting members of the governing body (Part VI, line 1a)	**3**	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	18
5	Total number of employees (Part V, line 2a)	**5**	1,198
6	Total number of volunteers (estimate if necessary)	**6**	229
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	**7a**	149,430
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-179,076

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	672,571	784,279
	9 Program service revenue (Part VIII, line 2g)	141,041,867	153,761,651
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	376,232	432,176
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,246,458	3,041,232
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	145,337,128	158,019,338
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	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)	58,292,883	58,039,730
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	82,942,404	99,301,760
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	141,235,287	157,341,490
	19 Revenue less expenses Subtract line 18 from line 12	4,101,841	677,848

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	127,117,916	124,631,712
	21 Total liabilities (Part X, line 26)	66,044,504	71,976,783
	22 Net assets or fund balances Subtract line 21 from line 20	61,073,412	52,654,929

Part II Signature Block

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

Sign Here

****** | 2011-05-05
Signature of officer | Date

Jill Batty CHIEF FINANCIAL OFFICER
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Michael A Barbarita	Date	Check if self-empolyed ▶ ☐	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ WILLIAM STEELE & ASSOCIATES PC 40 STARK STREET MANCHESTER, NH 03101			EIN ▶ Phone no ▶ (603) 622-8881

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

THE PRIMARY PURPOSE OF THE CHESHIRE MEDICAL CENTER IS TO ENSURE ACCESS TO QUALITY HEALTH CARE SERVICES TO ALL RESIDENTS OF THE MONADNOCK REGION THE ORGANIZATION'S CHARITABLE MISSION IS ENHANCED THROUGH THE OPERATION OF A JOINT OPERATING PARTNERSHIP AGREEMENT WITH THE HITCHCOCK CLINIC THE PURPOSE OF THE JOINT OPERATING PARTNERSHIP AGREEMENT IS TO PROVIDE A MORE EXTENSIVE AND EFFECTIVE HEALTH CARE DELIVERY SYSTEM TO THE COMMUNITIES IN THE MONADNOCK REGION BY ESTABLISHING JOINT PLANNING AND DECISION MAKING PROCESSES, INTERGRATING HEALTH CARE SERVICES AND ESTABLISHING MECHANISMS FOR THE REINVESTMENT OF RESOURCES TO IMPROVE COMMUNITY HEALTH THE FINANCIAL RESULTS OF THE JOINT OPERATING PARTNERSHIP ARE REPORTED ANNUALLY ON FORM 1065, US PARTNERSHIP RETURN OF INCOME

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 501(c)(4) organizations and section 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 $ 140,472,945 including grants of $) (Revenue $ 155,106,750)

The Cheshire Medical Center is a community health care organization serving as a regional referral center for Keene and the surrounding service area It is fully committed to meeting the health care needs of these communities and providing access to quality health care services and programs As a non-profit corporation, the Cheshire Medical Center acknowledges its commitment to provide services to the community These services arise primarily from the four following general service categories 1) Subsidization of government-sponsored healthcare programs - principally Medicare and Medicaid 2) Sponsorship and/or subsidization of health-related community services and educational programs 3) Provision of healthcare at no charge or reduced charge, according to financial need 4) Provision of 24-hour emergency room services, without regard for ability to pay The Cheshire Medical Center, as a matter of policy and practice has provided, and will continue to provide, a significant contribution to the communities it serves

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** ▶ $ 140,472,945

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 similar funds or 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		No
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, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	● Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	● Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	● Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	● Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	● Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	● Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	Yes	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional*	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *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 U S ? *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 U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

				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	93		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	1,198		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			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 line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization, 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		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . .	1a 20		
b	Enter the number of voting members that are independent . .	1b 18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its 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		No
6	Does the organization have members or stockholders?	6	Yes	
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		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		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?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
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	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," 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		

Section C. Disclosure

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

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

MARY SHERWIN CONTROLLER
CHESHIRE MEDICAL CENTER 580 COURT
keene, NH 03431
(603) 354-5400

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 Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any current or former 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-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See add'l data										

1b Total . . . . . ▶	2,241,294	0	387,864

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 29

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization 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
HUTTER CONSTRUCTION 130 SPIT BROOK ROAD NASHUA, NH 03062	CONSTRUCTION MANAGERS	1,395,361
HARVEY CONSTRUCTION 10 HARVEY RD BEDFORD, NH 03110	CONSTRUCTION MANAGERS	1,108,504
QUEST DIAGNOSTICS 5763 COLLECTION CENTER DRIVE CHICAGO, IL 60693	LAB DIAGNOSTIC SERVICES	872,619
NEW ENGLAND MEDICAL TRANSCRIPTION PO BOX 430 WOOLWICH, ME 04579	TRANSCRIPTION	632,202
MARY HITCHCOCK MEMORIAL ONE MEDICAL CENTER DR LEBANON, NH 03755	LAB DIAGNOSTIC SERVICES	452,452

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 24

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 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	350,127			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	434,152			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		784,279			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENU	621,300	146,388,223	146,388,223		
	b	DSH REVENUE	621,300	7,373,428	7,373,428		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		153,761,651			
	3	Investment income (including dividends, interest and other similar amounts)		587,628	587,628		
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses	155,452				
	c	Gain or (loss)	-155,452				
	d	Net gain or (loss)		-155,452			-155,452
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19 a					
	b	Less direct expenses b					
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less cost of goods sold b					
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Pharmacy & Drugs	621,300	1,193,909			1,193,909
	b	Food Service	621,300	936,056			936,056
	c	Child Care Center	624,410	515,699	366,269	149,430	
	d	All other revenue		395,568	391,202		4,366
	e	**Total.** Add lines 11a–11d		3,041,232			
	12	**Total revenue.** See Instructions		158,019,338	155,106,750	149,430	1,978,879

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				
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	1,860,877	1,581,745	279,132	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	41,739,311	35,396,834	6,342,477	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,219,161	4,425,849	793,312	
9 Other employee benefits	5,815,920	4,931,900	884,020	
10 Payroll taxes	3,404,461	2,886,983	517,478	
11 Fees for services (non-employees)				
a Management				
b Legal	46,072		46,072	
c Accounting	107,605		107,605	
d Lobbying				
e Professional fundraising *See Part IV, line 17*				
f Investment management fees				
g Other	368,253	312,279	55,974	
12 Advertising and promotion	287,428	287,428		
13 Office expenses	428,468	363,341	65,127	
14 Information technology				
15 Royalties				
16 Occupancy	6,205,305	5,262,099	943,206	
17 Travel	203,286	203,286		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	1,510,895	1,281,239	229,656	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	7,674,237	6,507,753	1,166,484	
23 Insurance	1,303,943	1,105,744	198,199	
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 DRUGS, CHEMICALS, SUPPL	13,169,668	13,169,668		
b CONTRACT LABOR	11,110,356	11,110,356		
c BAD DEBTS	8,496,964	8,496,964		
d LICENSES & TAXES	7,385,147	6,262,605	1,122,542	
e MEDICAID ENHANCEMENT TA	7,167,247	7,167,247		
f All other expenses	33,836,886	29,719,625	4,117,261	
25 **Total functional expenses.** Add lines 1 through 24f	157,341,490	140,472,945	16,868,545	0
26 **Joint costs.** Check here ▶ ☐ 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	1	
	2	Savings and temporary cash investments		19,499,909	2	14,984,165
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		15,290,701	4	18,778,536
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			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		1,685,155	8	2,251,617
	9	Prepaid expenses and deferred charges		1,212,542	9	1,603,607
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 157,805,730			
	b	Less accumulated depreciation	10b 88,769,483	66,812,310	10c	69,036,247
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		10,825,075	12	11,988,185
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		11,792,223	15	5,989,355
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		127,117,916	16	124,631,712
Liabilities	17	Accounts payable and accrued expenses		13,847,684	17	11,798,315
	18	Grants payable			18	
	19	Deferred revenue			19	38,831
	20	Tax-exempt bond liabilities		12,682,600	20	12,291,042
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		15,303,487	23	14,959,855
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		24,210,733	25	32,888,740
	26	**Total liabilities.** Add lines 17 through 25		66,044,504	26	71,976,783
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		59,593,932	27	50,209,368
	28	Temporarily restricted net assets		1,479,480	28	2,445,561
	29	Permanently restricted net assets			29	
		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		61,073,412	33	52,654,929
	34	Total liabilities and net assets/fund balances		127,117,916	34	124,631,712

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☐ Separate basis ☐ Consolidated basis ☑ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHESHIRE MEDICAL CENTER

Employer identification number
02-0354549

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - 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 supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2008.** 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—2009.** 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—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III Support Schedule for Organizations Described in 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15
16	Public support percentage from 2008 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% support tests—2008.** 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.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Additional Data

Software ID:
Software Version:
EIN: 02-0354549
Name: THE CHESHIRE MEDICAL CENTER

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
patty farmer trustee	2 00	X						0	0	0
larry jaeger md trustee	2 00	X						0	0	0
james putnam chair	2 00	X		X				0	0	0
walter rohr truSTEE	2 00	X						0	0	0
jay kahn TRUSTEE	2 00	X						0	0	0
john cunningham TRUSTEE	2 00	X						0	0	0
jane beauchamp TRUSTEE	2 00	X						0	0	0
joseph bergman md TRUSTEE	2 00	X						228,230	0	0
greg mcconahey VICE CHAIR TREASURER	2 00	X		X				0	0	0
charles prigge TRUSTEE	2 00	X						0	0	0
sylvia mcbeth SECRETARY	2 00	X		X				0	0	0
MATTHEW GUILTINAN md CMC med staff pres	2 00	X						0	0	0
judy kalich TRUSTEE	2 00	X						0	0	0
RICK CHURCH TRUstee	2 00	X						0	0	0
ROBERT MUCHA TRUstee	2 00	X						0	0	0
leslie pitts md MEDICAL DIRECTOR	2 00	X		X				0	0	0
arthur nichols PRESIDENT	53 00	X		X				451,851	0	59,406
ED BERGERON TRUSTEE	2 00	X						0	0	0
JOSEPH HALLIDAY trustee	2 00	X						0	0	0
STEVE HORTON TRUSTEE	2 00	X						0	0	0
MARY LOUISE CAFFREY TRUSTEE	2 00	X						0	0	0
JOHN SCHLEGELMILCH DHK MED STAFF PRES	1 00	X						0	0	0
kathleen cronin vp nursing operations	52 00			X				214,208	0	47,658
jill batty vp finance, cfo	52 00			X				285,348	0	52,043
Paul pezone vp support services	51 00				X			172,276	0	42,582

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
julie green vp hr	51 00					X		173,780	0	47,212
ERLI CHEN PHYSICIST	50 00					X		206,637	0	35,930
larry miller chief crna	50 00					X		189,970	0	41,537
deannE burtchell crna	50 00					X		161,496	0	19,183
kristin rossi crna	50 00					X		157,498	0	42,313

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
DRUGS, CHEMICALS, SUPPL	13,169,668	13,169,668		
CONTRACT LABOR	11,110,356	11,110,356		
BAD DEBTS	8,496,964	8,496,964		
LICENSES & TAXES	7,385,147	6,262,605	1,122,542	
MEDICAID ENHANCEMENT TA	7,167,247	7,167,247		

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

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), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
THE CHESHIRE MEDICAL CENTER	02-0354549

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(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 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		20,513
j	Total lines 1c through 1i			20,513
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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 (see instructions)	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
Part II-B, Line 1i	Explanation of Other Lobbying Activities	A PORTION OF AHA & NHHA DUES ARE ALLOCATED TO LOBBYING EXPENSE

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHESHIRE MEDICAL CENTER

Employer identification number
02-0354549

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 for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a 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, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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 Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

b If "Yes," explain the arrangement in Part 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	1,479,480	1,408,853			
b Contributions	164,317				
c Investment earnings or losses	1,124,611	88,740			
d Grants or scholarships					
e Other expenditures for facilities and programs	322,848	18,113			
f Administrative expenses					
g End of year balance	2,445,561	1,479,480			

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶ **100.000 %**

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

4 Describe in Part 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) Accumulated depreciation	(d) Book value
1a Land		4,058,474		4,058,474
b Buildings		74,303,185	34,209,220	40,093,965
c Leasehold improvements				
d Equipment		79,444,071	54,560,263	24,883,808
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				69,036,247

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
POOLED INVESTMENTS	11,043,434	F
FUNDED DEPR ACCOUNT	944,751	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	11,988,185	

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
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
PENSION LIABILITY	29,279,881
AMOUNTS PAYABLE TO THIRD PARTY	3,097,738
MISCELLANEOUS OTHER LIABILITIES	511,121
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	32,888,740

2. Fin 48 Footnote 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	158,019,338
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	157,341,490
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	677,848
4	Net unrealized gains (losses) on investments	4	874,516
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-9,970,847
9	Total adjustments (net) Add lines 4 - 8	9	-9,096,331
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-8,418,483

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	156,403,562
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			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	156,403,562
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	1,615,776		
c	Add lines **4a** and **4b**			4c	1,615,776
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	158,019,338

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

1	Total expenses and losses per audited financial statements			1	149,873,152
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	149,873,152
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	7,468,338		
c	Add lines **4a** and **4b**			4c	7,468,338
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	157,341,490

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 IV, 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 Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part XI, Line 8 - Other Adjustments		pension liability adjustment -9626682 transfers -120671 net assets released from restrictions -223494
Part XII, Line 4b - Other Adjustments		reclass from revenue to expense 1510938 restricted fund revenue 104838
Part XIII, Line 4b - Other Adjustments		reclass from revenue to expense 1510938 JOA Gain Share 5957400

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHESHIRE MEDICAL CENTER

Employer identification number
02-0354549

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
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 **22500.0000000000 %**	3a	Yes	
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	Yes	
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	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 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)		1,978	2,641,221		2,641,221	1 680 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			4,585,237		4,585,237	2 910 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs		1,978	7,226,458		7,226,458	4 590 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		77,721	1,330,440	159,722	1,170,718	0 740 %
f Health professions education (from Worksheet 5)		983	235,742		235,742	0 150 %
g Subsidized health services (from Worksheet 6)		295	431,848	14,000	417,848	0 270 %
h Research (from Worksheet 7)		3	104,095	5,000	99,095	0 060 %
i Cash and in-kind contributions to community groups (from Worksheet 8)		4,573	289,830		289,830	0 180 %
j **Total** Other Benefits		83,575	2,391,955	178,722	2,213,233	1 400 %
k **Total.** Add lines 7d and 7j		85,553	9,618,413	178,722	9,439,691	5 990 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

		(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		51,900	302,811	143,866	158,945	0 100 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building		4,653	707,612	105,075	602,537	0 380 %
7	Community health improvement advocacy		90	184,198	21,169	163,029	0 100 %
8	Workforce development						
9	Other						
10	**Total**		56,643	1,194,621	270,110	924,511	0 580 %

Part III Bad Debt, Medicare, & Collection Practices

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	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	3,993,573		
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	998,393		
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, and 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	42,570,067
6	Enter Medicare allowable costs of care relating to payments on line 5	6	45,967,701
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-3,397,634
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes		
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		No	

Part IV Management Companies and Joint Ventures

(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 KEENE HEALTH ALLIANCE	Integrating health care services to provide effective delivery system	50 000 %	0 %	0 %
2 HEALTHSOUTH	Mgmt of inpatient and outpatient rehab at Cheshire Medical Center	0 %	0 %	0 %
3 NEW ENGLAND LIFE CARE INC	A not-for-profit home infusion therApy cooperative	2 000 %	0 %	0 %
4 NH LITHOTRIPSY	Lithotripcy services	3 750 %	0 %	0 %
5 NH IMAGING	IMAGING SERVICES	8 330 %	0 %	0 %
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V Facility Information

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)
CHESHIRE MEDICAL CENTER 580 COURT STREET KEENE, NH 03431	X	X					X		

Part VI Supplemental Information

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

See additional data

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

See additional data

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

See additional data

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

See additional data

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

See additional data

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)

See additional data

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

NH

Additional Data

Software ID:
Software Version:
EIN: 02-0354549
Name: THE CHESHIRE MEDICAL CENTER

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 4 Cheshire Medical Center Management estimates that approximately 25% of bad debt expense (approximately 5 times the region's poverty rate) is an appropriate esimation of patients who would have been eligible for the organization's financial assistance program but did not apply This estimation is based on the recognition that the financial assistance program is available to residents with incomes of up to three times the federally defined poverty income levels and the assumption that patients who choose not to pay their bills are more likely to fall within the lower income levels For 2010, the estimated amount of bad debt expense (at cost) attributable to patients who would have been eligible for financial assistance is $998,393

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 8 This shortfall should be considered community benefit because we are the only hospital/medical center in Cheshire County, New Hampshire and we are designated by CMS as a Medicare Dependent Hospital (MDH) due to greater than 60% of our average daily census being comprised of Medicare Patients Our presence in the community allows the residents of Cheshire County, especially the elderly population, to receive comprehensive hospital and medical services close to home

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 9b Systems are in place to capture financial assistance accounts prior to a bill going to the patient

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Part VI, Line 2 The community needs assessment was coordinated with the assistance of the broad-based community health coalition, the Council for a Healthier Community In promoting the healthiest community initiative, known locally as Vision 2020, the Council identified community needs toward a goal of becoming the healthiest community in the nation by the year 2020 The Council formed five workgroups around strategic themes including health status, healthcare access, health literacy, wellness, and social capital The workgroups met from January 2008 - October 2009 to identify key goals, key measures, and local community assets This work is summarized in the community needs assessment found at the web site healthiestcommunity org We hosted a planning Summit in May of 2010 to identify contributing factors for each indicator in the community assessment The 215 attendees also identified possible programs and policies to address each need Summit information will be used to develop action plans during the fall and winter of 2010 Cheshire Medical Center provides staff for the Vision 2020 initiative and funded the community assessment process through an evaluation partnership contract with Antioch New England University The Community Advisory Committee, serving in an advisory capacity for both Home Healthcare, Hospice and Community Services, and Cheshire Medical Center/Dartmouth Hitchcock Keene, reviewed and commented on the community benefit plan The report is available to the public on the Cheshire Medical Center website cheshiremed org

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Part VI, Line 3 CMC is committed to providing medically necessary care to patients regardless of their ability to pay for services Non-emergency patients sign a financial responsibility statement upon admission to certify recognition of their responsibility for payment of their bills However, there will be instances where the patient, due to the lack of funds or third party coverage, will not be able to meet this obligation CMC notifies patients of their potential to obtain assistance through the registration and billing processes Upon registration, patients without insurance are offered the opportunity to apply for financial assistance In addition, receptionists and clinicians in all areas are educated to refer patients to the financial assistance process in the event patients express concerns with their ability to pay for services The application information is posted on the intranet and brochures describing the program are readily available to patients Patients are informed of the program availability on any invoices they receive and individuals who attempt to collect patient balances are also trained to refer patients to the financial assistance process The financial assistance application process is comprehensive and evaluates a patients eligibility for a variety of federal, state, and local government programs in addition to CMC's internally funded financial assistance program

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Part VI, Line 4 The Medical Center is the only hospital in its primary service area (PSA) Management defines its PSA as the City of Keene and 19 geographically proximate communities Towns and cities included in the PSA include Alstead, Chesterfield, Fitzwilliam, Gilsum, Harrisville/Chesham, Keene, Marlborough, Marlow, Nelson/Munsonville, Richmond, Roxbury, Stoddard, Sullivan, Surry, Swanzey, Troy, Walpole, Westmoreland and Winchester, all located in Cheshire County For the year 2007, the PSA accounted for 76 7% (4,065) of the Medical Center's total (5,300) discharges with Keene providing the largest number of discharges (34 6%) According to the 2000 Census, the Medical Center's PSA represented approximately 4 6% of New Hampshire's population The PSA's total population was 57,340, with 22,563 residing in Keene, the largest community in the service area For 2007, the population of the Medical Center's PSA was projected by the New Hampshire Office of State Planning to reach 59,329, a 3 5% increase from 2000 As of 2000, 8,115 or 14 1% of the Medical Centers PSA residents were 65 years of age or older Approximately 2,193 residents, or 3 3% of the total PSA population, were 80 years of age or older As of 2000, approximately 39% of the population of the Medical Centers PSA was 45 years of age or older, compared with 36% in the State Approximately 43% of the population of the Medical Centers PSA was between 15 and 44, the same as the State average As of April 2009, the State unemployment rate was 6 4% and the PSA unemployment rate was 5 6% The poverty rate in the Medical Centers PSA is 4 8%

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Part VI, Line 5 The Medical Center has been actively engaged since the spring of 2006 in Vision 2020 to make Keene and the surrounding region the healthiest in the nation by the year 2020 Over the past three years the organization has focused on streamlining and improving internal operations to create the strength necessary to lead and facilitate this initiative within the broader community Management has created community-based workgroups to define the objectives, tasks, and changes necessary to achieve Vision 2020 The campus has built on its existing strong relationships with other regional providers, agencies, and businesses to support the plan and has started implementing a variety of pilot programs related to population health management and employee wellness The organization is a founding member of the Council for Health Communities which has been in existence for more than 10 years and has developed a variety of prevention, transportation, referral, and health promotion programs

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Part VI, Line 6 A complete copy of the organizations Community Benefit report can be found at http //www cheshire-med com/images/stories/commhealth/cheshmedctr_commbenreport2010 pdfThe Medical Center plays an active role in promoting community health and offers educational programs including classes and workshops in diabetes and asthma, stress management, nutritional counseling, smoking cessation, healthy back, weight control, time management and breast self-examination In addition, the Medical Center works with the Council for a Healthier Community, comprised of community leaders, to offer several community programs including Cheshire Smiles, a school-based dental health program for children in grades K-3, provides screening, prevention and restorative dental care for children in Cheshire County schools A public health hygienist hired by the Medical Center is assisted by area dentists Cheshire Medical Center /Dartmouth-Hitchcock Keene also works in partnership with other community health and human service organizations to meet the dental health needs of underserved populations such as the chronically mentally ill, pregnant women who cannot afford dental care, children identified through the school based Cheshire Smiles Program, and others The Medical Center sponsors patient visits at Dental Health Works, a public/private program serving underserved residents of Cheshire County Cheshire Coalition for Tobacco-Free Youth is committed to reducing the number of young people in the community who use tobacco products Working with local schools, police and health providers, the coalition has implemented vendor compliance programs, has provided a tobacco avoidance curriculum for use in area schools and has produced its own television and radio public service announcements addressing tobacco use Medication Assistance Program addresses the critical need for programs to help low income people afford medications The Medication Assistance Program at the Medical Center was initiated in March, 1999 It was the first hospital-based program of its kind in the State of New Hampshire and was the first recipient of the New Hampshire Medication Bridge Award Advocates for Healthy Youth (AFHY) is a community coalition supported by the Medical Center which has been working closely with community health providers, Keene State College, Antioch University New England, Keene Parks and Recreation Center, and area schools to address the epidemic of childhood obesity In 2005, AFHY completed implementation of a pilot program in two area schools In 2006 the program expanded efforts by offering small grants to schools and after school programs to support costs of physical activity and nutrition programs Grant projects incorporated the key lessons learned during the pilot project In 2007, AFHY began taking steps to implement the 5-2-1-0 community public messaging campaign to educate families about childhood obesity and to advocate health promotion options to prevent or reduce obesity In 2009 the program is working with local schools and afterschool programs to implement the priorities of the statewide Healthy Eating Active Living (HEAL) program Senior Passport Program is designed to serve the Medical Centers communities elders Passport membership, which is offered at no cost to those sixty years and older, entitles holders to enjoy low cost, heart healthy meals in the Medical Center cafeteria, and attend workshops and health lectures with a senior focus A newsletter is sent quarterly to Passport holders The total expenditures associated with these and other programs for period ending 9/30/10 is $5,778,965

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHESHIRE MEDICAL CENTER

Employer identification number
02-0354549

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision 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 with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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) Retirement and other 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 reportable compensation				
joseph bergman md	(i)	228,230	0	0	0	0	228,230	0
	(ii)	0	0	0	0	0	0	0
arthur nichols	(i)	321,768	87,175	42,908	31,892	27,514	511,257	0
	(ii)	0	0	0	0	0	0	0
kathleen cronin	(i)	157,532	15,000	41,676	31,558	16,100	261,866	0
	(ii)	0	0	0	0	0	0	0
jill batty	(i)	224,948	20,000	40,400	26,807	25,236	337,391	0
	(ii)	0	0	0	0	0	0	0
Paul pezone	(i)	125,651	11,750	34,875	18,003	24,579	214,858	0
	(ii)	0	0	0	0	0	0	0
julie green	(i)	123,706	12,500	37,574	21,925	25,287	220,992	0
	(ii)	0	0	0	0	0	0	0
ERLI CHEN	(i)	176,365	400	29,872	21,704	14,226	242,567	0
	(ii)	0	0	0	0	0	0	0
larry miller	(i)	166,802	400	22,768	23,770	17,767	231,507	0
	(ii)	0	0	0	0	0	0	0
deannE burtchell	(i)	144,596	400	16,500	11,427	7,756	180,679	180,680
	(ii)	0	0	0	0	0	0	0
kristin rossi	(i)	135,100	398	22,000	16,587	25,726	199,811	0
	(ii)	0	0	0	0	0	0	0

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
	Part I, Line 1a	CHESHIRE MEDICAL CENTER does not reimburse expenses for first class travel, housing allowance, health or social club dues, personal services, business use of personal residence, discretionary spending accounts, or provide tax indemnification or gross up payments CHESIRE MEDICAL CENTER DOES REIMBURSE BOARD MEMBERS FOR COMPANION TRAVEL TO BUSINESS RELATED MEETING UNDER SPECIFIC CIRCUMSTANCES ALL REIMBUrSeMENTS ARE REPORTED ON FORM 1099 ISSUEd TO THE BOARD MEMBER NO SUCH REIMBURSEMENTS WERE MADE IN CALENDAR YEAR 2009
	Part I, Line 4a	ARTHUR NICHOLS PARTICIPATED IN A NON-QUALIFIED SUPPLEMENTAL RETIREMENT PLAN THE CURRENT YEAR BENEFIT WAS $52,728
	Part I, Line 7	Senior Management is eligible for an incentive comp payment at the discretion of the Board based on, but not directly related to, overall organizational financial performance and other discretionary measures

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHESHIRE MEDICAL CENTER

Employer identification number
02-0354549

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	nh health & education facilities authority	02-0279866		08-27-2009	15,000,000	refund commercial debt, aquisition of equipment, renovations		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	15,000,000				
2	Gross proceeds in reserve funds	5,667,081				
3	Proceeds in refunding or defeasance escrows					
4	Other unspent proceeds					
5	Issuance costs from proceeds	244,244				
6	Working capital expenditures from proceeds	578,021				
7	Capital expenditures from proceeds	8,510,663				
8	Year of substantial completion	2009				

		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								
10	Were the bonds issued as part of an advance refunding issue?		X								
11	Has the final allocation of proceeds been made?	X									
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X									

Part III Private Business Use

		A		B		C		D		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								
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		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?		X								
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X								
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?		X								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %									
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %									
6	Total of lines 4 and 5	0 %									
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X									
2	Is the bond issue a variable rate issue?	X									
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X									
b	Name of provider	TD BANK NA									
c	Term of hedge	7 000000000000									
4a	Were gross proceeds invested in a GIC?		X								
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X								
6	Did the bond issue qualify for an exception to rebate?		X								

Additional Data

Software ID:
Software Version:
EIN: 02-0354549
Name: THE CHESHIRE MEDICAL CENTER

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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHESHIRE MEDICAL CENTER

Employer identification number
02-0354549

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 4		THE BY-LAWS OF THE CHESHIRE MEDICAL CENTER WERE AMENDED TO INCLUDE THE FOLLOWING PROVISIONS A PROVISION ALLOWING participation in a meeting via telephone has been added The role of the Cheshire Medical Center CEO serving as Chief Administrative Officer of Keene Health Alliance IS CODIFIED THE ROLE OF THE Executive Committee IS DESCRIBED in greater detail THE Executive Committee IS AUTHORIZED to act on behalf of the board for routine matters Between meeting DATES AUTHORIZES THE Executive Committee to ACT AS THE Executive Compensation Committee IN ACCORDANCE WITH the Medical Centers Executive Compensation Committee Charter CODIFIES the past practice by the Governance Committee to include two members of the Council of Advisors annually during its process

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		The sole member of the Cheshire MEdical Center is the Cheshire Health Foundation

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		The Board of Trustees consists of no fewer than 15 voting members which includes the President/CEO and President of the Medical Staff Other members are nominated by the Cheshire Health Foundaiton Governance Committee and elected by the Foundation Board

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		Copy of 990 is available for any Board member to review prior to filing The Board has formally delegated review of the 990 to the Finance and Audit Committee Committee members receive copies of the 990 and it is reviewed in a meeting prior to filing

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		Officer, board members and key employees annually disclose potential conflicts of interest and are required to recuse themselves from all board activity realted to all conflicts

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		Cheshire Medical Center has retained Yaffe & Company, Inc to provide consultation to the Executive Committee of the Board of Trustees regarding executive compensation, benefits, and perquisites Yaffe & Company, Inc is a independent consulting firm with 33 years of service and provides services to not-for-profit hospitals and health systems Further Yaffe & Company, Inc has been engaged directly by the Board of Trustees of Cheshire Medical Center through its Executive Committee to only provide services to the Board An Executive Committee d/b/a Compensation Committee Charter and Compensation Philosophy (approved by the Board) documents the compensation review process and guidelines so as to provide an orderly structure for executive total compensation decisions Annually, a multi-tiered approach using independent comparability data is utilized to gauge appropriate comparative market levels of compensation and benefits An annual performance evaluation is based on subjective and objective criteria which flow from the strategic plan By way of questionnaire, Board members participate in the performance review process and a summary report is shared with the CEO Variable pay is awarded based on achievement of specific qualitative and quantitative goals In conjunction with the Executive Committee, challenging and measurable goals are established for the Office of the President which provides an alignment between executive compensation and achievement of the hospitals strategic goals

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		CMC makes governing documents, conflict of interest policy and financial statements available to members of the public upon request, through its annual report, and through state and federal filings

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
THE CHESHIRE MEDICAL CENTER

Employer identification number
02-0354549

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

(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 (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
CHESHIRE HEALTH FOUNDATION 580 COURT STREET KEENE, NH 03431 02-0202220	MANAGEMENT OF ENDOWMENT FUNDS	NH	501(C)(3)	Line 11b, II	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
KEENE HEALTH ALLIANCE 580 COURT STREET KEENE, NH03431 30-0179297	HEALTHCARE	NH		MEDICAL CARE	3,576,000			No		Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
KEENE HEALTH SERVICES 580 COURT STREET KEENE, NH03431 02-0374997	INVESTMENTS REAL ESTATE	NH	CHESHIRE HEALTH FOUNDATION	C	-26,360	391,955	100 000 %
kEENE HEALTH REALTY 580 COURT STREET KEENE, NH03431 02-0374998	INVESTMENTS REAL ESTATE	NH	KEENE HEALTH SERVICES	C	-38,735	238,823	100 000 %
KEENE HEALTH ENTERPRISES 580 COURT STREET KEENE, NH03431 02-0374999	INVESTMENTS REAL ESTATE	NH	KEENE HEALTH SERVICES	C			100 000 %

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to other organization(s)	1b		No
c Gift, grant, or capital contribution from other organization(s)	1c	Yes	
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	Yes	
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		No
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		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
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	Yes	
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	(b) Transaction type(a-r)	(c) Amount involved
(1) CHESHIRE HEALTH FOUNDATION	C	176,112
(2) CHESHIRE HEALTH FOUNDATION	D	4,292,361
(3) CHESHIRE HEALTH FOUNDATION	F	820,525
(4) CHESHIRE HEALTH FOUNDATION	M	1,201,986
(5) CHESHIRE HEALTH FOUNDATION	Q	58,039
(6)		

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No