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DLN: 93493218014503

Department of the Treasury

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)

2011

OMB No 1545-0047

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

Open to Public

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195,088,98 198,195,52	

May the IRS discuss this return with the preparer shown above? (see instructions) $\,$.

Part	1111		Program Serve O contains a resp		lishments Jestion in this Part II	ı	দ
1	Brief	ly describe the orga	anızatıon's mıssıon				
SEE S	CHE	DULE 0					
		ne organization und rior Form 990 or 99				r which were not listed on	┌ Yes ┌ No
	If "Ye	s," describe these	new services on So	hedule O			
		ne organization cea ces?		make sıgnıfıcar	nt changes in how it co	onducts, any program	┌ Yes ┌ No
	If "Ye	s," describe these	changes on Sched	ule O			
	exper	nses Section 501(c)(3) and 501(c)(4) organization:	s and section 4947(a	nree largest program services)(1) trusts are required to rep ch program service reported	
	(Cod	e) (Expenses \$	210,491,948	ıncludıng grants of \$	752,684) (Revenue \$	287,011,997)
	IN FI DELIN	SCAL YEAR 2011, BACK	US HOSPITAL HAD 10,9 6,968 SAME DAY SURG	74 ADMISSIONS, GICAL PROCEDURI	68,102 EMERGENCY DEPA ES BACKUS PERFORMED 1	RTMENT VISITS, AND 440,605 OUTP. .22,132 OUTPATIENT IMAGING EXAM	ATIENT VISITS THE HOSPITAL
4b	(Cod	e) (Expenses \$		ıncludıng grants of \$) (Revenue \$)
4 c	(Cod	e) (Expenses \$		including grants of \$) (Revenue \$)
			-				
	0 + -	or programs = = = = = = = = = = = = = = = = = = =	. /Docombo C	adula C \			
4d		er program services penses \$	•	edule () uding grants o	f \$) (Revenue \$)
4e	Tota	al program service e	xpenses ⊢ \$	210,491,94	8		

art 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)? <i>If "Yes,"</i> complete Schedule A	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? $^{f 2}$	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
а	Did the organization report an amount for land, buildings, and equipment in Part X, line10? If "Yes," complete Schedule D, Part VI.	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b		No
C	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	11d		No
е	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If</i> "Yes," complete Schedule D, Parts XI, XII, and XIII	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, 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 and IV	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 and IV	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If</i> "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	Yes	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Par	t 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	Yes	
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	Yes	
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		Νo
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)			
а	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		Νo
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	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section $512(b)(13)$? If "Yes," complete Schedule R, Part V, line 2	35b	Yes	
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?	38	Yes	

Part V	Statements Regarding Other IRS Filings and Tax Compliance

	Check if Schedule O contains a response to any question in this Part V		. [
			Yes	No
а	Enter the number reported in Box 3 of Form 1096 Enter -0 - if not applicable			
	1a 156			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable			
	1b 0			
С	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
_	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax	10	165	
a	Statements filed for the calendar year ending with or within the year covered by this			
	return			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	Yes	
a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes	
h	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority			
u	over, a financial account in a foreign country (such as a bank account or securities			
	account)?	4a		Νo
b	If "Yes," enter the name of the foreign country 🕨			
	See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts			
a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			
		5c		
а	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		Νo
h	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts			
	were not tax deductible?	6b		
	Organizations that may receive deductible contributions under section 170(c).			
а	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and	7a	Yes	
	services provided to the payor?			
	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes	
C	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to	_		NI -
.1	file Form 8282?	7c		Νo
a	IT TES, malicate the number of Forms 6262 filed during the year			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit			
	contract?	7e		Νo
	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		Νo
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as			
	required?	7g		
n	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
	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		
	Sponsoring organizations maintaining donor advised funds.			
а	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		
0	Section 501(c)(7) organizations. Enter			
	Initiation fees and capital contributions included on Part VIII, line 12 10a			
	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club			
	facilities			
1	Section 501(c)(12) organizations. Enter			
а	Gross income from members or shareholders			
b	Gross income from other sources (Do not net amounts due or paid to other			
	sources against amounts due or received from them)			
2a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
	If "Yes," enter the amount of tax-exempt interest received or accrued during the			
_	year 12b			
3	Section 501(c)(29) qualified nonprofit health insurance issuers.			
	Is the organization licensed to issue qualified health plans in more than one state?			
	Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue			
	qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	13a		
b	Enter the aggregate amount of reserves the organization is required to maintain by			
_	the states in which the organization is licensed to issue qualified health plans			
c	Enter the aggregate amount of reserves on hand			
	13c			
4a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		Νo
L	If "Vac " has it filed a Form 730 to report these payments? If "No " provide an evaluation in Schodule O	1/4	1	

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.

Se	ection A. Governing Body and Management			
			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax			
14	year			
b	Enter the number of voting members included in line 1a, above, who are independent			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?.	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		No
6	Did the organization have members or stockholders?	6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
а	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
	ection B. Policies (This Section B requests information about policies not required by the Internal			
Re	evenue Code.)			
			Yes	No
	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
C	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
а	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its			
		ı l		
	participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		Νo
Se	participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the	16b		No

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

Own website 🔽 Another's website 🔽 Upon request

- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public 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 ► DANIEL E LOHR
 326 WASHINGTON STREET
 NORWICH, CT 06360

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

- ◆ 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, if any See instructions for definition of "key employee"
- ◆ List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

◆ 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

(A) Name and Tıtle	(B) Average hours per week (describe hours	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related
	for related organizations in Schedule	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former		MISC)	organizations
(1) DAVID WHITEHEAD TRUSTEE/PRESIDENT/CEO	40 0	х		х				762,221	0	43,852
(2) ROBERT RAMSDELL TRUSTEE/TREASURER	6 0	х		х						
(3) JOSEPH FATONE TRUSTEE/SECRETARY	6 0	х		х						
(4) ANTHONY JOYCE TRUSTEE/VICE CHAIRMAN	6 0	х		х						
(5) JOHN F BILDA TRUSTEE	2 0	х								
(6) ELIZABETH CONWAY TRUSTEE	2 0	х								
(7) BERT A COPPOTELLI MD TRUSTEE	2 0	х								
(8) PETER MANERI TRUSTEE	2 0	х								
(9) DEBORAH MONAHAN TRUSTEE	2 0	х								
(10) LYNNE QUINTAL-HILL TRUSTEE	2 0	х								
(11) MARK TRAMONTOZZI MD TRUSTEE	12 25	х						53,700		0
(12) STEPHEN T BRIGGS MD TRUSTEE	2 0	х								
(13) PAUL MAXFIELD TRUSTEE	2 0	х								
(14) DONNA ROMITO DO TRUSTEE	2 0	х								
(15) DANIEL E LOHR SENIOR VP/CFO	40 0			х				514,728		37,462
(16) PETER SHEA SENIOR VP/MEDICAL DIRECTOR	40 0				х			492,797		36,733
(17) SERGIO CASILLAS MD PHYSICIAN	40 0					х		496,355		14,287

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

	(A) Name and Title	(B) A verage hours per week (describe	more unles an	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) (D) Reportable compensation from the organization (W- organizations (W- 2/1099-MISC)								compensatio from the		
		hours for related organizations in Schedule O)	Individual trustae or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former		MISC)		relat organiza		
(18) I PHYS	ROBERT SIDMAN MD CIAN	40 0					х		409,425				36,502	
(19) I PHYS	MARK TOUSIGNANT MD CIAN	40 0					х		335,264				36,733	
(20) 2 PHYS	UAN ESCALON MD CIAN	40 0					х		346,171				36,733	
(21) N	VILLIAM HORGAN MD CIAN	40 0					х		322,581				33,135	
	THOMAS P PIPICELLI ER PRESIDENT	0 0						х	3,777,778				37,462	
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1b c	Sub-Total	to Dart VII Soci		•	•	•		*			+			
	Total (add lines 1b and 1c) .			· · ·				<u> </u>	7,511,020		0		312,899	
2	Total number of individuals (incl \$100,000 of reportable compen	udıng but not lım	nited to	thos	e lıs	ted	above) who	received more tha	n				
												Yes	No	
3	Did the organization list any for on line 1a? <i>If</i> "Yes," complete Sch					ey e •	mploy •	ee, c	or highest compensa	ated employee	3	Yes		
4	For any individual listed on line in organization and related organization individual										4	Yes		
5	Did any person listed on line 1a services rendered to the organiz								=	r individual for •	5		No	
Se	ection B. Independent Con	tractors												
1	Complete this table for your five \$100,000 of compensation from	highest compen												

or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
EXECUTIVE HEALTH RESOURCES	CONSULTING	799,847
ALLIANCE HEALTHCARE SERVICES	MEDICAL SERVICES	3,204,696
HURON CONSULTING GROUP	CONSULTING	3,308,146
YALE NH HOSPITAL	MEDICAL SERVICES	2,255,899
NAVIN HAFTY ASSOCIATES	CONSULTING	571,116
2 Total number of independent contractors (including but not limited to th	ose listed above) who received more than	

Part VIII		Statement o	f 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			
## ##	1a	Federated cam	paigns 1a								
亞吉	ь	Membership du	es 1b								
S, G	c	Fundraising eve	ents 1c	95,705							
慧	d	Related organiz	rations 1d	3,225							
Contributions, gifts, grants and other similar amounts	e	Government grants	s (contributions) 1e	614,920							
îë. Si	f	All other contribution	ons, gifts, grants, and 1f	465,164				į			
e € E e	g		butions included in								
들을		lines 1a-1f $\$ \frac{3}{4}$,179								
S ၕ	h	Total. Add lines	s 1a-1f	🟲	1,179,014						
				Business Code							
Ė	2a	Inpatient		900099	126,151,493	126,151,493					
æ æ	b	Outpatient		900099	108,882,771	108,882,771					
9.	c	Emergency Depart	ment	900099	45,998,119	45,998,119					
ž	d	Lab courier service		621500	2,187,372		2,187,372				
Ř	e	E H R REVENUE		722320	2,777,416	2,777,416	, .				
Program Service Revenue	f	-	am service revenue		_,,0	-,,.20					
ွို											
	g		s 2a-2f		285,997,171						
	3		ome (including dividen		3,731,395			3,731,395			
	4		ar amounts)	F	0,731,333			3,731,333			
	5			proceeds	0						
		Koyanies	(ı) Real	(II) Personal							
	6a	Gross rents	1,025,860	(,							
	ь	Less rental	2,126,333								
	l c	expenses Rental income	-1,100,473								
	d	or (loss)	me or (loss)		-1,100,473		-50,079	-1,050,394			
	"	Net rental incol	(i) Securities	(II) Other	1,100,173		30,073	1,030,331			
	7a	Gross amount from sales of assets other	19,678,400	184,772							
	ь	than inventory Less cost or other basis and sales expenses	18,855,065	214,308							
	c	Gain or (loss)	823,335	-29,536							
	d	Net gain or (los	ss)		793,799			793,799			
Other Revenue	8a	events (not inc \$95	,705								
ě		See Part IV, lin	reported on line 1c)								
<u>г</u>		•	а	32,160							
Ħe	ь	Less direct ex	penses b	49,496							
ō	С	Net income or ((loss) from fundraising	events 🟲	-17,336			-17,336			
	9a	Gross income f See Part IV , lin	rom gaming activities ie 19 a								
	ь	Less direct ex	penses b								
	С	Net income or ((loss) from gamıng actı	vities	0						
	10a	Gross sales of returns and allo									
	b c		oods sold b (loss) from sales of invo	469,919 353,302 entory . •	116,617			116,617			
		Miscellaneous	s Revenue	Business Code							
	11a	Cafeteria		624410	1,166,526			1,166,526			
	ь	Child care		900099	398,545			398,545			
	c	OTHER MISC F	REVENUE	900099	1,064,905	1,040,319	24,586				
	d	All other reven	ue								
	e		s 11a-11d		2,629,976						
	12	Total revenue.	See Instructions .	•	293,330,163	284,850,118	2,161,879	5,139,152 Form 990 (2011)			

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) Check if Schedule O contains a response to any question in this Part IX

Do no	ot include amounts reported on lines 6b, p, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	740,184	740,184		·
2	Grants and other assistance to individuals in the United States See Part IV, line 22	12,500	12,500		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	12,300		
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	5,580,387	587,917	4,992,470	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0		, ,	
7	Other salaries and wages	108,559,950	97,665,139	10,798,732	96,079
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,850,231	8,865,208	985,023	30,073
9	Other employee benefits	13,862,551	12,476,296	1,386,255	
10	Payroll taxes	8,295,378	7,465,840	829,538	
11	Fees for services (non-employees)	-,,	.,,	,	
a	Management	0			
ь	Legal	2,167,582		2,167,582	
c	Accounting	415,616		415,616	
d	Lobbying	51,213		51,213	
e	Professional fundraising See Part IV, line 17	0		,	
f	Investment management fees	132,898		132,898	
g	Other	20,320,485	15,235,141	5,084,844	500
12	Advertising and promotion	188,256	166,829		21,427
13	Office expenses	6,060,614	4,152,449	1,905,902	2,263
14	Information technology	3,398,561	353,216	3,045,345	
15	Royalties	0			
16	Occupancy	5,578,019	553,635	5,024,384	
17	Travel	255,725	108,125	147,600	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	31,175	5,560	25,560	55
20	Interest	3,008,114		3,008,114	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	16,954,609	8,344,451	8,610,158	
23	Insurance	1,720,586	1,295,901	424,685	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	34,428,304	34,428,304		
b	BAD DEBT	7,950,269	7,949,694	575	
c	MAINTENANCE/SERVICE CONTRACT	5,345,541	3,840,244	1,505,297	
d	LAB EXPENSES	4,338,527	4,338,527		
e					
f	All other expenses	2,842,576	1,906,788	731,041	204,747
25	Total functional expenses. Add lines 1 through 24f	262,089,851	210,491,948	51,272,832	325,071
26	Joint costs. Check here ► ☐ If following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				rm 990 (2011)

Part X **Balance Sheet** (A) (B) Beginning of year End of year 2,802,148 3,816,199 1 90.659.933 103.907.072 2 2 3 101,211 31,723 32.373.122 32.015.340 4 Accounts receivable, net . 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L 0 0 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 0 0 6 100,023 74,517 7 3.757.730 8 3.602.936 9 4,493,355 5.066.915 Prepaid expenses and deferred charges 10a 240,354,654 Land, buildings, and equipment cost or other basis *Complete* Part VI of Schedule D 10a 10b 149,000,168 b Less accumulated depreciation 89,983,664 10c 91,354,486 133,516,829 11 147,043,829 11 12 12,632 12 12,632 Investments—other securities See Part IV, line 11 13 0 13 0 Investments—program-related See Part IV, line 11 . . 0 14 Intangible assets 14 548,818 15 6,358,852 15 358,349,465 393,284,501 16 Total assets. Add lines 1 through 15 (must equal line 34) . . . 16 22,318,404 17 23,583,670 17 Accounts payable and accrued expenses . 18 18 0 19 19 0 20 61.230.000 20 59.265.000 21 Escrow or custodial account liability Complete Part IV of Schedule D . . 21 0 Liabilities 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified 0 0 persons Complete Part II of Schedule L \ldots . \ldots . \ldots 22 1.183.176 23 Secured mortgages and notes payable to unrelated third parties . . . 23 1,126,557 24 Unsecured notes and loans payable to unrelated third parties 24 0 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule 111,062,325 25 111,113,753 D 26 195,793,905 26 195,088,980 **Total liabilities.** Add lines 17 through 25 Organizations that follow SFAS 117, check here ▶ 🔽 and complete lines 27 Balances through 29, and lines 33 and 34. 27 153,706,889 27 187,548,862 Unrestricted net assets 1,399,547 28 2,890,743 28 Temporarily restricted net assets Fund 29 7,449,124 29 7,755,916 Permanently restricted net assets Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34. ö 30 30 Capital stock or trust principal, or current funds Assets 31 31 Paid-in or capital surplus, or land, building or equipment fund 32 32 Retained earnings, endowment, accumulated income, or other funds ž 33 162.555.560 33 198.195.521 Total net assets or fund balances 358.349,465 34 Total liabilities and net assets/fund balances 34 393.284.501

Ра	Check if Schedule O contains a response to any question in this Part XI				
1	Total revenue (must equal Part VIII, column (A), line 12)	<u>,</u>		293.3	330,163
2	Total expenses (must equal Part IX, column (A), line 25)	2			89,851
3	Revenue less expenses Subtract line 2 from line 1	3		31,2	240,312
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		162,5	55,560
5	Other changes in net assets or fund balances (explain in Schedule O)	5		4,3	399,649
6		6		198,1	.95,521
Par	t XII Financial Statements and Reporting				
	Check if Schedule O contains a response to any question in this Part XII	•		୮	
		_		Yes	No
1	Accounting method used to prepare the Form 990				
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	e •	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were iss on a separate basis, consolidated basis, or both Separate basis Consolidated basis Both consolidated and separated basis	sued			
За	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 recaudit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	quired	3b		

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As Filed Data -

DLN: 93493218014503

OMB No 1545-0047

Inspection

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury Internal Revenue Service

Name of the organization THE WILLIAM W BACKUS HOSPITAL

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

Public Charity Status and Public Support

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

Employer identification number

								106-0250			
Part I			blic Charity Sta				•		instructions	S	
_			te foundation becaus								
1			ion of churches, or as)(1)(A)(ı)	•			
2		school described in section 170(b)(1)(A)(ii). (Attach Schedule E)									
3 ~			perative hospital se								
4		n medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the iospital's name, city, and state									
5	_	nızatıon operated for the benefit of a college or unıversıty owned or operated by a governmental unıt described in									
_			(A)(iv). (Complete P	•							
6			local government or								
7	describ	ed in	at normally receives (A)(vi) (Complete P		al part of its	s support from	n a governm	iental unit or	from the ger	neral public	
8			described in section		A)(vi) (Co	mplete Part I	Τ)				
9			at normally receives					ahutions mei	mhershin fee	es and aro	5.5
,	=		rities related to its ex	-				•	•	-	
			oss investment inco								
	•	_	ganızatıon after June				•		. tax) II o III b	asinesses	
lo 🗀			ganized and operated								
 			ganized and operated ganized and operated						to carry out	the nurnos	os of
,	one or i	more public	ly supported organiz ibes the type of supp b Type I	ations descr orting organ	ribed in sec iiz <u>a</u> tion and	tion 509(a)(1) or section es 11e thro	n 509(a)(2) \$ ugh 11h	See section		Check
e f g	other the section If the ocheck the Since A	nan foundat 509(a)(2) rganization his box august 17, 2	ox, I certify that the ion managers and other received a written do 2006, has the organi	her than one etermination	or more pu	iblicly support	Type I, Typ	ations describ	bed in section	on 509(a)(:	L) or
		g persons? rson who di	rectly or indirectly c	ontrols, eith	er alone or	together with	persons de	scribed in (ii)	Yes	No
			governing body of th			_	•			g(i)	
	•	•	er of a person descri		_					g(ii)	
		-	lled entity of a perso			above?				g(iii)	
h			ng information about							5 ()	
			(:::x			<u> </u>		<u> </u>		1	
Nan supp	i) ne of orted ization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see	(iv) Is the organizati col (i) list your gove docume	e Ion In ted In Erning	(v) Did you notify the organization in col (i) of your support?		(vi Is t organiza col (i) or in the l	he ition in ganized	(v A mou supp	int of
			instructions))	Yes	No	Yes	No	Yes	No		
							<u> </u>		1		
									+		
									+		
							1		1		
otal							<u> </u>		1		

instructions

Sch	edule A (Form 990 or 99	90-EZ)2011						Page 2
	(Complet	e only if you	checked the	box on line 5,	7, or 8 of Part	(b)(1)(A)(iv) I or if the orgar	nızatıon faıle	d to qualify
			<u>organızatıon f</u>	fails to qualify ι	<u>under the tests</u>	listed below, pl	<u>lease comple</u>	ete Part III.)
	ection A. Public Su					Т	1	
Cal	endar year (or fiscal ye in)	ar beginning	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1	Gifts, grants, contribut	ions, and						
	membership fees recei							
	ınclude any "unusual							
_	grants ") Tax revenues levied fo	rtho						
2	organization's benefit a							
	paid to or expended on							
	behalf							
3	The value of services of							
	furnished by a governme the organization withou							
4	Total. Add lines 1 thro	_						
5	The portion of total cor	-						
-	by each person (other	than a						
	governmental unit or p	•						
	supported organization line 1 that exceeds 2%							
	amount shown on line 1							
	(f)	21,0014						
6	Public Support. Subtractine 4	ct line 5 from						
S	ection B. Total Sup	port						
Cal	endar year (or fiscal yea	r beginning	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
_	ın)	_	(4) 2007	(2) 2000	(4) 2005	(4) 2020	(0) 2022	(1) 1 3 4 4
7 8	A mounts from line 4 Gross income from inte	rost –						
0	dividends, payments re							
	securities loans, rents							
	and income from simila	ır						
_	sources							
9	Net income from unrela business activities, wh							
	not the business is reg							
	carried on							
10	Other income (Explain							
	IV) Do not include gai from the sale of capital							
11	Total support (Add line							
	through 10)							
12	Gross receipts from re	lated activities	s, etc (See inst	ructions)			12	
13	First Five Years If the		r the organizati	on's first, second	l, thırd, fourth, or	fıfth tax year as a	501(c)(3) or	
	check this box and sto	p here						▶ □
S	ection C. Computat	ion of Publ	ic Support F	Percentage				
14	Public Support Percen	tage for 2011	(line 6 column	(f) dıvıded by lıne	11 column (f))		14	
15	Public Support Percen	tage for 2010	Schedule A , Pa	rt II, line 14			15	
16a	33 1/3% support test-					line 14 is 33 1/3%	% or more, che	
h	and stop here. The org 33 1/3% support test					6a and line 15 is	33 1/20% or m	ore check this
D	box and stop here. The					oa, and inte 15 IS	1/3%0 UI M	ore, check this
17a	10%-facts-and-circum	-	•		-	ne 13, 16a, or 16	b and line 14	٠,
	ıs 10% or more, and ıf							
	in Part IV how the orga	anızatıon meet	s the "facts and	d circumstances"	test The organiz	zatıon qualıfıes as	a publicly su	
b	organization 10%-facts-and-circum	stances test—	2010. If the ora	anization did not	check a hov on li	ne 13, 16a 16b	or 17a and lin	▶
,	15 is 10% or more, an							-
	Explain in Part IV how	the organizati						
10	supported organization Private Foundation If t		n did not chools	a hov on line 12	16a 16h 17a a	or 17h chack this	hov and coc	► □

▶□

Schedule A (Form 990 or 990-EZ) 2011 Page 3 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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.) Section A. Public Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ") 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 Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge Total. Add lines 1 through 5 7a Amounts included on lines 1, 2, and 3 received from disqualified persons 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 Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Amounts from line 6 Gross income from interest, 10a dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b C Net income from unrelated 11 business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total support (Add lines 9, 10c, 13 11 and 12) 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 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f)) 15 15 Public support percentage from 2010 Schedule A, Part III, line 15 16 16 Section D. Computation of Investment Income Percentage

Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))

19a 33 1/3% support tests—2011. 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

18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

33 1/3% support tests-2010. 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

more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

Investment income percentage from 2010 Schedule A, Part III, line 17

17

18

17

18

▶[

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. Also complete this part for any additional information. (See instructions).								
	Facts And Circumstances Test								
	Explanation								

Schedule A (Form 990 or 990-EZ) 2011

DLN: 93493218014503

OMB No 1545-0047

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.

f the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities),
then
Section 501(c)(3) organizations. Complete Parts LA and B. Do not complete Part LC

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

Provide a description of the organization's direct and indirect political campaign activities on behalf of or

◆ 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 35c (Proxy Tax), then

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

Name	of the	organiza	ation
THE WI	LLIAM V	V BACKUS	HOSPITAL

Employer identification number

06-0250773

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

- in opposition to candidates for public office in Part IV Political expenditures
- Volunteer hours

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

- Enter the amount of any excise tax incurred by the organization under section 4955
- 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? Was a correction made? ☐ Yes
- If "Yes," describe in Part IV

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

- Enter the amount directly expended by the filing organization for section 527 exempt function activities
- 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
- Did the filing organization file Form 1120-POL for this year? ┌ Yes
- Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

f Grassroots lobbying expenditures

(The term "expenditures" means amounts paid or incurred.) Lia Total lobbying expenditures to influence public opinion (grass roots lobbying) b Total lobbying expenditures to influence a legislative body (direct lobbying) c Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures e Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 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 \$1,000,000 but not over \$1,000,000 \$1,000,000 g Grassroots nontaxable amount (enter 25% of line 1f) 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- 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.)	ווטפ	edule C (F	01111 9 9 0 01 9 9 0 - EZ) 2 0 1 1					Page ∠
A Check If the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member expenses, and share of excess lobbying expenditures) 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.) Organization Total Incurred (The term "expenditures" means amounts paid or incurred.) Organization Total Incurred (The term "expenditures to influence a legislative body (direct lobbying)	Pa	rt II-A		n is exempt under	section 501(c)(3) and fi	iled Form 5768	(election
expenses, and share of excess lobbying expenditures) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Limits on Lobbying Expenditures (The term "expenditures to influence public opinion (grass roots lobbying) Lobbying expenditures to influence a legislative body (direct lobbying) Total lobbying expenditures (add lines 1a and 1b) Other exempt purpose expenditures Total obtaining purpose expenditures (add lines 1c and 1d) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: If the amount on line 1e, column (a) or (b) is: If the amount on line 1e, column (a) or (b) is: Not over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,500,000 S1,000,000 but not over \$1,500,000 S1,000 but not over \$1,500,000 S1	١	Check		an affiliated group (and	lıst ın Part IV ea	ch affiliated gr	oup member's nam	e, address, EIN,
Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) Total lobbying expenditures to influence public opinion (grass roots lobbying) Total lobbying expenditures (add lines 1 aand 1b) Other exempt purpose expenditures (add lines 1 aand 1b) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line Le, column (a) or (b) is: If the amount on line Le, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S10,000,000 Over \$1,000,000 but not over \$1,000,000 S10,000,000 Fig. So of the excess over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S10,000,000 Fig. So of the excess over \$1,000,000 Fig. So of the excess over \$1,000			expenses, and share of excess lob	bying expenditures)		_	•	
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 f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S175,000 plus 10% of the excess over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S175,000 plus 10% of the excess over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S175,000 plus 10% of the excess over \$1,000,000 Over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S175,000 plus 10% of the excess over \$1,000,000 Over \$1,0	3	Check	ıf the filing organization checked bo	ox A and "limited contro	ol" provisions app	ly	1	1
(The term "expenditures" means amounts paid or incurred.) Ital Total lobbying expenditures to influence public opinion (grass roots lobbying) b Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures e Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S1225,000 plus 10% of the excess over \$1,000,000 Over \$17,000,000 Over \$17,000,000 S11,000,000 S11,000,000 F11,000,000			Limits on Lobbying	Expenditures			(a) Filing	(b) Affiliated
Total lobbying expenditures to influence public opinion (grass roots lobbying) b Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S175,000 plus 15% of the excess over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 S100,000 plus 15% of the excess over \$1,000,000 Over \$1,000,000 Over \$1,000,000 Over \$1,000,000 The lobbying nontaxable amount is: Not over \$500,000 Over \$1,000,000 Over \$1,000,00					l.)		Organization's Totals	Group Totals
b Total lobbying expenditures to influence a legislative body (direct lobbying) c Total lobbying expenditures (add lines 1a and 1b) d Other exempt purpose expenditures e Total exempt purpose expenditures (add lines 1c and 1d) f Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,7000,000 Over \$1,000,000 but not over \$1,7000,000 S225,000 plus 15% of the excess over \$1,000,000 Over \$1,7000,000 Over \$1,7000,000 F17,000,000 S225,000 plus 5% of the excess over \$1,500,000 Over \$1,7000,000 F17,000,000 S17,000,000 F17,000,000 F17,000		-			1 \		100013	1 ocars
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d O ther exempt purpose expenditures Total exempt purpose expenditures (add lines 1c and 1d) Lobbying nontaxable amount Enter the amount from the following table in both columns If the amount on line 1e, column (a) or (b) is: The lobbying nontaxable amount is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000					ying)			
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Columns If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,000,000 Over \$1,000,000 Over	e	Total exe	mpt purpose expenditures (add lines 1	.c and 1d)				
Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,7000,000 Over \$1,500,000 but not over \$1,000,000 Over \$1,500,000 but not over \$1,000,000 S225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 S1,000,000 Grassroots nontaxable amount (enter 25% of line 1f) Subtract line 1g from line 1a If zero or less, enter -0- Subtract line 1f from line 1c If zero or less, enter -0- 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying celling amount	f		nontaxable amount Enter the amount	from the following table	in both			
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 \$1,000,000 \$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 \$1,000,00		If the an	ount on line 1e, column (a) or (b) is:	The lobbying nontax	able amount is:			
Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Over \$1,500,000 but not over \$1,500,000 Section \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 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 1ffrom line 1c If zero or less, enter -0- 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount		Not over \$5	500,000	20% of the amount on lii	ne 1e			
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 \$1,00		Over \$500,	000 but not over \$1,000,000	\$100,000 plus 15% of the	e excess over \$500,0	000		
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- 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying celling amount		Over \$1,00	0,000 but not over \$1,500,000	\$175,000 plus 10% of the	e excess over \$1,000	,000		
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 1ffrom line 1c If zero or less, enter -0- 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount		Over \$1,50	0,000 but not over \$17,000,000	\$225,000 plus 5% of the	excess over \$1,500,	000		
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- 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount		Over \$17,0	00,000	\$1,000,000				
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- 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? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying ceiling amount								
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Jection 4911 tax for this year? 4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying ceiling amount								
4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete al 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) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount					organization file	Form 4720 re	portina	
(Some organizations that made a section 501(h) election do not have to complete al 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) 2008 (b) 2009 (c) 2010 (d) 20 Lobbying non-taxable amount							F - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	┌ Yes ┌ No
Calendar year (or fiscal year beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 2009 Lobbying non-taxable amount		(Sor	ne organizations that made a	section 501(h) el	ection do not	have to co		ne five
beginning in) (a) 2008 (b) 2009 (c) 2010 (d) 20 2a Lobbying non-taxable amount b Lobbying ceiling amount			Lobbying Exp	enditures During	4-Year Avera	ging Period	d	
b Lobbying ceiling amount				(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
	2a	Lobbyin	g non-taxable amount					
	b							
c Total lobbying expenditures	c	Total loi	obying expenditures					
d Grassroots non-taxable amount	d	Grassro	ots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))	e							

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)).

	(election under section 501(h)).					
		((a)		(b)	
		Yes	No	'	A moui	nt
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					
а	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			
е	Publications, or published or broadcast statements?		No			
f	Grants to other organizations for lobbying purposes?	Yes				51,213
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		No			
j	Total lines 1c through 1:				!	51,213
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?					
Par	t III-A Complete if the organization is exempt under section $501(c)(4)$, section $501(c)(6)$.	501(c)(5),	or s	ectio	n
					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		
	TIII-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part I answered "Yes".	III-À,			ectio	n
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).					
а	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				
Б	Supplemental Information	•				

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -

DLN: 93493218014503

OMB No 1545-0047

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, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b ► Attach to Form 990. ► See separate instructions.

Open to Public Inspection

	me of the organization	·	Emp	loyer ident if icat	ion numbe	er
	WILLEN WE BROKES HOST TIVE		06-0	0250773		
Pa	organizations Maintaining Donor Acorganization answered "Yes" to Form 99		unds	or Accounts.	Comple	te if the
		(a) Donor advised funds	((b) Funds and ot	her accou	nts
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 advidunds are the organization's property, subject to the	_	nor advi	sed	┌ Yes	┌ No
6	Did the organization inform all grantees, donors, and used only for charitable purposes and not for the ben				┌ Yes	□ No
Da	rt II Conservation Easements. Complete	if the erganization answered "Ves" i	-o Forn	2 000 Dawt IV	<u>'</u>	1 140
1 2	Purpose(s) of conservation easements held by the o Preservation of land for public use (e g , recreated Protection of natural habitat Preservation of open space Complete lines 2a-2d if the organization held a qual easement on the last day of the tax year	on or pleasure) Preservation of ar Preservation of a	certifie	d historic struct	•	a
	,,,,,,			Held at the	End of the	Year
а	Total number of conservation easements		2a			
ь	Total acreage restricted by conservation easements	;	2b			
С	Number of conservation easements on a certified his	storic structure included in (a)	2c			
d	Number of conservation easements included in (c) a	cquired after 8/17/06	2d			
3	Number of conservation easements modified, transfer the taxable year ►	erred, released, extinguished, or terminat	ed by th	e organization d	uring	
4	Number of states where property subject to conserva	ation easement is located ►				
5	Does the organization have a written policy regarding enforcement of the conservation easements it holds:		dling of	violations, and	┌ Yes	┌ No
6	Staff and volunteer hours devoted to monitoring, insp	pecting and enforcing conservation easen	nents d	uring the year 🛌		
7	A mount of expenses incurred in monitoring, inspecti \$\blue{\mathbb{F}} \\$	ng, and enforcing conservation easement	s during	g the year		
В	Does each conservation easement reported on line 2 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?	2(d) above satisfy the requirements of sec	ction		┌ Yes	┌ No
9	In Part XIV, describe how the organization reports c balance sheet, and include, if applicable, the text of the the organization's accounting for conservation easer	the footnote to the organization's financia				
Par	Organizations Maintaining Collection Complete of the organization answered	ons of Art, Historical Treasures,	or Otl	her Similar A	\ssets.	
1a	If the organization elected, as permitted under SFAS art, historical treasures, or other similar assets held provide, in Part XIV, the text of the footnote to its fir	for public exhibition, education or resear	ch in fu			e,
b	If the organization elected, as permitted under SFAS historical treasures, or other similar assets held for provide the following amounts relating to these items	public exhibition, education, or research				
	(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, hist following amounts required to be reported under SFA		or finan			
а	Revenues included in Form 990, Part VIII, line 1			► \$		

b Assets included in Form 990, Part X

Part	Organizations Maintaining Co	llections of Art	t, His	tori	<u>cal Tre</u>	<u>easur</u>	<u>es, or Oth</u>	<u>er Sii</u>	<u>mila</u>	r Asse	ts (co	ntınued)
3	Using the organization's accession and othe items (check all that apply)	r records, check an	y of th	ne foll	lowing tl	hat are	a significant	use of	its co	ollection	ו	
а	Public exhibition		d	\sqcap	Loan o	orexcha	ange prograr	ns				
b	Scholarly research		e	Γ	Other							
c	Preservation for future generations											
4	Provide a description of the organization's co Part XIV	ollections and expla	ain hov	w the	y furthei	r the or	ganızatıon's	exemp	t purp	ose in		
5	During the year, did the organization solicit assets to be sold to raise funds rather than							ımılar		Г	Yes	┌ No
Par	Escrow and Custodial Arrang Part IV, line 9, or reported an ar	ements. Compl	ete ıf	the	organiz	zatıon		"Yes" 1	to Fo	rm 990),	
1a	Is the organization an agent, trustee, custod included on Form 990, Part X?	lian or other interm	edıary	for c	ontribut	tions or	other asset	s not		Γ	Yes	┌ No
b	If "Yes," explain the arrangement in Part XI	/ and complete the	follow	ving ta	able					Amou	ınt	
c	Beginning balance						10	,		Alliot		
d	Additions during the year						10					
e	Distributions during the year						16	_				
f	Ending balance						11	_				
2a	Did the organization include an amount on Fe	orm 990 Part X lin	e 212				<u></u>			Г	Yes	┌ No
	If "Yes," explain the arrangement in Part XI\		C 21 ·							,		, 140
	rt V Endowment Funds. Complete		n ans	were	ad "Yes	s" to Fo	orm 990 P	art IV	line	10		
	Endownient Fanasi complete	(a)Current Year		Prior \				(d)Three			e)Four Y	ears Back
1a	Beginning of year balance	5,396,859		5,	320,786		4,841,631		3,87	1,631		
b	Contributions				5,000		358,064		97	0,000		
С	Investment earnings or losses	5,226			76,505		505,259		142,089			
d	Grants or scholarships				0		0		0			
e	Other expenditures for facilities and programs				0		378,271		13	5,254		
f	Administrative expenses	5,226			5,432		5,897			6,835		
g	End of year balance	5,396,859		5,	396,859		5,320,786		4,84	1,631		
2	Provide the estimated percentage of the year	r end balance held	as									
а	Board designated or quasi-endowment 🕨											
b	Permanent endowment 🕨 100 000 %											
С	Term endowment ▶											
3a	Are there endowment funds not in the posse	ssion of the organiz	ation	that a	are held	and ad	mınıstered f	or the				
	organization by										Yes	No
	(i) unrelated organizations			•						3a(i)		No
	(ii) related organizations								•	3a(ii)		No
ь 4	If "Yes" to 3a(II), are the related organization Describe in Part XIV the intended uses of the	·								3b		<u> </u>
						0						
Раг	t VI Land, Buildings, and Equipme	ent. See Follii 95	70, Pa					Τ.,				
	Description of property				Cost or o		(b) Cost or othe basıs (other)		Accumi eprecia		(d) Bo	ok value
1a	Land					0	2,229,79	95				2,229,795
b	Buildings		•		10,38	1,267	46,448,28	30	33,8	61,382	2	2,968,165
c	Leasehold improvements						80,846,31	.4	45,6	68,172	3	5,178,142
d I	Equipment						98,659,14	0	69,4	28,410	2	9,230,730
	Other	<u> </u>					1,747,6	54				1,747,654
Tota	I. Add lines 1a-1e <i>(Column (d) should equal F</i> o	orm 990, Part X, colu	mn (B)), line	10(c).)				. ►		9	1,354,486
									Sched	ule D (I	orm 9	90) 2011

(a) Description of Security or catagory (b) Reck value Coact or end-of-year minist value Coact or end-of-yea	Part VII Investments—Other Securities. See	Form 990, Part X, line 12		
Column (a) about equatrom total part x, cor(a) the (b)	(a) Description of security or category (including name of security)	(b)Book value		
Total. (Column (8) should equal form \$80, Part X, cal (8) Not 2 1			Cost of ella-o	i-year market value
Total: (Calumn (a) should equal form 850. Part X, cor (8) Nov 12) * Total: (Calumn (a) should equal form 850. Part X, cor (8) Nov 13) * Total: (Calumn (a) should equal form 850. Part X, cor (8) Nov 13) * Total: (Calumn (a) should equal form 850. Part X, cor (8) Nov 13) * Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 13) * Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) (b) Book value Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) Total: (Calumn (b) should equal form 850. Part X, cor (8) Nov 15) (c) Description (b) Should equal form 850. Part X, cor (8) Nov 15) (d) Descr				
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Other liabilities 652,262				
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Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ▶ 111,113,753				
	Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	111,113,753		

Pai	rt XI Reconciliation of Change in Net Assets from Form 990 to Financial Statemer	nts	
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	293,330,163
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	262,089,851
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	31,240,312
4	Net unrealized gains (losses) on investments	4	10,067,106
5	Donated services and use of facilities	5	
6	Investment expenses	6	-365,321
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-5,302,136
9	Total adjustments (net) Add lines 4 - 8	9	4,399,649
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	35,639,961
Par	t XII Reconciliation of Revenue per Audited Financial Statements With Revenue p	er Ret	urn
1	Total revenue, gains, and other support per audited financial statements	1	305,112,306
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
а	Net unrealized gains on investments		
b	Donated services and use of facilities		
c	Recoveries of prior year grants		
d	Other (Describe in Part XIV)		
e	Add lines 2a through 2d	2e	10,067,106
3	Subtract line 2e from line 1	3	295,045,200
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a 365,321		
b	Other (Describe in Part XIV)		
C	Add lines 4a and 4b	4c	-1,715,037
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	293,330,163
	Reconciliation of Expenses per Audited Financial Statements With Expenses	per Re	
1	Total expenses and losses per audited financial statements	1	264,141,267
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
а	Donated services and use of facilities		
b	Prior year adjustments		
c	Other losses		
d	Other (Describe in Part XIV)		
e	Add lines 2a through 2d	2e	2,205,365
3	Subtract line 2e from line 1	3	261,935,902
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
а	Investment expenses not included on Form 990, Part VIII, line 7b 4a		
b	Other (Describe in Part XIV)		
c	Add lines 4a and 4b	4c	153,949
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	262,089,851

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
ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4	THE PERMANENTLY RESTRICTED ENDOWMENT FUNDS ARE MEANT TO PROVIDE LONG-TERM SUPPORT FOR CAPITAL AND OPERATING PROGRAMS FOR THE HOSPITAL IN ACCORDANCE WITH THE DONOR'S WISHES
UNCERTAIN TAX POSITIONS DISCLOSURE	SCHEDULE D, PART X, LINE 2	ASC 740-10, Uncertain Tax Positions, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure requirements for uncertain tax positions. Management has evaluated the implications of ASC 740-10 and determined that its impact on the financial statements is not significant.
RECONCILIATION OF CHANGE IN NET ASSETS	SCHEDULE D, PART XI, LINE 8	K-1 LOSS 892 TRANSFER TO AFFILIATES (1,248,123) INCREASE IN NET ASSETS HELD IN TRUST 306,792 CHANGE IN PENSION FUNDING (4,361,697) TOTAL \$(5,302,136)
RECONCILIATION OF REVENUE- OTHER ADJUSTMENTS	SCHEDULE D, PART XII, LINE 2D	
RECONCILIATION OF REVENUES- OTHER ADJUSTMENTS	SCHEDULE D, PART XII, LINE 4B	AUXILIARY INCOME 125,899 K-1 LOSS (892) LOSS ON FIXED ASSETS (29,536) RENTAL EXPENSE (2,126,333) TEMPORARILY RESTRICTED INCOME (49,496)
RECONCILIATION OF EXPENSES- OTHER ADJUSTMENTS	SCHEDULE D, PART XIII, LINE 2D	RENTAL EXPENSE 2,126,333 GOLF TOURNAMENT EXPENSE 49,496 LOSS ON FIXED ASSETS 29,536 TOTAL \$2,205,365
RECONCILIATION OF EXPENSES- OTHER ADJUSTMENTS	SCHEDULE D, PART XIII, LINE 4B	AUXILIARY EXPENSE \$ 153,949

efile GRAPHIC print - DO NOT PROCESS

SCHEDULE G

Department of the Treasury

Internal Revenue Service

Т

(Form 990 or 990-EZ)

As Filed Data -

DLN: 93493218014503

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

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

OMB No 1545-0047

2011

Open to Public Inspection

ame of the organization	- D.T. A.I					Employer ide	ntification number
HE WILLIAM W BACKUS HOS	SPITAL					06-0250773	
Part I Fundraising Ac	tivities. Complet	te if the d	organiza	tion answered "Yes"	to Form	990, Part IV	, line 17.
Indicate whether the orga	nızatıon raısed funds	through a	any of the	following activities Ch	eck all th	at apply	
a Mail solicitations			е	Solicitation of no	n-governr	nent grants	
b	olicitations		f	Solicitation of go	vernment	grants	
c Phone solicitations			g	☐ Special fundraisi	ng events		
d	s						
2a Did the organization have or key employees listed in							Г _{Yes} Г _{No}
b If "Yes," list the ten highe to be compensated at least							
(i) Name and address of Individual or entity (fundraiser)	(ii) Activity	fundrais custo cont contrib	Did ser have ody or rol of outions?	(iv) Gross receipts from activity	(or re fundraı	ount paid to tained by) ser listed in ol (i)	(vi) A mount paid to (or retained by) organization
		Yes	No				
otal			.▶				
B List all states in which the licensing	organization is regi	stered or	licensed t	o solicit funds or has b	I een notifie	ed it is exempt	I : from registration or

Pa	rt II	Fundraising Events. Com more than \$15,000 on Form										
			(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 SEDER GOLF (event type)	(c) Other Events 0 (total number)	(d) Total Events (Add col (a) through col (c))						
ΕE	1	Gross receipts	90,515	37,350	0	127,865						
Revenue	2	Less Charitable contributions	67,715	27,990	0	95,705						
<u> </u>	3	Gross income (line 1 minus line 2)	22,800	9,360	0	32,160						
	4	Cash prizes	0	0	0	0						
မှာ	5	Non-cash prizes	5,136	1,560	0	6,696						
Expenses	6	Rent/facility costs	20,118	4,680	0	24,798						
ă	7	Food and beverages	3,265	0	0	3,265						
Drea	8	Entertainment	0	0	0	0						
莅	9	Other direct expenses .	11,609	3,128	0	14,737						
	10 11	10 Direct expense summary Add lines 4 through 9 in column (d)										
Par	t III	Gaming. Complete if the or \$15,000 on Form 990-EZ, lin		"Yes" to Form 990, Pa	rt IV, line 19, or repo	rted more than						
Revenue			(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))						
	1	Gross revenue										
Ses	2	Cash prizes										
xpenses	3	Non-cash prizes										
ш	4	Rent/facility costs										
Direct	5	Other direct expenses										
	6	Volunteer labor	┌ Yes	Г Yes Г No	┌ Yes							
		Direct expense summary Add lines				()						
	8	Net gaming income summary Com	bine lines 1 and 7 in colu	mn (d)	<u> - .</u>							
9 a b	Ist	er the state(s) in which the organiza he organization licensed to operate No," Explain	gaming activities in each	n of these states?								
		re any of the organization's gaming l	ıcenses revoked, suspen	ded or terminated during	the tax year?							

Sche	dule G (Form 990 or 990-EZ) 20	11			Page 3						
11	Does the organization operate ga	aming activities with nonmembers? .		Г _{Yes} Г	- No						
12	Is the organization a grantor, be	neficiary or trustee of a trust or a mem	per of a partnership or other entity								
	formed to administer charitable (gamıng?		· · · · F Yes F	- No						
13	Indicate the percentage of gamii	ag activity operated in		1 1							
a				13a							
b											
14		f the person who prepares the organiza									
	Name ►										
	Address ►										
	revenue?	ntract with a third party from whom the			- No						
		ed by the third party 🟲 \$									
С	If "Yes," enter name and address	S									
	Name 🟲										
	Address ►										
16	Gaming manager information										
	Name 🟲										
	Gaming manager compensation I	\$ \$									
	Description of services provided 🕨										
17 a		Employee er state law to make charitable distribu		· · ·	- No						
b	Enter the amount of distributions	required under state law distributed to	o other exempt organizations or sp		-						
_		activities during the tax year > \$		hadala C /							
Par	t IV Complete this part to property instructions.)	provide additional information for	responses to quuestion on Sc	nedule G (see							
	Identifier	ReturnReference	Explana	tion							
		•	•								

OMB No 1545-0047

Open to Public Inspection

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization THE WILLIAM W BACKUS HOSPITAL

Employer identification number

D	art I Charity Care and	Certain O	ther Comp	nunity Benefits at		0250773				
	charity care and	CEI LAIII O	THE COURT	namey benefits at	CUST			Yes	No	
1a	Did the organization have a c	harity care po	licy? If "No,	" skıp to questıon 6a			1a	Yes		
b	If "Yes," is it a written policy	?					1b	Yes		
2	If the organization had multip care policy to the various hos		oitals, indicate which of the following best describes application of the charity							
	Applied uniformly to all ho	•	ls	Applied uniformly	to most hospitals					
3	Answer the following based or organization's patients during			y criteria that applies t	to the largest number o	f the				
а	Did the organization use Fede If "Yes," indicate which of the	eral Poverty G	uıdelınes (FF			are?	_			
		_	0% ~	Other			3a	Yes		
b	Did the organization use FPG	to determine	eligibility for	•						
	"Yes," indicate which of the fo	ollowing is the	family incor	ne limit for eligibility fo	r discounted care .		3b	Yes		
	□ 200% □ 250%	Г 30	o% Г	350% 🔽 40	0% Г Other_	%				
С	If the organization did not use determining eligibility for free test or other threshold, regard	or discounted	d care Inclu	de in the description w	hether the organizatior					
4	Did the organization's policy	provide free o	r dıscounted	care to the "medically	ındıgent"?		4	Yes		
5a	Did the organization budget a the tax year?			ted care provided unde	er its financial assistar	ice policy during	5a	Yes		
b	If "Yes," did the organization	's charity care	e expenses e	xceed the budgeted ar	mount?		5b		Νo	
С	If "Yes" to line 5b, as a resulcare to a patient who was elig						5c			
6a	Did the organization prepare a	a community l	benefit report	tduring the tax year?			6a		No	
6b	If "Yes," did the organization	make it avails	able to the pu	ublic?			6b			
	Complete the following table worksheets with the Schedule		ksheets prov	ided in the Schedule H	instructions Do not s	ubmit these				
7	Charity Care and Certain O	ther Commur	nty 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 b expense	enefit	(f) Pero total ex		
а	Charity care at cost (from Worksheet 1)			3,313,006	1,038,468	2,27	4,538	0	900 %	
b	Medicaid (from Worksheet 3, column a)			55,952,799	39,553,595	16,39	9,204	6	450 %	
С	Costs of other means-tested government programs (from Worksheet 3, column b)									
d	Total Charity Care and Means-Tested Government Programs			59,265,805	40,592,063	18,67	3,742	7	350 %	
e	Other Benefits Community health improvement services and community benefit operations (from	06	41.063	£E0 200	12.240		5,968		250 %	
f	(Worksheet 4) Health professions education	96	41,062	658,308	12,340					
g	(from Worksheet 5) Subsidized health services	17	4,531	275,274	2,250	27	0 110 %			
h	(from Worksheet 6) Research (from Worksheet 7)	1	22,476	5,140,665 24,431			0,665 4,431		020 %	
	Cash and in-kind contributions for community benefit (from Worksheet 8)	22	23	669,064			9,064		260 %	
-	Total Other Benefits	136	68,092	6,767,742	14,590		3,152		650 %	
k	Total Add lines 7d and 7i	136	68 092	66 033 547	40 606 653	25.42	6 894	10	<u></u>	

Pa	community Building	ng Activitie	s Complete t	this table if the o	rganızat	ion co	nducted any commun	iity b		g
	detivides.	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense		rect offs revenue	- 1		(f) Perce total ex	
1	Physical improvements and housing									
2	Economic development									
3	Community support	8		69,0	51		69,	051	0	030 %
4	Environmental improvements									
5	Leadership development and training									
6	for community members Coalition building	2		1,8 18,3				320 320		010 %
	Community health improvement			10,5	20		10,	320		010 /0
	Workforce development	1		5	10			510		
9	Other	1		1	00			100		
10	Total	13		89,8				829	0	040 %
Par	t IIII Bad Debt, Medicar	e, & Collec	tion Practic	es						
Sect	ion A. Bad Debt Expense								Yes	No
1	Did the organization report ba	•	e ın accordance	e with Heathcare Fi	nancıal M	anagei	ment Association	1	103	No
2	Statement No 15? Enter the amount of the organi		ebt expense			2			+	110
3	Enter the estimated amount of		•							
-	patients eligible under the org		•	•		3	3,143,316			
4	Provide in Part VI the text of t In addition, describe the costi rationale for including a portio	ng methodolog	gy used in dete	rmining the amoun						
Sect	ion B. Medicare									
5	Enter total revenue received from Medicare (including DSH and IME) 5 62,914,770									
6	Enter Medicare allowable cost	s of care relat	ing to payment	s on line 5		6	90,995,950			
7	Subtract line 6 from line 5 Th	-					-28,081,180			
8	Describe in Part VI the extent Also describe in Part VI the c Check the box that describes	osting method the method us	ology or source ed	e used to determin	e the amo					
	Cost accounting system	l Co	st to charge ra	tio I	Other					
	ion C. Collection Practices									
9a	Did the organization have a wr							9a	Yes	
ь	If "Yes," did the organization's contain provisions on the colle assistance? Describe in Part \	ection practice	s to be followe	d for patients who a	are known	to qua	lify for financial	9b	Yes	
Pa	rt IV Management Com						T	Τ.		
	(a) Name of entity	(E	 Description of pi activity of entit 		(c) Organi profit % o ownersh	r stock	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	pro	e) Physic ofit % or ownership	stock
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
12		+						+		

Part	V Facility Information									
	on A. Hospital Facilities	Licensed	Gener	Childre	Teach	Critica	Resea	ER-24 hours	ER-other	
(list in	order of size from largest to smallest)	sed hospital	General medical &	Children's hospital	Teaching hospital	d acces	Research facility	hours	her	
	nany hospital facilities did the organization operate during x year? 1	pital	cal & surgical	spital	pta	Ortical access hospital	lity			
Name	and address									
Mairie	and address									
	,	<u> </u>								Other (Describe)
1	WILLIAM W BACKUS HOSPITAL 326 WASHINGTON ST NORWICH,CT 06360	×	×					×		
		<u> </u>								
		<u> </u>								
		1								
		1								
-										
		_						-		
		1	1	1	1	I	1	1	1	ſ

Part V Facility Information (continued) Section B. Facility Policies and Practices.

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

WILLIAM W BACKUS HOSPITAL

Name of Hospital Facility:	
ine Number of Hospital Facility (from Schedule H, Part V, Section A):_	1

			Yes	No
Co	mmunity Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply)			
	a Γ A definition of the community served by the hospital facility			
	b Demographics of the community			
	Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
	d How data was obtained			
	e The health needs of the community			
	Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
	g The process for identifying and prioritizing community health needs and services to meet those needs			
	h The process for consulting with persons representing the community's interests			
	i Information gaps that limit the hospital facility's ability to assess the community's health needs			
	j Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a Needs Assessment 20			
	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into	3		
4	account input from persons who represent the community, and identify the persons the hospital facility consulted Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the	_ _		
Ī	other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
	a Hospital facility's website			
	b Available upon request from the hospital facility			
	c			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
	a Adoption of an implementation strategy to address the health needs of the hospital facility's community			
	b Execution of the implementation strategy			
	c Development of a community-wide community benefit plan for the facility			
	d Participation in community-wide community benefit plan			
	e 「 Inclusion of a community benefit section in operational plans			
	f Adoption of a budget for provision of services that address the needs identified in the CHNA			
	g Prioritization of health needs in the community			
	h Prioritization of services that the hospital facility will undertake to meet health needs in its community			
	i			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No,"			
	explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Fin	ancial Assistance Policy			
_	Did the hospital facility have in place during the tax year a written financial assistance policy that			
	Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 250 % If "No," explain in Part VI the criteria the hospital facility used			
	11 No, explain in a air vi the chiteria the hospital facility used			

Pa	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care $\frac{400}{9}$ %			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a V Income level			
	b Asset level			
	c Medical indigency			
	d Insurance status			
	e Uninsured discount			
	f Medicaid/Medicare			
	g State regulation			
	h Cother (describe in Part VI)			
	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	<u> </u>
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	The policy was posted at all times on the hospital facility's web site			
	b The policy was attached to all billing invoices			
	c The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d 🔽 The policy was posted in the hospital facility's admissions offices			
	e The policy was provided, in writing, to patients upon admission to the hospital facility			
	f 🔽 The policy was available upon request			
	g Cother (describe in Part VI)			
	ling and Collections			
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial		V	
15	assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? Check all of the following collection actions against an individual that were permitted under the hospital facility's	14	Yes	
13	policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's			
	FAP			
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d F Body attachments or arrests			
	e C Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before			İ
	making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments			
	e C Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a Notified patients of the financial assistance policy upon admission			
	b Notified patients of the financial assistance policy prior to discharge			
	c Notified patients of the financial assistance policy in communications with the patients regarding the patients'			
	bills			
	d Documented its determination of whether patients were eligible for financial assistance under the hospital			
	facility's financial assistance policy			
	e Other (describe in Part VI)			ĺ

If "Yes," explain in Part VI

Schedule H (Form 990) 2011			
Part V	Facility Information (continued)		
Policy Relating to Emergency Medical Care			

			res	NO
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18	Yes	
	If "No," indicate why			
	a The hospital facility did not provide care for any emergency medical conditions			
	b The hospital facility's policy was not in writing			
	The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
	d Other (describe in Part VI)			
Inc	lividuals Eligible for Financial Assistance			
19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP- eligible individuals for emergency or other medically necessary care			
	The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
	b The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
	c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
	d Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20		No
	If "Yes," explain in Part VI			ı
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?			
		21		Νo

Page **7**

Dart V	Eacility	Information	(continued)
Faltv	racility	Tilloi illa tioli	i conunucu i

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

me and address		Type of Facility (Describe)
	See Additional Data Table	

Schedule H (Form 990) 2011

Part VI Supplemental Information

Complete this part to provide the following information

- Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part III, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 11, 3, 4, 5c, 61, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V. Section B
- Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- Promotion of community health. Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- Affiliated health care system. If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 5 State filing of community benefit report. If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
INANCIAL ASSISTANCE AND ERTAIN OTHER COMMUNITY ENEFITS AT COST	SCHEDULE H, PART I, LINE 7	FROM OCTOBER 2011 THROUGH SEPTEMBER OF 2012 THE WILLIAM W BACKUS HOSPITAL SUPPORTED 146 PROGRAMS THAT SERVED 68,101 PEOPLE, TOTALING A COMMUNITY BENEFIT OF \$6,859,351 PROGRAMS IMPROVED THE HEALTH AND WELLNESS OF THE COMMUNITY, ADDRESSING STRATEGIC COMMUNITY HEALTH PRIORITY AREAS SUCH PRIORITY HEALTH AREAS INCLUDE REDUCING OBESITY, AUTISM, DRUG AND ALCOHOL USE, AND INCREASING ACCESS TO HEALTH CARE PROGRAMS ALSO INCLUDED CLINICAL SERVICES PROVIDED BY THE HOSPITAL AT A FINANCIAL LOSS (SUBSIDIZED SERVICES) THESE SERVICES, IF DISCONTINUED, WOULD NOT BE AVAILABLE TO THE COMMUNITY OR WOULD FALL TO ANOTHER NOT-FOR-PROFIT OR GOVERNMENT AGENCY TO PROVIDE HEALTH PROFESSIONAL EDUCATION WAS ALSO ENHANCED, THROUGH MENTORSHIPS, INTERNING OPPORTUNITIES, AND STUDENT ROTATIONS THROUGH THE FACILITY THE HOSPITAL ALSO SUPPORTED COMMUNITY PARTNERSHIPS THROUGH CASH AND IN-KIND DONATIONS SUCH SUPPORT INCLUDED ASSISTING A LOCAL FEDERALLY-QUALIFIED LOOK-ALIKE IN SUSTAINING A GYNECOLOGY SERVICES PROGRAM FOR UNDERSERVED AND UNINSURED WOMEN, AS WELL AS DONATING A BUILDING TO ESTABLISH A SATELLITE FQHC FACILITY TO PROVIDE PRIMARY CARE IN AN UNDERSERVED COMMUNITY LASTLY, THE HOSPITAL COMMITTED RESOURCES TO FINDING "NOT-FOR-PROFIT" RESEARCH OPPORTUNITIES (IN OTHER WORDS, THOSE RESEARCH OPPORTUNITIES IN WHICH THE HOSPITAL HAS NO FINANCIAL INCENTIVE) TO HELP IMPROVE CLINICAL CARE AVAILABLE TO THE RESIDENTS OF EASTERN CONNECTICUT SCHEDULE H, PART I, LINE 7 THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THE COLUMN IS \$7,950,269 SCHEDULE H, PART I, LINE 7 THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THE COLUMN IS \$7,950,269 SCHEDULE H, PART I, LINE 7 THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE WAS COST TO

Schedule H (Form 990) 2011 Page **8**

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, PART II	Backus Hospital conducts and sponsors 10 support groups that provide ongoing education and counseling for a wide array of health-related issues, from infant child loss to cancer. Hospital employees volunteer their service on dozens of community notfor-profit organizations, many of which has healthcare as a primary or major focus. Examples include THE HEALTH CARE COUNCIL OF EASTERN CONNECTICUT, THE FOUNDATION OF THREE RIVERS COMMUNITY COLLEGE (WHICH PROVIDEDS FUNDING FOR NURSING STUDENT EDUCATION AND EQUIPMENT), THE REGION'S NON-PROFIT HOSPICE ORGANIZATION, THE NORWHICH CHAMBER OF COMMERCE HEALTH CARE COMMITTEE, UNITED WAY OF SOUTHEASTERN CONNECTICUT (WHICH PROVIDES FUNDING FOR MANY REGIONAL HUMAN SERVICES, INCLUDING THOSE THAT ARE HEALTH-RELATED), AS WELL AS SERVICE AND BOARD MEMBERSHIPS ON THE REGION'S TWO FEDERALLY QUALIFIED HEALTH CENTERS Additionally, Backus personnel volunteer on other boards and organizations that advance the quality of life and economic well-being of the region, including the local library, family support and social service organizations, the regional Chamber of Commerce, numerous civic and governmental bodies, and various volunteer fire companies and ambulance services. Members of the administrative staff routinely submit government testimony on behalf of regional not-for-profit health-related organizations, and provide research and advocacy for the healthcare access.

Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
	AND 9B	THE HOSPITAL PROVIDES SERVICES WITHOUT CHARGE, OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES, TO PATIENTS WHO MEET THE CRITERIA OF ITS CHARITY CARE POLICY BECAUSE THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO BE CHARITY CARE, SUCH SERVICES ARE NOT REPORTED AS NET REVENUE THE HOSPITAL'S CHARITY CARE POLICY UTILIZES THE GENERALLY RECOGNIZED POVERTY INCOME LEVELS FOR THE STATE FOR PATIENTS WHO DO NOT APPLY OR DO NOT QUALIFY, THE UNCOLLECTED AMOUNTS ARE RECOGNIZED AS BAD DEBT EXPENSE ESTIMATED COST OF BAD DEBT IS BASED ON THE RATIO OF COST TO CHARGES AS DETERMINED BY HOSPITAL SPECIFIC DATA

Schedule H (Form 990) 2011 Page **8**

Identifier	ReturnReference	Explanation
MEDICARE SHORTFALL	SCHEDULE H, PART III, LINE 8	THE MEDICARE SHORTFALL WAS NOT INCLUDED IN THE COMMUNITY BENEFIT COST THE COSTING METHODOLOGY CONSISTED OF INFORMATION FROM THE HOSPITAL'S COST ACCOUNTING SYSTEM AS WELL AS COSTS FROM THE MEDICARE COST REPORT

Identifier	ReturnReference	Explanation
COLLECTION POLICY	SCHEDULE H, FAKT III, LINE 9B	IN THE SELF-PAY POLICY, SECTION II, B STATES THAT THE MEDICAL BUREAU OF ECONOMICS ("MBE") RECEIVES A WEEKLY LIST OF PATIENTS WHO WERE SENT FINANCIAL ASSISTANCE APPLICATIONS FROM BACKUS STAFF THIS INFORMATION IS FROM THE PATIENT ACCOUNTS OR FINANCIAL COUNSELING DEPARTMENTS MBE'S COLLECTION ACTIVITY ON THESE PATIENTS IS HALTED UNTIL IT HAS BEEN DETERMINED IF THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE UNDER THE HOSPTIAL'S POLICY, BY THE HOSPITAL FINANCIAL COUNSELING UNIT COLLECTION ACTION IS ONLY RESUMED ONCE IT IS DETERMINED THE PATIENT DOES NOT QUALIFY FOR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
AVAILABILITY OF FINANCIAL ASSISTANCE	SCHEDULE H, PART V, LINES 13G,	THE WILLIAM W BACKUS HOSPITAL PROVIDES
ASSISTANCE	17E	FINANCIAL ASSISTANCE FOR CERTAIN QUALIFIED PATIENTS WHO ARE UNABLE TO PAY ALL OR PART OF
		THEIR BILL FOR INPATIENT, OUTPATIENT, AND
		EMERGENCY SERVICES RENDERED AT THE HOSPITAL IF YOU ARE COPING WITH A FINANCIAL HARDSHIP AND ARE
		FACING DEBTS OWED TO THE WILLIAM W BACKUS
		HOSPITAL, FINANCIAL ASSISTANCE SUCH AS FREE CARE
		OR A SLIDING SCALE DISCOUNT MAY BE AVAILABE TO YOU THE FINANCIAL COUNSELING PROCESS WILL
		INDICATE WHAT OPTIONS EXIST TO ASSIST YOU WITH
		YOUR OUTSTANDING BALANCE FINANCIAL ASSISTANCE
		APPLIES TO BACKUS HOSPITAL BILLS ONLY IT DOES NOT APPLY TO RADIOLOGISTS, PATHOLOGISTS,
		ANESTHESIOLOGISTS OR OTHER PROFESSIONAL
		SERVICES INVOLVED IN YOUR CARE THAT ARE BILLED SEPARATELY TO APPLY PLEASE SUBMIT THE ATTACHED
		APPLICATION FOR FINANCIAL ASSISTANCE AND THE
		FOLLOWING VERIFICATIONS OF INCOME INFORMATION
		- Most recent Federal tax return and W-2 - Most recent 3 payroll checks - Copies of unemployment checks - Copies of
		any pension, alimony, child support or other sources of income -
		Copies of Social Security earnings, if any - Any other pertinent information Proof of income or earnings is required with
		application or the application will not be considered. Please
		allow 3 to 4 weeks for processing time, you will be notified by
		mail of the outcome of your application If you have any questions please contact Customer Service Monday thru
		Friday, 9 00 am to 4 00 pm (860) 823-6394 / Fax (860)
		892-6902 Further, as detailed in the Hospitals Bad Debt Write Off Policy, a series of statements, all indicating the availability
		of financial assistance (per the letter described previously) are
		sent out prior to collecting on the open account. The bad-debt
		collections and write off policy is described below I Self Pay Accounts Collection Process (Accounts that do not qualify for
		MBE outsource) A Initial letter is sent 5 days after discharge B
		Statement #1 is sent 30 days later C Statement # 2 is sent 30 days later D Precollect Letter is sent 15 days later (by
		Medconn) E Account will be written off to bad debt 45 days
		later II Self Pay balances after insurance (Accounts that do
		not qualify for MBE outsource) A Statement # 1 is sent 15 day after account goes to self pay B Statement # 2 is sent 30 days
		later C Statement # 3 is sent 21 days later D Precollect Letter
		is sent 21 days later E Account will be written off to bad debt 45 days later III All final billed accounts with self-pay
		balances only will be outsourced to Medical Bureau of
		Economics (MBE) (refer to Self Pay Collections policy) A
		Statement # 1 is sent at placement with MBE (5 days after discharge) B Statement # 2 is sent 30 days later C Statement
		# 3 is sent 30 days later D Final Statement sent 15 days later
		E Account closed and returned to WWBH for bad debt process 45 days later 1 Accounts with balances of \$1000 or more a If
		time permits the staff will attempt to contact the patient to
		attempt to determine if they may qualify for free bed funds,
		charity care or a payment contract b If the patient may qualify, and application is sent and the account is not sent to bad debt,
		pending a response within 14 days If no response is received
		the account will be sent to bad debt in the next weekly processing cycle C THE ACCOUNT WILL BE PLACED ON
		"BAD DEBT HOLD" A NOTE IS PLACED ON THE ACCOUNT
		INDICATING THE APPLICATION FOR FREE BED AND
		CHARITY CARE d A reminder will be set up to review the account in 14 days. If the application is received the hold will
		be removed and the account will be processed according to the
		free Bed/charity care policy If the patient does not qualify, the hold will be removed and the account will go to bad debt in the
		next weekly processing cycle. If the application is not received
		back in 14 days the hold will be removed and the account will go
		to bad debt in the next weekly processing cycle e If time permits the staff will attempt to process the accounts through
		Passport One/SSI to determine if Medicaid coverage has been
		established for the patient If so, the account will be updated
<u> </u>	I	and Medicaid billed updated and Medicaid billed Schedule H (Form 990) 2011

SCHASSESSMENT SCH	ReturnReference	Explanation
	CHEDULE H, PART V, SECTION B	(a) In addition to conducting its own research, Backus Hospital collaborates with local and regional health care organizations to determine the need for health-related programs and services (b) In 2010, the Hospital commissioned a comprehensive community health needs assessment conducted by Holleran, a professional research firm The assessment consisted of 1,109 BRFSS telephone surveys which were conducted throughout the Hospital's service region (both New London and Windham Counties) The assessment also included a detailed analysis of secondary data sources, as well as two comprehensive focus groups to gain qualitative data on identified priority health areas The needs assessment was presented and distributed, and can be accessed at www backushospital org/healthsurvey Subsequently the Hospital has developed a Community Needs Strategic Plan which identifies and outlines top priority health needs as determined by the needs assessment Priority health areas include obesity and overweight, autism, smoking, alcohol and substance abuse, mental health, chronic lower respiratory diseases, and access to healthcare This plan has guided Hospital's outreach efforts for the last two fiscal years A second needs assessment was undertaken in the fourth quarter of FY 2012 to measure the Hospital's progress, and augment existing research Based on the Holleran survey, the Hospital partnered with United Way of Southeastern Connecticut to create the New London County Food Policy Council, which is using the data to address obesity and other food-related issues, as well as Norwich Technical High School, to focus on adolescent health issues such as self-esteem, depression, and substance abuse (c) The hospital identifies health problems in the community through indicators and measures of health risk, disease prevalence, disease management and outcomes using sources such as birth and mortality records, census data, Behavioral Risk Factor Survey data, Robert Wood Johnson County Health Rankings, and other datasets Priority areas were rank
		assess participants' satisfaction with the program, and solicit information about other needs

Identifier	ReturnReference	Explanation
Identifier PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	(a) Notification about charitable care and assistance programs is available at all registr ation areas, on and off the main hospital campus, in waiting areas, in the patient handbook, on our website, on prominently placed signs (in English and Spanish) Additionally, Care Management Social Workers meet with patients, family, clergy and others as appropriate to discuss assistance programs and services that may be available. In addition to the complete Financial Assistance Policy and Application for Financial Assistance, here is the information included on the Hospitals website. Financial Assistance programs for certain qualified patients who are unable to pay all or plant of their bill for inpatient, outpatient and emergency services rendered at the Hospital. If you are coping with a financial hardship, and are facing debts owed to Backus Hospital, financial assistance may be available to you. Income Verification Backus requests incolone information from the applicant. Verification of reported income should be included with in the application package. Appropriate verification sources include. Most recent Federal tax return and W-2. Most recent 3 payroll checks. Copies of unemployment checks. Copies of any pension, alimony, child support or other sources of income. Copies of Social Security earnings, if any Any other pertinent information If the applicant has no income a statement detailing the current method of support will be accepted. Proof of income or earnings is required with application or the application will not be considered. Financial Assistance Options The level of financial assistance that you may be eligible to receive will be based upon the criteria defined in the Financial Assistance Policy. The William W. B. ackus Hospital considers Financially Indigent Financially Indigent is defined as an individual whose total gross annual income is less than or equal to 25.0% of the Federal Poverty Guidelines (FPG) Patients at or below 250% FPG are eligible for a 100% discount off of their outstanding balances
		than or equal to 25 0% of the Federal Poverty Guidelines (FPG) Patients at or below 250% FPG are eligible for a 100% discount off of their outstanding balances Individuals above 250% up to 400% FPG are eligible for a discount based on their total gross annual income Medically Indigent B ackus
		outstanding medical obligations are greater than 50% of their total annual gross income These individuals may be eligible for a discount separ ate from traditional financial assistance
		regarding eligibility and the discount schedule MEDICALLY INDIGENT IS DEFINE D BY THE IRS AS 'Persons whom the organization has determined are unable to pay some or a ll of their medical bills exceed a certain
		example, due to catastrophic costs or condition s), even though they have income or assets that otherwise exceed the generally applicable eligibility requirements for free or discounted care under the organizations financial ass istance policy ' Backus
		que stions about your specific situation, please contact our customer service representatives at 860-889-8331, ext 2917, Monday through Friday from 7 30 am to 4 pm Financial Assistan ce Letter The William W Backus Hospital provides
		unable to pay all or part of their bill for inpatient, outpatient and emergency services rendered at the hospital If you are coping with a financial hardship a nd are facing debts owed to The William W Backus Hospital, financial assistance such as free
		care or a sliding scale discount may be available to you. The financial counseling process will indicate what options exist to assist you with your outstanding balance. Financial assistance applies to Backus Hospital bills only. It does not apply to Radiologists, Pa thologists, A nesthesiologists or other.
		professional services involved in your care that are billed separately. Frequently Asked Questions 1. DOES THE HOSPITAL HAVE A FINANCIAL ASSI STANCE POLICY? The William W. Backus Hospital does have a written financial assistance policy that defines the discount structure and
		programs available to qualifying patients. The William W Backus Hospital bases all financial assistance on the most current Federal Pov erty Guidelines (FPG), which are based on the gross income and household size. Backus gran ts 100% charity care to those applicants whose gross household income
		is at or below 250% FPG. A sliding discount is available to those patients who have gross income up to 400% FPG. Currently, the Federal government defines 100% of poverty as an individual earning a gross income of \$10,890 per year. The William W. Bac.
1	1	Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
DATIENT EDUCATION OF	SCHEDULE H, PART VI, LINE 3	kus Hospital Financial Assistance Policy grants 100% Charity Care to a family of one earning up to \$21,780 per year, or 250% FPG Income thresholds increase relative to household s ze A discount is available for applicants earning up to 400% FPG 2 WHAT SERVICES DOES THE FINANCIAL ASSISTANCE POLICY COVER? The William W Backus Hospitals Financial Assistance Policy covers services rendered at the William W Backus Hospital, including inpatient, emergency, and outpatient procedures. Financial assistance may not be granted for some pro cedures, such as elective procedures or some special situations, such as that of an indivi dual who is eligible for insurance but has refused to apply or funds are available through another source for payment (i.e. settlements, State Funded programs). Financial assistance applies to Backus Hospital bills only. It does not apply to Radiologists, Pathologists, Anesthesiologists or other professional services involved in your care that are billed sep arately. 3 DOES THE HOSPITAL PROVIDE PERSONNEL TO HELP WITH APPLICATIONS AND TO ANSWER QU ESTIONS7 The William W Backus Hospital employs Financial Counselors to help patients apply for Financial Assistance, Medicaid, and other State health programs. The Hospital also h as resources to help with applications for State Nutritional Assistance Programs (SNAP) and pharmacy assistance programs Financial Counselors can help to determine appropriate referrals to these resources. The William W Backus Hospital provides language translation via C Vracom and MARTTI Language Lines. 4. DOES THE HOSPITAL COMMUNICATE THE AVAILABILITY OF FINANCIAL ASSISTANCE TO THE COMMUNITY? The William W Backus Hospital provides language translation via C Vracom and MARTTI Language Lines. 4. DOES THE HOSPITAL COMMUNICATE THE AVAILABILITY OF FINANCIAL ASSISTANCE TO THE COMMUNITY? The William W Backus Hospital believes it is important to communicate the availability of financial assistance to the fomancial assistance is included with the paper bill sent to the patients home, i
<u>J</u>	I	or Charter Oak applications Schedule H (Form 990) 2011

Schedule H (Form 990) 2011 Page **8**

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE II, PARI VI, LINE 4	The William W Backus Hospital is located in Norwich, 45 minutes southeast of Hartford. In the past decade, the region has undergone major economic changes, due to the operation of two Native American-owned casinos both among the largest casinos in the world. These gambling and entertainment venues bring bringing an average of 40,000 visitors into the region each day. The casinos are the largest employers, and are experiencing layoffs and cutbacks as the economy continues to decline. The hospitals primary service area has an estimated population of about 118,000. The secondary service area consists of larger communities, such as New London and Groton, and smaller lower-density rural communities. The total population of the secondary service area is about 123,000. The service areas contain municipalities in New London and Windham Counties. The fastest growing segment of the regions population is the elderly. For the last decennial census, the regions elderly population grew at 10 times the rate of growth for the total population. The regions lack of affordable housing began to emerge as a critical issue even before the economic downturn. Homelessness is a growing concern, as the number of mortgage foreclosures grow. Further, the 2012 Robert Wood Johnson County Health Rankings reported that in New London and Windham Counties between 12-15% of children are living in poverty, and 31-32% are living in single parent households. Unemployment in the regional labor market (per the 2012 Robert Wood Johnson County Health Ranking) stands at 8.7-10.3% in New London and Windham Counties, hovering around state average of 9.1%, and well above the national average of 5.4%

Identifier	ReturnReference	Explanation
Identifier PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	a) The hospital is governed by a volunteer community Board of Directors/Trustees These individuals represent an array of professions and backgrounds B) THE HOSPITAL HAS 110 CORPORATORS - VOLUNTEER MEMEBERS CHOSEN FROM ALL THE COMMUNITIES IN OUR PRIMARY AND SECONDARY service areas In addition to their official capacity as nominators of Board members, the Corporators serve as the hospitals eyes and ears throughout its service area C) THE HOSPITAL OWNS AND OPERATES A MOBILE HEALTH RESO URCE CENTER - a 40-foot van that travels to various locations in eastern Connecticut offering health education, counseling, and screenings The van makes regularly scheduled stops at senior citizens centers, soup kitchens, elderly housing complexes and homeless shelters Not-forprofit groups are encouraged to request the van and its services at their functions or offices d) The hospital provides individuals who do not identify as having a primary medical home with a follow up visit post discharge from to become link these individuals with a primary care physician in the community This is facilitated through the My Health Direct program, a webbased tool that allows hospital staff to access blocked appointments for physicians in the community From 10/1/11 to 9/30/12 the Hospital linked 582 individuals with primary care e) The hospital provides free community prostate screenings, blood pressure tests, skin cancer screenings, nutrition education and many others services f) The hospital provides a comprehensive medical library, which is open to all staff The library has subscriptions to hundreds of major scientific and clinical journals, as well as an on-staff librarian to help with specific research requests g) The hospital provides free website access to complete and current medical information to answer clinical questions, through UpToDate com, a peerreviewed online medical reference UpToDate com, a peerreviewed online medical reference. In the provides free regular medication reviews to check for possible interactions and expired medic
<u> </u>	I	44,000 copies are distributed monthly

Schedule H (Form 990) 2011 Page **8**

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, LINE /	THE HOSPITAL FILES A COMMUNITY BENEFIT REPORT WITH THE CONNECTICUT OFFICE OF THE HEALTH ADVOCATE ("OHA")

Software ID: Software Version:

EIN: 06-0250773

Name: THE WILLIAM W BACKUS HOSPITAL

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year?11	
Name and address	Type of Facility (Describe)
BACKUS OUTPATIENT CARE CENTER 111 SALEM TURNPIKE NORWICH,CT 06360	OUTPATIENT SERVICES
BACKUS OUTPATIENT CARE CENTER 111 SALEM TURNPIKE NORWICH,CT 06360	OUTPATIENT SERVICES
BACKUS OUTPATIENT CARE CENTER 111 SALEM TURNPIKE NORWICH,CT 06360	OUTPATIENT SERVICES
BACKUS OUTPATIENT CARE CENTER 111 SALEM TURNPIKE NORWICH,CT 06360	OUTPATIENT SERVICES
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BACKUS OUTPATIENT CARE CENTER 111 SALEM TURNPIKE NORWICH,CT 06360	OUTPATIENT SERVICES
BACKUS OUTPATIENT CARE CENTER 111 SALEM TURNPIKE NORWICH,CT 06360	OUTPATIENT SERVICES

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Schedule I (Form 990)

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

OMB No 1545-0047

2011

DLN: 93493218014503

Open to Public

Department of the Treasury Internal Revenue Service Name of the organization Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

Attach to Form 990

Inspection Employer identification number

THE WILLIAM W BACKUS HOSPITAL 06-0250773 Part I General Information on Grants and Assistance Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and ✓ Yes Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use ▶ □ (c) IRC Code section (a) Name and address of **(b)** EIN (d) A mount of cash (e) A mount of non-(f) Method of (g) Description of (h) Purpose of grant valuation organization if applicable grant cash non-cash assistance or assistance (book, FMV, appraisal, or government assistance other) (1) HOSPICE OF SE 8,500 SPONSORSHIP 22-2667260 501(C)(3) CONNECTICUT (2) AMERICAN HEART 13-5613797 501(C)(3) 7,500 SPONSORSHIP ASSOC (3) UNITED COMMUNITY & 200,000 WOMEN'S HEALTH 06-0653142 501(C)(3) FAMILY SERVICES (4) CHAMBER OF SPONSORSHIP 06-0475490 501(C)(6) 6,500 COMMERCE (5) THREE RIVERS 23-7303151 501(C)(3) 16,000 SPONSORSHIP COLLEGE (6) BROADWAY KIDS 5,100 SPONSORSHIP (7) UNITED COMMUNITY & 06-0653142 410.000 APPRAISAL BUILDING 501(C)(3) PRIMARY CARE FAMILY SERVICES

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

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

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

(a)Type of grant or assistance	(b) Number of recipients	(c) A mount of cash grant	(d)A mount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) SCHOLARSHIPS	5	12,500			

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

Identifier	Return Reference	Explanation
Procedures for Monitoring the use of grant funds in the U S		DONATIONS MADE FOR LOCAL EVENTS, SUCH AS SPONSORSHIPS, ARE TYPICALLY ATTENDED BY HOSPITAL EMPLOYEES FIVE SCHOLARSHIPS IN THE AMOUNT OF \$2,500 EACH ARE AWARDED TO STUDENTS WHO WILL ATTEND SCHOOL EITHER FOR NURSING OR IN THE MEDICAL FIELD THE APPLICANTS ARE REVIEWED BY THE SCHOLARSHIP COMMITTEE OF THE AUXILIARY AND WINNERS ARE CHOSEN BASED ON ACADEMICS AS WELL AS COMMUNITY SERVICE

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DLN: 93493218014503

OMB No 1545-0047

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.

Open to Public Inspection

Name of the organization THE WILLIAM W BACKUS HOSPITAL **Employer identification number**

06-0250773

Pa	rt I Questions Regarding Compensation						
					Yes	Νo	
1a	Check the appropriate box(es) if the organization provi 990, Part VII, Section A, line 1a Complete Part III t						
	First-class or charter travel		Housing allowance or residence for personal use				
	Travel for companions	\sqcap	Payments for business use of personal residence				
	▼ Tax idemnification and gross-up payments		Health or social club dues or initiation fees				
	Discretionary spending account	Γ	Personal services (e g , maid, chauffeur, chef)				
b	If any of the boxes in line 1a are checked, did the organism reimbursement orprovision of all the expenses described.			1b		No	
2	Did the organization require substantiation prior to rei officers, directors, trustees, and the CEO/Executive E			2	Yes		
3	Indicate which, if any, of the following the organization organization's CEO/Executive Director Check all tha						
	Compensation committee	<u> </u>	Written employment contract				
	✓ Independent compensation consultant	<u> </u>	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						
а	a Receive a severance payment or change-of-control payment?						
b	Participate in, or receive payment from, a supplement	al non	qualified retirement plan?	4b	Yes		
c	Participate in, or receive payment from, an equity-bas	ed co	mpensation arrangement?	4c		No	
	If "Yes" to any of lines 4a-c, list the persons and prov	ıde th	ne applicable amounts for each item in Part III				
	Only 501(c)(3) and 501(c)(4) organizations only must	t comi	plete lines 5-9.				
5	For persons listed in form 990, Part VII, Section A, licompensation contingent on the revenues of						
а	The organization?			5a		Νo	
b	Any related organization?			5b		Νo	
_	If "Yes," to line 5a or 5b, describe in Part III						
6	For persons listed in form 990, Part VII, Section A, III compensation contingent on the net earnings of	ne 1a,	, did the organization pay or accrue any				
а	The organization?			6a		Νo	
b	Any related organization?			6b		Νo	
	If "Yes," to line 6a or 6b, describe in Part III						
7	For persons listed in Form 990, Part VII, Section A, li payments not described in lines 5 and 6? If "Yes," de			7	Yes		
8	Were any amounts reported in Form 990, Part VII, pa subject to the initial contract exception described in F in Part III			8		No	
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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

<u> </u>			•	,	, ,	, , ,			
(A) Name		(B) Breakdown of (i) Base compensation	W-2 and/or 1099-MI: (ii) Bonus & Incentive	(iii) Other reportable	(C) Retirement and other deferred compensation	(D) Nontaxable benefits	benefits (B)(ı)-(D)		
(1) DAVID	(1)	740,686	compensation	compensation	30.500	22.27	006.073	Form 990-EZ	
WHITEHEAD	(II)	740,686	0 0	21,535 0	20,580 0	23,272 0	806,073 0		
(2) DANIEL E LOHR	(ı) (ıı)	491,649	0	23,079	20,580	16,882	552,190		
(3) PETER SHEA	(ı)	491,146	0	1,651	13,230	23,503	529,530		
(4) SERGIO CASILLAS MD	(ı) (ıı)	378,355	118,000	0	13,230	1,057	510,642		
(5) ROBERT SIDMAN MD	(I) (II)	296,400	96,525	16,500	13,230	23,272	445,927		
(6) MARK TOUSIGNANT MD	(I) (II)	265,264	70,000	0	13,230	23,503	371,997		
(7) JUAN ESCALON MD	(ı) (ıı)	341,282	0	4,889	13,230	23,503	382,904		
(8) THOMAS P PIPICELLI	(ı) (ıı)	608,153	0	3,169,625	20,580	16,882	3,815,240	2,782,763	
(9) WILLIAM HORGAN MD	(I) (II)	252,291	58,890	11,400	9,632	23,503	355,716		
							Cala ada	.l. 1 (F., 000) 2011	

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
	SCHEDULE J, PART I, LINE 1A	THE FORMER PRESIDENT RECEIVED GROSS-UP PAYMENTS ON SELECTED EXPENSES THEY WERE PROPERLY INCLUDED IN HIS W-2 WAGES
	PART I, LINE	DAVID WHITEHEAD, DANIEL E LOHR AND PETER SHEA PARTICIPATE IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN, HOWEVER THERE WERE NO ACCRUALS OR CONTRIBUTIONS THAT WERE MADE TO THE PLAN DURING THE REPORTING PERIOD
NON-FIXED PAYMENTS	PART I, LINE 7	BASE COMPENSATION FOR EXECUTIVES IS APPROVED BASED ON THE CRITERIA LISTED IN PART I, LINE 3, HOWEVER A PORTION OF THAT IS HELD BACK AND SUBSEQUENTLY DISTRIBUTED BASED ON EVALUATION OF THE INDIVIDUALS PERFORMANCE AND ACCOMPLISHMENT OF THE GOALS SET AT THE BEGINNING OF THE YEAR BY AN INDEPENDENT COMPENSATION COMMITTEE PHYSICIAN BONUSES ARE BASED ON MEETING PREESTABLISHED GOALS
OTHER DEFERRED	PART II, COLUMN C	COMPENSATION IS REPORTED ON THE FORM 990 IN THE YEAR THE COMPENSATION IS EARNED BY OR AWARDED TO AN INDIVIDUAL, EVEN IF THE COMPENSATION IS NOT PAID TO THE INDIVIDUAL, IS NOT FULLY VESTED, OR IS SUBJECT TO SUBSTANTIAL RISK OF FORFEITURE IF COMPENSATION IS EARNED OR AWARDED IN ONE YEAR BUT PAID IN A LATER YEAR, THEN THE COMPENSATION IS GENERALLY REPORTED A SECOND TIME ON THE FORM 990 IN THE YEAR THE COMPENSATION IS PAID TO THE INDIVIDUAL AS A RESULT OF THE REPORTING REQUIREMENT, AN ORGANIZATION COULD BE REQUIRED TO REPORT THE SAME COMPENSATION ON FORM 990 IN TWO DIFFERENT YEARS
	PART II, LINE 10	THOMAS PIPICELLI'S COMPENSATION INCLUDES AMOUNTS ESTABLISHED AND PAID PURSUANT TO AN EMPLOYMENT AGREEMENT DATED DECEMBER 15, 2008, UNDER WHICH EMPLOYEE'S EMPLOYMENT WOULD TERMINATE ON DECEMBER 31, 2011 THE AMOUNT OF COMPENSATION RECOGNIZED THE EMPLOYEE'S DECADES-LONG SERVICE TO THE ORGANIZATION AS PRESIDENT AND CEO, AND HIS SERVICES IN TRANSITIONING TO THE ORGANIZATION'S CURRENT MANAGEMENT TEAM

Schedule K (Form 990)

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

DLN: 93493218014503

Open to Public **Inspection**

Internal Revenue Service Name of the organization

Department of the Treasury

THE WILLIAM W BACKUS HOSPITAL

Employer identification number

1 11	E WILLIAM W BACKUS HUSPITA	TAN W BACKUS HOSI ITAL											06-0250773					
Р	art I Bond Issues																	
	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue F	Price	(f)) Description	of Purpose	(g) De	feased	Beh	On alf of uer		Pool			
										Yes	No	Yes	No	Yes	No			
A	STATE OF CT HEALTH & EDUCATIONAL FACILITIES	06-0806186	20774LSV3	08-10-2005	28,99	2,719	SEE S	SCHEDULE I	K, PART V		Х		X		×			
В	STATE OF CT HEALTH & EDUCATIONAL FACILITIES	06-0806186	20774UC86	07-02-2008	30,16	8,922	SEE S	SCHEDULE I	C, PART V		Х		X		Х			
P	Part II Proceeds																	
					- 4	١		В	}		С			D				
1	A mount of bonds retired			3,535	,000		2,850,000											
2							0		0									
3						28,992	,719	3										
4						755	,086		0									
_5	5 Capitalized interest from proceeds						0		0									
6	6 Proceeds in refunding escrow					16,750	,062	3	30,100,000									
7	Issuance costs from proceeds	;				369	,723		68,922									
8	Credit enhancement from proc	eeds				583	33,673 0		0									
9	Working capital expenditures f	from proceeds					0 0		0									
10	Capital expenditures from prod	ceeds				10,514	0,514,252		0									
11	Other spent proceeds					19	,923		0									
12	O ther unspent proceeds						0		0									
13	Year of substantial completion	1			20	08		20	0.8									
					Yes	No	,	Yes	No	Yes		No	Yes	;	No			
14	Were the bonds issued as part	of a current refund	ing issue?			Х		x										
15	5 Were the bonds issued as part of an advance refunding issue?				Х				Х									
16	Has the final allocation of proceeds been made?			Х			Х											
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?				х			Х										
Pa	rt IIII Private Business U	lse																
								B	-		C		 	D				
					Yes	No	•	Yes	No	Yes		No	Yes		No			

property financed by tax-exempt bonds?

financed property?

Was the organization a partner in a partnership, or a member of an LLC, which owned

Are there any lease arrangements that may result in private business use of bond-

Χ

Χ

Χ

Part III Private Business Use (Contin	ued
---------------------------------------	-----

Par	Part III Private Business Use (Continued)								
			A		В		С	1	D
		Yes	No	Yes	No	Yes	No	Yes	No
За	Are there any management or service contracts that may result in private business use?		х		×				
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
С	Are there any research agreements that may result in private business use of bond-financed property?		х		х				
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		•					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		0 %	0 %					
6	Total of lines 4 and 5		0 %		0 %				
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	Х		Х					
100	TIV Aubituaca								

Part IV Arbitrage

		A		В		С		D	
		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?		Х	x					
2	Is the bond issue a variable rate issue?		X	X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		х	×					
ь	Name of provider	0		UBS AG					
С С	Term of hedge			29 9					
d	Was the hedge superintegrated?				Х				
e	Was a hedge terminated?				Х				
4a	Were gross proceeds invested in a GIC?				Х				
ь	Name of provider	0		0					
С	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?		Х		Х				
6	Did the bond issue qualify for an exception to rebate?		Х		Х				

Part V **Procedures To Undertake Corrective Action**

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations

Part VI **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier Return Reference Explanation efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493218014503

Employer identification number

Schedule L Tra

(Form 990 or 990-EZ)

Name of the organization

Department of the Treasury

Internal Revenue Service

Transactions with Interested Persons

► Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

THE WIL	LIAM W BACKUS HOSPITAL								6-02507	7.3		
Part I	Excess Benefit Trar Complete if the organizat							organı	zations d	nly).	ine 40h	
1	(a) Name of disqu			163 0111011	111330,1	(b) Desc				raic v, i		(c) rected?
							·				Yes	No
	iter the amount of tax impos	ed on ti	ne organ	uzation man	agers or	disqualified ners	one du	ring the v	/ear undei		<u> </u>	
se	ction 4958								•	\$ —		
3 Er	iter the amount of tax, if any	, on line	2, abo	ve, reimburs	ed by th	e organization .			•	\$		
Part 1	Loans to and/or F Complete if the organiz) Part IV line 26	or For	m 990-1	=7 Part \/	line 38	а	
	Complete if the organiz		oan to	1 165 0111	OIIII JJC	, raiciv, ille 20			(f)			
(a) Nar	me of interested person and	or fro	m the zation?	(c)Orig principal a		(d)Balance due	(e) defa		1 ''		(g)Writt agreeme	
	purpose	To	From	principal a	amount		Yes	committee?		Yes No		
		10	110111					1	1.05	1.0	1.05	
										_		
								-		1		
Total			<u> </u>		▶ \$	1						
Part I	Grants or Assistar Complete if the orga						/ lına	27				
) Relationsh	np betwe	een interested per			nount of gi	ant or ty	pe of assis	tance
				an	id the or	ganızatıon						
	_											

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the	terested (c) Amount of (d) Description of tr	(d) Description of transaction	organiz	haring of ization's enues?	
	organization			Yes	No	
(1) SEE SCHEDULE L PART V						

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
BUSINESS TRANSACTION INVOLVING INTERESTED PERSONS		(B) DAVID WHITEHEAD, DANIEL E LOHR, AND PETER SHEA ARE OFFICERS, TRUSTEES, DIRECTORS AND/OR KEY EMPLOYEES OF THE WILLIAM W BACKUS HOSPITAL (WWBH) AND CONNCARE, INC (CI) (C)/(D)\$3,375,000 REIMBURSEMENTS PAID BY CI TO WWBH \$ 96,142 PERFORMANCE OF SERVICES BY WWHBH FOR CI \$ 367,717 LEASED PROPERTY (E) NO (B) DAVID WHITEHEAD AND DANIEL LOHR ARE OFFICERS OF THE WILLIAM W BACKUS HOSPITAL AND WWB, INC (C)/(D)\$8,017,000 REIMBURSEMENTS PAID BY WWB TO WWBH (E) NO (B) DAVID WHITEHEAD AND DANIEL LOHR ARE OFFICERS OF THE WILLIAM W BACKUS HOSPITAL AND OMNI HOME HEALTH (C)/(D)\$120,000 ACCOUNTING AND MANAGEMENT FEES PAID BY OMNI TO WWBH \$ 5,263 PERFORMANCE OF SERVICES BY WWBH FOR OMNI

Schedule L (Form 990 or 990-EZ) 2011

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493218014503

OMB No 1545-0047

Open to Public Inspection

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

Name of the organization
THE WILLIAM W BACKUS HOSPITAL

D6-0250773

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART I, LINE 1 & PART III, LINE 1	THE WILLIAM W BACKUS HOSPITAL DELIVERS AND COORDINATES A CONTINUUM OF HIGH QUALITY HEALTH CARE THAT IS SENSITIVE TO THE NEEDS OF INDIVIDUALS IN EASTERN CONNECTICUT THE HOSPITAL IS COMMITTED TO BEING RESPONSIVE AND ACCOUNTABLE TO THOSE FOR WHOSE BENEFIT IT EXISTS, AND TO IMPROVING THE HEALTH OF ITS COMMUNITIES

ldentifier	Return Reference	Explanation
INDEPENDENT VOTING MEMBERS	FORM 990, PART VI, SECTION A, LINE 1B	THE TAXPAYER IS REPORTING SEVERAL MEMBERS OF THE BOARD OF DIRECTORS AS NOT BEING INDEPENDENT, EVEN THOUGH THEY DO NOT MEET ANY OF THE DEFINITIONS FROM THE 990 INSTRUCTIONS FOR DETERMINING INDEPENDENT DIRECTORS HOWEVER, THEY DO HAVE PRIVILEGES AT THE HOSPITAL WHICH IS WHY THE HOSPITAL CONSIDERS THEM NOT INDEPENDENT BUSINESS RELATIONSHIPS FORM 990, PART VI, SECTION A, LINE 2 DAVID WHITEHEAD AND DANIEL E LOHR HAVE A BUSINESS RELATIONSHIP WITH EACH OTHER THEY SERVE AS AN OFFICER OR DIRECTOR FOR CONNCARE, INC, WWB CORPORATION, AND BACKUS HOME HEALTH WHICH ARE RELATED FOR PROFIT COMPANIES

Identifier	Return Reference	Explanation
MEMBERS		BACKUS CORPORATION, A NOT-FOR-PROFIT, 501(C)(3) ORGANIZATION, IS THE SOLE MEMBER OF THE WILLIAM W BACKUS HOSPITAL

ldentifier	Return Reference	Explanation
	l ' '	BACKUS CORPORATION, BEING THE SOLE MEMBER OF THE WILLIAM W BACKUS HOSPITAL, HAS THE RIGHT TO ELECT ALL THE BOARD OF TRUSTEES

ldentifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PART VI, SECTION A, LINE 7B	THE ADMINISTRATIVE POWERS OF THE HOSPITAL SHALL BE VESTED IN THE BOARD OF TRUSTEES WHO SHALL HAVE CHARGE, CONTROL AND MANAGEMENT OF THE PROPERTY, AFFAIRS AND FUNDS OF THE HOSPITAL, SHALL BE RESPONSIBLE FOR THE DELIVERY AND MAINTENANCE OF QUALITY PATIENT CARE, THE PROMOTION OF QUALITY IMPROVEMENT, OVERSIGHT OF RISK MANAGEMENT ACTIVITIES, AND WHICH SHALL HAVE THE POWER AND AUTHORITY TO DO AND PERFOM ALL ACTS AND FUNCTIONS NOT INCONSISTENT WITH THE BYLAWS THE BOARD OF TRUSTEES SHALL MAKE ALL POLICIES AND RULES THAT GOVERN THE HOSPITAL AND SHALL PROVIDE FOR THE ABILITY OF HOSPITAL LEADERSHIP TO ESTABLISH AND IMPLEMENT POLICIES AND TO PROVIDE NECESSARY RESOURCES

ldentifier	Return Reference	Explanation
990 REVIEW PROCESS	FORM 990, PART VI, SECTION B, LINE 11B	THE 990 IS PREPARED BY THE ACCOUNTING STAFF AND THEN REVIEWED BY AN INDEPENDENT ACCOUNTING FIRM THE 990 IS THEN REVIEWED BY THE CFO AND ANY QUESTIONS OR CONCERNS THE CFO MAY HAVE ARE ADDRESSED THE FINANCE COMMITTEE OF THE BOARD WILL THEN REVIEW THE 990 AND ANY QUESTIONS OR CONCERNS THE FINANCE COMMITTEE HAVE ARE ADDRESSED THE FINAL FORM 990 WITH ALL REQUIRED SCHEDULES IS THEN PROVIDED TO ALL VOTING MEMBERS OF THE BOARD PRIOR TO FILING

ldentifier	Return Reference	Explanation
CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12C	ALL TRUSTEES, OFFICERS, AND KEY EMPLOYEES OF THE HOSPITAL SHALL COMPLETE AND SIGN A DISCLOSURE STATEMENT. THE STATEMENT WILL INCLUDE AN ITEMIZATION AND DESCRIPTION OF ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST AND ALL MATERIAL FACTS RELATED THERETO FOR SUCH TRUSTEE, OFFICER, OR KEY EMPLOYEE BY VIRTUE OF HIS OR HER ACTIVITIES OR THE ACTIVITIES OF RELATED PERSONS TRUSTEES, OFFICERS, AND KEY EMPLOYEES ARE URGED TO BE INCLUSIVE IN THIS DISCLOSURE OF POTENTIAL AND ACTUAL CONFLICTS OF INTEREST IS ESSENTIAL TO ENSURING DISCUSIVE OF CONFLICT DISCLOSURE STATEMENTS SHALL BE RETURNED TO THE CORPORATE COMPLIANCE OFFICER ALL DISCLOSURES MADE WILL BE REVIEWED BY THE COMPLIANCE OFFICER, UNDER THE DIRECTION OF THE CHAIR AND THE PRESIDENT, WHO SHALL EXERCISE GOOD FAITH JUDGEMENT AS TO WHETHER A CONFLICT EXISTS THE CHAIR AND THE PRESIDENT SHALL BE RESPONSIBLE FOR MONITORING TRANSACTIONS OR ARRANGENTS IN WHICH A TRUSTEE, OFFICER, OR KEY EMPLOYEE SERVES THE HOSPITAL'S BEST INTERESTS THE COMPLIANCE OFFICER, THE CHAIR AND/OR PRESIDENT MAY CONSULT WITH ANY TRUSTEE, OFFICER, OR KEY EMPLOYEE AND OBTAIN INFORMATION NECESSARY FOR AN ORDINARILY PRUDENT PERSON TO MAKE A JUDGMENT AS TO WHETHER A CONFLICT EXISTS AND EACH TRUSTEE, OFFICER, AND KEY EMPLOYEE SHALL COOPERATE WITH SUCH REQUESTS THE COMPLIANCE OFFICER, THE CHAIR, AND/OR THE PRESIDENT SHALL PROVIDE GUIDANCE TO THE TRUSTEE, OFFICER, OR KEY EMPLOYEE AND TO THE BOARD OF TRUSTEES AS TO THE APPROPRIATE COURSE OF ACTION WHEN DEEMED PRUDENT BY THE CHAIR OR THE PRESIDENT, THE CHAIR AND THE PRESIDENT SHALL SEEK THE ADVICE AND APPROVAL OF THE CHAIR OR THE PRESIDENT, THE CHAIR AND THE PRESIDENT SHALL SEEK THE ADVICE AND APPROVAL OF THE FULL BOARD OF TRUSTEES OR GOVERNANCE COMMITTEE IN DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS AND THAT THE TRUSTEE, OFFICER, OR KEY EMPLOYEE SERVES THE HOSPITAL'S BEST INTERESTS IF, AFTER COMPLETING AND SIGNING THE ANNUAL DISCLOSURE STATEMENT, AN ACTUAL OR POTENTIAL CONFLICT OF RIVSTEES OFFICER IN WRITING TRUSTEES, OFFICER, AND KEY EMPLOYEE WITH THE CON

ldentifier	Return Reference	Explanation
COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINES 15A & B	A PERFORMANCE REVIEW COMMITTEE CONSISTING OF INDEPENDENT BOARD MEMBERS REVIEWS THE PERFORMANCE OF THE SENIOR MANAGEMENT TEAM COMPENSATION IS BASED ON THE RESULTS OF THESE REVIEWS THE COMMITTEE ALSO TAKES INTO CONSIDERATION INFORMATION FROM COMPENSATION SURVEYS

ldentifier	Return Reference	Explanation
JOINT VENTURES	FORM 990, PART VI, SECTION B, LINE 16B	ALL NEW VENTURES ARE REVIEWED BY OUTSIDE COUNSEL AND PRESENTED TO THE BOARD FOR REVIEW AND APPROVAL

ldentifier	Return Reference	Explanation
AVAILABILITY OF DOCUMENTS	· · · · · · · · · · · · · · · · · · ·	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST PLEASE CONTACT DANIEL E LOHR AT 326 WASHINGTON STREET, NORWICH, CT, 06360, ABOUT INSPECTING THE ORGANIZATION'S DOCUMENTS

ldentifier	Return Reference	Explanation
	· ·	K-1 GAIN 892 TRANSFER TO AFFILIATE (1,248,123) INCREASE IN ASSETS HELD IN TRUST 306,792 CHANGE IN PENSION FUNDING (4,361,697) UNREALIZED GAIN 10,067,106 INVESTMENT EXPENSES (365,321) TOTAL \$ 4,399,649

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DAVID WHITEHEAD TITLE TRUSTEE/PRESIDENT/CEO HOURS 7

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ROBERT RAMSDELL TITLE TRUSTEE/TREASURER HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOSEPH FATONE TITLE TRUSTEE/SECRETARY HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ANTHONY JOYCE TITLE TRUSTEE/VICE CHAIRMAN HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEJOHN F BILDA TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ELIZABETH CONWAY TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEBERT A COPPOTELLI, MD TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PETER MANERI TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DEBORAH MONAHAN TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMELYNNE QUINTAL-HILL TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MARK TRAMONTOZZI, MD TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME STEPHEN T BRIGGS, MD TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAUL MAXFIELD TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DONNA ROMITO, DO TITLE TRUSTEE HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DANIEL E LOHR TITLE SENIOR VP/CFO HOURS 9

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME THOMAS P PIPICELLI TITLE FORMER PRESIDENT HOURS 10

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Related Organizations and Unrelated Partnerships

► Attach to Form 990. ► See separate instructions.

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

2011

DLN: 93493218014503OMB No 1545-0047

Open to Public Inspection

Department of the Treasury Internal Revenue Service

(Form 990)

Name of the organization THE WILLIAM W BACKUS HOSPITAL				Employer ide	ntification number		
				06-0250773			
Part I Identification of Disregarded Entities (Comp	ete if the organization	on answered "Yes'	' on Form 990, Pa	irt IV, line 33.)			
(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)		(e) End-of-year assets	(f) Direct controlling entity		
Part II Identification of Related Tax-Exempt Organi or more related tax-exempt organizations during to	zations (Complete the tax year.)	ıf the organızatıor	answered "Yes"	on Form 990, Par	t IV, line 34 becaus	e ıt had	one
(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	Section 5 conti organ	rolled ization
(4) PACKUS USAUTU CARE TUS						Yes	No
(1) BACKUS HEALTH CARE INC 326 WASHINGTON ST NORWICH, CT 06360 22-2481794	SUPPORT	СТ	501(C)(3)	11A	BACKUS CORP	Yes	
(2) BACKUS CORPORATION							
326 WASHINGTON ST	SUPPORT	СТ	501(C)(3)	11B	NA		No
NORWICH, CT 06360 22-2757608							
						†	

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

Commonweight Comm	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	l '	(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 Disprop allocat	rtionate	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j Gene mana parti	ral or aging	(k) Percentage ownership
NORWICH CT 06360 HOME HEALTH CARE CT NA NA NORWICH, CT 06360								Yes	No		Yes	No	
	NORWICH CT 06360 NORWICH, CT 06360	HOME HEALTH CARE	СТ	NA									

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
(1) WWB CORPORATION 326 WASHINGTON ST NORWICH, CT 06360 06-1094836	HOLDING COMPANY	СТ	NA	C-CORP			
(2) CONNCARE INC 326 WASHINGTON ST NORWICH, CT 06360 06-1387598	HEALTH CARE SRVCS	СТ	NA	C CORP			
(3) BACKUS MEDICAL CENTER CONDO ASSOC INC 330 WASHINGTON ST NORWICH, CT 06360 06-1542647	CONDO ASSOCIATION	СТ	NA	C-CORP	0	0	65 000 %

No

Sch	edule R (Form 990) 2011		Р	age 3
Pa	Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)			
	Note. Complete line 1 if any entity is listed in Parts II, III or IV		Yes	No
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?			
а	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		No
b	Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c	Gıft, grant, or capıtal contribution from related organization(s)	1 c		No
d	Loans or loan guarantees to or for related organization(s)	1d		No
е	Loans or loan guarantees by related organization(s)	1e		No
f	Sale of assets to related organization(s)	1f		No
g	Purchase of assets from related organization(s)	1g		No
h	Exchange of assets with related organization(s)	1h		No
i	Lease of facilities, equipment, or other assets to related organization(s)	1i	Yes	
				1
j	Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	1
ı	Performance of services or membership or fundraising solicitations by related organization(s)	11		No
n	n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	1	No
n	Sharing of paid employees with related organization(s)	1n	Yes	1
o	Reimbursement paid to related organization(s) for expenses	10		No
р	Reimbursement paid by related organization(s) for expenses	1 p	Yes	,
·				†
а	Other transfer of cash or property to related organization(s)	1 q		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

r Other transfer of cash or property from related organization(s)

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) CONNCARE INC	I	367,717	COST
(2) OMNI HOME HEALTH	К	125,263	COST
(3) CONNCARE INC	К	96,142	COST
(4) CONNCARE INC	Р	3,375,000	COST
(5) WWB INC	Р	8,017,000	COST
(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) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	org	(e) Are all partners section 501(c)(3) janizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	Gene man part	j) eral or aging ener?	(k) Percentage ownership
			,	Yes	No			Yes	No		Yes	No	

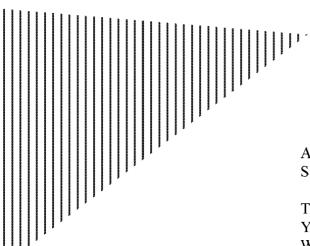
Schedule R (Form 990) 2011

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier Return Reference Explanation

Schedule R (Form 990) 2011



AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

The William W Backus Hospital Years Ended September 30, 2012 and 2011 With Report of Independent Auditors

Ernst & Young LLP



Audited Financial Statements and Supplementary Information

Years Ended September 30, 2012 and 2011

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Report of Independent Auditors

The Board of Trustees
The William W Backus Hospital

We have audited the accompanying balance sheets of The William W Backus Hospital (the Hospital) as of September 30, 2012 and 2011, and the related statements of operations and changes in net assets and cash flows for the years then ended These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Hospital's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The William W Backus Hospital as of September 30, 2012 and 2011, and the results of its operations and changes in net assets and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

As discussed in Note 1 to the accompanying financial statements, in 2012 the Hospital changed its method of reporting estimated insurance claims receivable and estimated insurance claims liabilities with the adoption of the Accounting Standards Update No 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*

Ernst + Young LLP

December 14, 2012

Balance Sheets

	September 30			
	2012	2011		
Assets				
Current assets				
Cash and cash equivalents	\$ 107,428,365	\$ 93,136,217		
Assets whose use is limited – required for current				
liabilities	7,433,046	5,885,482		
Accounts receivable, less allowance for uncollectible accounts (2012 – \$17,725,000, 2011 – \$21,200,000,				
approximately)	32,015,340	32,373,122		
Pledges receivable	31,723	101,211		
Due from affiliates	562,041	164,147		
Inventories of supplies	3,548,865	3,704,067		
Prepaid expenses and other	3,330,298	1,624,606		
Total current assets	154,349,678	136,988,852		
Assets whose use is limited:				
Board-designated investments	116,868,765	105,438,402		
Held by trustee	30,175,064	28,078,427		
Total assets whose use is limited	147,043,829	133,516,829		
Less assets whose use is limited – required for current				
liabilities	7,433,046	5,885,482		
	139,610,783	127,631,347		
Property, plant, and equipment, net	91,354,486	89,983,664		
Deferred financing costs	1,754,758	1,842,330		
Other assets	5,881,388	1,542,292		
Total assets	\$ 392,951,093	\$ 357,988,485		

Balance Sheets (continued)

	September 30				
		2012		2011	
Liabilities and net assets					
Current liabilities:					
Accounts payable – trade	\$	9,176,344	\$	9,918,459	
Salaries and wages, payroll taxes, and taxes withheld					
from payroll		6,802,151		6,666,138	
Other accrued liabilities		6,890,306		4,999,447	
Employee related obligations		3,834,900		3,942,900	
Due to third-party reimbursement agencies		1,193,235		4,683,178	
Interest payable		714,869		734,838	
Current portion of long-term debt		2,346,210		2,115,360	
Total current liabilities		30,958,015		33,060,320	
Other liabilities					
Long-term debt and capital lease obligations		65,056,990		62,389,713	
Employee related obligations		71,736,171		69,884,879	
Self-insured professional liability		9,685,357		10,853,762	
Due to third-party reimbursement agencies		17,000,185		19,162,526	
Other		652,262		443,183	
		164,130,965		162,734,063	
Net assets					
Unrestricted		187,215,454		153,345,431	
Temporarily restricted		2,890,743		1,399,547	
Permanently restricted		7,755,916		7,449,124	
Total net assets		197,862,113		162,194,102	
Total liabilities and net assets	\$	392,951,093	\$	357,988,485	

Statements of Operations

	Year Ended	September 30
	2012	2011
Operating revenues		
Net patient service revenue	\$ 283,219,755	\$ 271,933,218
Provision for uncollectible accounts	(7,949,694)	(12,492,090)
Net patient service revenue less provision for		
uncollectible accounts	275,270,061	259,441,128
Other operating revenues	7,774,319	4,848,198
Net assets released from restriction	174,552	673,194
	283,218,932	264,962,520
Operating expenses.		
Salaries, wages, and professional fees	114,140,337	110,169,857
Payroll taxes and other fringe benefits	32,008,290	25,655,346
Supplies, insurance, and other	89,223,225	83,949,646
Depreciation and amortization	18,006,195	16,971,187
Interest	3,276,169	3,247,715
	256,654,216	239,993,751
Operating income	26,564,716	24,968,769
Nonoperating gains and (losses)		
Income from investments	12,701,591	581,947
Contributions	147,058	158,300
Other	(29,536)	(565,873)
Excess of revenues over expenses	\$ 39,383,829	\$ 25,143,143

Statements of Changes in Net Assets

	Total	Unrestricted	Temporarily Restricted	Permanently Restricted
Net assets. September 30, 2010	\$ 158.943.087	\$ 147.366,124	\$ 4.101.543	\$ 7,475,420
Excess of revenues over expenses	25,143,143	25,143,143		
Investment (loss) income	(275.296)		(346.369)	71.073
Change in pension funding and	21.15((21.	01.157.701.		
postretirement obligation	(21.176.691)	(21,176,691)		
Transfer to affiliates	(245,005)	(245,005)	575 127	- 000
Contributions	580,427		575.427	5,000
Change in net assets held in trust	(102,369)			(102,369)
Net assets released from restriction used	2 257 960	2 257 960		
for purchase of equipment Net assets released from restriction	2,257,860	2,257,860	(2.021.051)	
	(2.931.054)	5.070.207	(2.931.054)	(2(,20())
Increase (decrease) in net assets	3,251,015	5,979,307	(2.701.996)	(26.296)
Net assets, September 30, 2011	162,194,102	153,345,431	1.399.547	7,449,124
Excess of revenues over expenses	39,383,829	39,383,829		
Investment income	1,315,791		1,315,791	
Change in pension funding and				
postretirement obligation	(4,361,697)	(4,361,697)		
Transfer to affiliates	(1,248,123)	(1,248,123)		
Contributions	445,971		445,971	
Change in net assets held in trust	306,792			306,792
Net assets released from restriction used				
for purchase of equipment	96,014	96,014		
Net assets released from restriction	(270,566)		(270,566)	
Increase in net assets	35,668,011	33,870,023	1,491,196	306,792
Net assets, September 30, 2012	\$ 197,862,113	\$ 187,215,454	\$ 2,890,743	\$ 7,755,916

Statements of Cash Flows

	Year Ended September 30			
	2012	2011		
Operating activities		_		
Increase in net assets	\$ 35,668,011	\$ 3,251,015		
Adjustments to reconcile increase in net assets to net cash				
provided by operating activities				
Depreciation and amortization	18,006,195	16,971,187		
Provision for uncollectible accounts	7,949,694	12,492,090		
Change in pension funding and postretirement				
obligation	4,361,697	21,176,691		
Transfer to affiliates	1,248,123	245,005		
Purchase of investments – board designated, net	(11,430,363)	(8,811,993)		
Change in net assets held in trust	(306,792)	26,296		
Changes in operating assets and liabilities (Note 16)	(22,740,929)	(13,185,620)		
Net cash provided by operating activities	32,755,636	32,164,671		
Investing activities				
Purchase of investments – held in trust, net	(2,096,637)	(1,089,625)		
Net additions to property, plant, and equipment	(13,139,402)	(7,741,430)		
(Increase) decrease in other assets	(76,231)	61,572		
Net cash used in investing activities	(15,312,270)	(8,769,483)		
Financing activities				
Principal payments on long-term debt and capital lease				
obligations	(2,165,194)	(2,074,347)		
Change in deferred financing costs and amortization of	, , ,	, , ,		
bond premium	(44,693)	(45,102)		
Change in net assets held in trust	306,792	(26,296)		
Transfer to affiliates	(1,248,123)	(245,005)		
Net cash used in financing activities	(3,151,218)	(2,390,750)		
Net increase in cash and cash equivalents	14,292,148	21,004,438		
Cash and cash equivalents at beginning of year	93,136,217	72,131,779		
Cash and cash equivalents at end of year	\$ 107,428,365	\$ 93,136,217		

Notes to Financial Statements

September 30, 2012

1. Significant Accounting Policies

Organization

The William W Backus Hospital (the Hospital), a voluntary association incorporated under the General Statutes of the State of Connecticut, is a wholly-owned subsidiary of Backus Corporation (the sole member) The Board of Directors of Backus Corporation elects a Board of Trustees that has control of the operations of the Hospital Refer to Note 9 for further discussion of related party transactions

The financial statements include the operations of Backus Medical Center Condominium Association, Inc (the Association) All intercompany transactions have been eliminated in consolidation

Affiliation

Backus Corporation, the parent corporation and sole member of the Hospital, has entered into an affiliation agreement with Hartford HealthCare Corporation dated August 17, 2012 The completion of the affiliation shall be subject to certain conditions, including regulatory approvals Upon completion, Hartford HealthCare Corporation will become the sole corporate member of Backus Corporation Backus Corporation will continue as the parent of the Hospital which will remain a separate legal entity.

Use of Estimates

The preparation of financial statements in conformity with U S generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Regulatory Matters

The Hospital is required to file annual operating information with the State of Connecticut Department of Public Health, Office of Health Care Access (OHCA)

Notes to Financial Statements (continued)

1. Significant Accounting Policies (continued)

Cash Equivalents

The Hospital considers all highly liquid time deposits, commercial paper, and money market mutual funds purchased with a maturity at date of acquisition of three months or less to be cash equivalents

Assets Whose Use Is Limited

The Board of Trustees has designated certain unrestricted funds, including principal and income, for construction and other purposes. The President and Chief Executive Officer of the Hospital may, after consultation with the Chairman, Vice Chairman, or the Board of Trustees, use board-designated funds, if required, to meet short-term operating cash requirements of the Hospital Assets whose use is limited also include assets obtained through a financing arrangement with the State of Connecticut Health and Educational Facilities Authority (the Authority), as more fully explained in Note 8. The portion of those amounts required for funding current liabilities is included in current assets. The carrying amounts reported in the balance sheets are stated at fair value.

Accounts Receivable and Net Patient Service Revenue

Accounts receivable result from health care services provided by the Hospital The amount of the allowance for uncollectible accounts is based on management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Investments

Marketable securities are classified as trading securities. Investments in debt and equity securities with readily determinable fair values are reported at fair value based on quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) and the change in the net unrealized gains and losses are included in the excess of revenues over expenses unless the income or loss is restricted by the donor

Notes to Financial Statements (continued)

1. Significant Accounting Policies (continued)

Inventories of Supplies

Inventories of supplies are stated at the lower of cost (first-in, first-out method), or market

Property, Plant, and Equipment

Property, plant, and equipment are stated on the basis of cost. The Hospital provides for depreciation using the straight-line method in amounts sufficient to depreciate the cost of its assets over their estimated useful lives.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time frame or purpose Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity

Nonoperating Gains and Losses

Activities other than those in connection with providing health care services are considered to be nonoperating. Nonoperating gains and losses primarily consist of income on invested funds.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restrictions, which is included in other operating revenue. Donor-restricted contributions whose restrictions are met within the same year as received are classified as unrestricted contributions in the accompanying financial statements.

General and Professional Liability Self-Insurance

The Hospital has adopted the policy of self-insuring the deductible portion of its general and professional liability insurance coverage. The deductible limits are \$1,000,000 per claim and

Notes to Financial Statements (continued)

1. Significant Accounting Policies (continued)

General and Professional Liability Self-Insurance (continued)

\$5,000,000 annually for 2012 and 2011 Management accrues its best estimate of ultimate losses for both reported claims and claims incurred but not reported. The Hospital maintains a revocable trust for purposes of funding malpractice or comprehensive general liability losses.

Excess of Revenues Over Expenses

The statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from the excess of revenues over expenses (the performance indicator), consistent with industry practice, equity transfers from affiliates, both temporarily and permanently restricted donations and investment income, changes in perpetual trust arrangements and the change in pension funding and postretirement obligations

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code The Association is a taxable entity, however, any taxes are immaterial to the financial statements of the Hospital taken as a whole.

Adoption of New Authoritative Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements* ASU 2010-06 amended Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, to clarify certain existing fair value disclosure requirements and require a number of additional disclosures, which were adopted in 2010, with the exception of the requirement to present changes in Level 3 measurements on a gross basis, which was delayed until 2012 In 2012, the Hospital adopted the remainder of ASU 2010-06. The adoption of this guidance did not have a significant impact on the Hospital's financial statements

Notes to Financial Statements (continued)

1. Significant Accounting Policies (continued)

Adoption of New Authoritative Pronouncements (continued)

In August 2010, the FASB issued Accounting Standards Codification ("ASC") 954-605, *Measuring Charity Care for Disclosure* ASC 954-605 requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided ASC 954-605 also requires separate disclosure of the amount of any cash reimbursements received for providing charity care ASC 954-605 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The adoption of this guidance has no impact on the consolidated financial statements.

In August 2010, the FASB issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries* ASU 2010-24 addresses the diversity in the accounting for medical malpractice and similar liabilities and their related anticipated insurance recoveries by health care entities that mostly have netted insurance recoveries against the accrued liability, although some have presented the anticipated insurance recovery and the liability on a gross basis. The amendments to ASC 954 clarify that a health care entity should not net insurance recoveries against a related claim liability, the amount of the claim liability should be determined without consideration of insurance recoveries. The Hospital adopted the required components of this guidance in 2012. As a result of the adoption of this standard, the Hospital increased other non-current assets and employee related obligations and self-insured professional liability by approximately \$5,304,894

In July 2011, the FASB issued ASU 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts. The guidance requires certain health care entities to present the bad debt expense associated with patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than as an operating expense. The guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The Hospital elected to early adopt ASU 2011-07 and has applied its provisions to the consolidated financial statements. The adoption of this guidance has no impact on excess of revenue over expenses or net assets.

Reclassifications

Certain reclassifications were made to the 2011 financial statements in order that they may be consistent with the current year presentation

Notes to Financial Statements (continued)

2. Revenues from Services to Patients

Net patient service revenue for the years ended September 30, 2012 and 2011 consists of the following

	Year Ended September 30					
	2012	2011				
Gross patient service revenue	\$ 615,524,464	\$ 604,060,585				
Deductions						
Allowances	(326,751,789)	(327,123,232)				
Provision for uncollectible accounts	(7,949,694)	(12,492,090)				
Charity care (at charges)	(5,552,920)	(5,004,135)				
	(340,254,403)	(344,619,457)				
	\$ 275,270,061	\$ 259,441,128				

Patient accounts receivable are recorded when patient services are performed Differences between amounts received from most third-party payors and the established billing rates of the Hospital are accounted for as allowances.

Accounts receivable are reduced by an allowance for uncollectible accounts In evaluating the collectability of accounts receivable, the Hospital considers historical trends and any known future environmental factors to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. Management regularly reviews data about major payor sources of revenue in evaluating the sufficiency of the allowance For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and records an allowance if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to have financial difficulties that make collection of amounts due unlikely) For receivables associated with self pay patients (including both patients without insurance and patients with deductible and copayments due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for uncollectible accounts in the period of service on the basis of its past experience which indicates a high level of non-payment The difference between ether standard rates or negotiated discount rates and the amounts actually collected after reasonable collection efforts have been exhausted, is charged off against the allowance for uncollectible accounts

Notes to Financial Statements (continued)

2. Revenues from Services to Patients (continued)

The Hospital's allowance for uncollectible accounts decreased by approximately \$3,475,000 in 2012 due to improved collections as well as a new policy whereby uninsured patients receive a discount equal to the average of the three lowest negotiated rates. Under the new policy, the discounted amount would no longer be included in allowance for uncollectible accounts (since self-pay accounts are significantly reserved for) and instead is included in the contractual allowance.

The Hospital recognizes net patient service revenue for patients with third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on a discounted basis as described on the Hospital's patient business services policy. Patient service revenue for the year ended September 30, 2012, net of contractual allowances and discounts, but before the provision for bad debts, recognized in the period is as follows.

	Third-Party	Total All		
	Payors	Self-Pay	Payors	
Datum comus monomic (not of				
Patient service revenue (net of contractual allowances and discounts)	\$ 272,485,726	\$ 10,734,029	\$ 283,219,755	

During the years ended September 30, 2012 and 2011, the Hospital recorded approximately \$9,060,000 and \$2,065,000, respectively, of previously recognized estimated third-party payor settlements resulting in an increase in net patient service revenue

Revenues from the Medicare and Medicaid programs accounted for approximately 32 1% and 9 4%, respectively, of the Hospital's net patient service revenue for the year ended September 30, 2012 and 29.5% and 9.9% for the year ended September 30, 2011. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations, except as noted in Note 13. While no regulatory inquiries are outstanding, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

Notes to Financial Statements (continued)

3. Charity Care and Community Benefit

It is the policy of the Hospital that medically necessary health care services should be available to all individuals regardless of their ability to pay. The Hospital provides free or discounted care based on the criteria of its charity care policy. The policy utilizes the generally recognized poverty income levels for the state to determine the level of financial assistance. For patients who do not apply or do not qualify, the uncollected amounts are recognized as bad debt expense. Because the Hospital does not pursue collection of amounts determined to be charity care, such services are not reported as net revenue.

Together, charity care and bad debt expense represent uncompensated care. The following table summarizes uncompensated care.

	At Charge	Estimated Cost
Charity care Bad debt	\$ 5,552,920 7,949,694	\$ 2,276,697 3,259,375
Total uncompensated care, September 30, 2012	\$ 13,502,614	\$ 5,536,072
Charity care Bad debt	\$ 5,004,135 12,492,090	\$ 2,201,819 5,496,520
Total uncompensated care, September 30, 2011	\$ 17,496,225	\$ 7,698,339

Estimated cost is based on the ratio of cost to charges, as determined by Hospital-specific data

In addition to charity care provided to patients, the Hospital supports programs that improve the health and wellness of the community. The Hospital partnered with Norwich Technical High School for a program called "Life Happens" Based on a survey of the students, topics of concern included anxiety, depression, suicide and healthly eating. The Hospital provided speakers and education to the students and the parents to address these issues. The Hospital also sponsored a Multicultural Health Fair. The Fair was attended by Hospital staff, visitors and the community who were given handouts and fact sheets that offered background information, communication and respect styles, birth customs, and gender and end-of-life issues for the 23 represented cultures. The Hospital also owns and operates a Mobile Health Resource Center which travels to various locations in eastern Connecticut offering health education, counseling and screenings.

Notes to Financial Statements (continued)

4. Promises to Give

Included in pledges receivable at September 30 are the following unconditional promises to give expected to be collected within a year

	2012	2011	
Other	\$ 24,646 7 ,0 77	\$ 45,546 57,077	
Unconditional promises to give before unamortized discount	31,723	102,623	
Less unamortized discount and allowance		(1,412)	
	\$ 31,723	\$ 101,211	

5. Investments

Investment income and gains (losses) are comprised of the following for the years ended September 30

	2012	2011
Unrealized gains (losses) in investments	\$ 10,067,106	\$ (5,813,831)
Realized gains on investments	823,335	4,650,170
Interest and dividend income	2,164,471	1,959,569
Other investment income	12,000	12,600
Investment fees	(365,321)	(226,561)
	\$ 12,701,591	\$ 581,947

Notes to Financial Statements (continued)

5. Investments (continued)

The market value of assets whose use is limited at September 30 is set forth in the following table

	2012	2011
Board designated		
Cash and cash equivalents	\$ 40,445,730	\$ 41,525,574
Mutual funds	45,050,366	37,251,516
Common stocks	17,114,732	12,925,056
Government bonds	10,801,121	12,811,596
Corporate bonds	3,456,816	924,660
	\$116,868,765	\$ 105,438,402
Held by trustee.		
Cash and cash equivalents	\$ 4,670,638	\$ 24,668,758
Mutual funds	12,669,133	2,327,261
Common stock	5,330,409	292,470
Corporate bonds	4,889,188	
Government bonds	2,345,973	731,506
Hedge funds	129,725	
Real estate	84,932	58,432
Commodities	55,066	
	\$ 30,175,064	\$ 28,078,427

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides guidance on investment decisions and endowment expenditures for nonprofit organizations. The Board of Trustees of the Hospital has interpreted UPMIFA as requiring the preservation of the fair value of the original gift at the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Hospital classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure

Notes to Financial Statements (continued)

5. Investments (continued)

The primary objective of the endowment fund is to provide long-term support for the Hospital's capital and operating programs. The Hospital's investment goals are to maximize total return (capital appreciation, dividends and interest) while also protecting the Hospital's inflation-adjusted value over time. The Hospital's assets are diversified across multiple asset classes (e.g., common stocks, bonds and cash) to achieve an optimal balance between risk and return and between current income and capital appreciation. The investment program is structured to offer reasonably high probability of generating a real return of 5% per year over a period of five to ten years to protect the real inflation-adjusted value of assets and to meet the spending requirements. The Investment Committee reviews investment policies annually to determine if changes need to be made due to changing market conditions or other factors.

Management evaluates endowment spending in light of capital replacement and expansion plans. The spending policy does not apply a prescribed rate of spending in a given year, but does consider the following factors in making determinations to appropriate or accumulate donor restricted endowment funds.

- (1) The duration and preservation of the fund
- (2) The purposes of the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Hospital
- (7) The investment policies of the Hospital

Endowment assets are donor-restricted gifts which are meant to provide a permanent source of income to the Hospital and are included in permanently restricted net assets. Any deficits are funded with available temporarily restricted or unrestricted funds so as to maintain the corpus Subsequent positive market returns replace the deficits.

The activity for the year ended September 30, 2012 is as follows

	mporarily Permanently estricted Restricted		Total		
Endowment net assets at beginning of vear	\$ 417,004	\$	5,396,859	\$	5,813,863
Investment return					
Investment income			99,346		99,346
Net appreciation (realized and unrealized)			600,643		600,643
Earnings reclassified	699,989		(699,989)		
Total investment return	699,989				699,989
Endowment net assets at end of vear	\$ 1,116,993	\$	5,396,859	\$	6,513,852

Notes to Financial Statements (continued)

5. Investments (continued)

The activity for the year ended September 30, 2011 is as follows.

	nporarily estricted	Permanently Restricted		Total	
Endowment net assets at beginning of vear	\$ 513.486	\$	5,320,786	\$	5,834,272
Investment return					
Investment income			151,536		151,536
Net depreciation (realized and unrealized)			(176.945)		(176.945)
Earnings reclassified	(96.482)		96,482		
Total investment (loss) return	(96,482)		71,073		(25,409)
Contributions			5,000		5,000
Endowment net assets at end of vear	 417,004	\$	5,396,859	S	5,813,863

6. Fair Value of Financial Instruments

For assets and liabilities required to be measured at fair value, the Hospital measures fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Fair value measurements are applied based on the unit of account from the Hospital's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements

The Hospital follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad categories. Level one inputs are quoted market prices in active markets that are accessible at the measurement date. Level two inputs are observable, but not quoted in active markets. Level three inputs are unobservable and are used when little or no market data is available.

Fair value for Level 2 assets are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers. Level 3 assets consist of asset backed and mortgage backed obligations held by the defined benefit plan which are priced using model-based valuations using market information that best represents the value at which the security could be sold.

Notes to Financial Statements (continued)

6. Fair Value of Financial Instruments (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Hospital uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

Financial assets as of September 30, 2012 are classified in the table below

	Level 1	Level 2		Level 3	Total
Assets					
Cash and cash equivalents	\$ 110,394,667	\$	413,222		\$ 110,807,889
Certificates of deposit			24,925,922		24,925,922
Money market funds	16,468,019		342,903		16,810,922
US government obligations (a)			13,147,094		13,147,094
Corporate bonds (b)			8,346,004		8,346,004
Equity securities	22,445,141				22,445,141
Mutual funds-equities (c)	11,626,733		9,391,931		21,018,664
Mutual funds-international					
equities (d)	7,896,018		267.348		8,163,366
Mutual funds-fixed income (e)			20,066,767		20,066,767
Mutual funds-alternatives (f)			8,470,702		8,470,702
Commodities			55,066		55,066
Hedge funds			129,725		129,725
Real estate (REIT)			84,932		84,932
Total	\$ 168,830,578	\$	85,641,616	_	\$ 254,472,194

- (a) Includes both Treasury bonds and Treasury stripped bonds
- (b) Includes both foreign and domestic corporate bonds
- (c) This category primarily represents investments in common stock or similar securities of high-quality, financially secure companies listed on principal exchanges
- (d) This category seeks long term growth of capital with at least 80% of its investments in international equity securities
- (e) This category seeks maximum current income primarily thorough investments in fixed income securities of varying maturities
- (f) This category targets total returns over the long-term as measured by the Consumer Price Index + 5%, investing in index funds and various stock

Notes to Financial Statements (continued)

6. Fair Value of Financial Instruments (continued)

Financial assets as of September 30, 2011 are classified in the table below.

	Level 1	Level 2		Level 3	Total
Assets					
Cash and cash equivalents	\$ 95,941,634	\$	852,014		\$ 96,793,648
Certificates of deposit			24,901,139		24,901,139
Money market funds	37,571,306		64,456		37,635,762
US government obligations (a)			13,543,102		13,543,102
Corporate bonds (b)			924,660		924,660
Equity securities	13,217,526				13,217,526
Mutual funds-equities (c)	8,773,825		9,707,473		18,481,298
Mutual funds-international					
equities (d)	8,140,798		219,147		8,359,945
Mutual funds-fixed income (e)			12,737,534		12,737,534
Real estate (REIT)			58,432		58,432
Total	\$ 163,645,089	\$	63,007,957	_	\$ 226,653,046

- (a) Includes both Treasury bonds and Treasury stripped bonds
- (b) Includes both foreign and domestic corporate bonds
- (c) This category primarily represents investments in common stock or similar securities of high-quality, financially secure companies listed on principal exchanges
- (d) This category seeks long term growth of capital with at least 80% of its investments in international equity securities
- (e) This category seeks maximum current income primarily thorough investments in fixed income securities of varying maturities

Notes to Financial Statements (continued)

6. Fair Value of Financial Instruments (continued)

The following table presents the Hospital's fair value hierarchy for defined benefit plan assets as of September 30, 2012. At September 30, 2012, Level 3 assets comprise approximately 0.1% of the Hospital Plan's total investment portfolio fair value.

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 9,832,723			\$ 9,832,723
Mutual funds-equity (a)	25,164,036	\$ 32,899,941		58,063,977
Mutual funds-international				
equity(b)	19,186,295			19,186,295
Mutual funds-fixed income (c)		10,942,532		10,942,532
Mutual funds-alternatives (d)		11,578,091		11,578,091
US Government obligations(e)		6,441,117		6,441,117
Corporate bonds (f)		16,196,047		16,196,047
Mortgage backed obligations		7,262,891	\$ 188,330	7,451,221
Total	\$ 54,183,054	\$ 85,320,619	\$ 188,330	\$ 139,692,003

- (a) This category primarily represents investments in common stocks or similar securities of high-quality, financially secure companies listed on principal exchanges
- (b) This category seeks long term growth of capital with at least 80% of its investments in international equity securities
- (c) This category seeks maximum current income primarily thorough investments in fixed income securities of varying maturities
- (d) This category targets total returns over the long-term as measured by the Consumer Price Index \pm 5%, investing in index funds, and various stock and bond index funds
- (e) Includes both Treasury bonds and Treasury stripped bonds
- (f) Includes both foreign and domestic corporate bonds

The following table presents reconciliation for all Level 3 assets measured at fair value for the period October 1, 2011 to September 30, 2012

	Mortgage Backed Obligations					
Beginning balance Unrealized gains	\$	180,660 7,670				
Total	\$	188,330				

Notes to Financial Statements (continued)

6. Fair Value of Financial Instruments (continued)

The following table presents the Hospital's fair value hierarchy for defined benefit plan assets as of September 30, 2011. At September 30, 2011, Level 3 assets comprise approximately 0.2% of the Hospital Plan's total investment portfolio fair value

	Level 1	Level 2 Level 3		Total
Assets	•			_
Cash and cash equivalents	\$ 10,173,248			\$ 10,173,248
Mutual funds-equity (a)	23,965,541	\$ 25,514,446		49,479,987
Mutual funds-international				
equity(b)	22,103,407			22,103,407
Mutual funds-fixed income (c)		9,778,303		9,778,303
US Government obligations(d)		6,597,822		6,597,822
Corporate bonds (e)		9,553,768		9,553,768
Mortgage backed obligations		7,777,727	\$180,660	7,958,387
Total	\$ 56,242,196	\$ 59,222,066	\$ 180,660	\$ 115,644,922

- (a) This category primarily represents investments in common stocks or similar securities of high-quality, financially secure companies listed on principal exchanges
- (b) This category seeks long term growth of capital with at least 80% of its investments in international equity securities
- (c) This category seeks maximum current income primarily thorough investments in fixed income securities of varying maturities
- (d) Includes both Treasury bonds and Treasury stripped bonds
- (e) Includes both foreign and domestic corporate bonds

The following table presents reconciliation for all Level 3 assets measured at fair value for the period October 1, 2010 to September 30, 2011

	Asset Backed Obligations	Mortgage Backed Obligations	Total		
Beginning balance Purchases	\$ 250,065	\$ 88,920 99,500	\$ 338,985 99,500		
Unrealized gains (losses)	716	(7,760)	(7,044)		
Sales	(250,781)		(250,781)		
Total	\$ -	\$180,660	\$ 180,660		

Notes to Financial Statements (continued)

6. Fair Value of Financial Instruments (continued)

The carrying amount of certain of the Hospital's financial instruments, including cash and cash equivalents and pledge receivables approximate fair value due to the relatively short maturities of such instruments. Fair values of investments are based on quoted market prices and are recorded on the balance sheets as such Fair value of the long-term debt is estimated using discounted cash flow analysis which is based on the AAA insured bond rate at the Hospital's fiscal year end. The fair value of long-term debt is \$72,441,444 and \$70,878,867 at September 30, 2012 and 2011, respectively

7. Temporarily and Permanently Restricted Net Assets

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

	2012	2011
General use	\$ 1,186,206	\$ 206,742
Health care services	1,055,363	789,466
Preventative care	227,207	193,861
Extraordinary nursing care	131,654	105,444
Nursing education	108,153	87,446
Free beds	103,979	8,066
Laboratory	78,181	8,522
	\$ 2,890,743	\$ 1,399,547

Income generated by permanently restricted net assets at September 30 is restricted to the following purposes.

	2012	2011
Income to be used		
For general uses and purposes	\$ 6,912,331	\$ 6,605,539
To provide free beds	527,060	527,060
For laboratory	258,182	258,182
To provide extraordinary nursing care	48,203	48,203
For nursing education	10,140	10,140
	\$ 7,755,916	\$ 7,449,124

Notes to Financial Statements (continued)

8. Long-term Debt

A summary of long-term debt at September 30 is as follows.

	2012	2011
Tax-exempt Hospital Revenue Bonds Series E, term maturities (\$7.515,000) from 2017 to 2022 at an interest rate of 5 00%	\$ 7,515,000	\$ 8.080.000
Series F, serial maturities (\$5,125,000) from 2013 to 2018, with interest rates of 4 00% to 4 25%, term maturities (\$22,125,000) from 2023 to 2035 with interest rates of 5 00% to 5 25%	27,250,000	28.000.000
Series G, serial maturities (\$17,080,000) from 2013 to 2026, with interest rates of 3 50% to 5 00%, term maturities (\$7,420,000) in 2035 at an interest rate of 5%	24,500,000	25,150,000
Other long-term debt		
Mortgage, maturing May 1, 2025 with a fixed interest rate of 6 125%	1,126,557	1,183,176
Obligations under capital leases	6,344,367	1.379.926
·	66,735,924	63,793,102
Add net unamortized bond premium Less current portion	667,276 (2,346,210)	711,971 (2,115,360)
Long-term debt	\$ 65,056,990	\$ 62,389,713

The Master Indenture, as amended and supplemented by Supplemental Master Indenture No 4, provides for, among other things, a pledge of the gross receipts, as defined, of the Hospital, restriction on the incurrence of certain indebtedness of the Hospital, and covenants regarding the Hospital's debt service coverage ratios, sale and lease of assets, and other covenants similar in financings of this type. The bonds are secured by the real property of the Hospital, including all buildings and equipment Pursuant to the loan agreements, the Hospital is obligated to provide amounts which will be sufficient to enable the Authority to pay the principal and interest on the Series E, Series F and Series G bonds.

Series E bonds are subject to optional redemption prior to maturity Series F bonds are subject to optional redemption prior to maturity Series G bonds maturing after July 1, 2015 are subject to optional redemption prior to maturity

Notes to Financial Statements (continued)

8. Long-term Debt (continued)

Future minimum principal payments on long-term debt and future minimum principal payments and interest on capital leases during each of the next five fiscal years, and in the aggregate, are as follows:

	Long-Term Debt	Capital Leases
2013	\$ 2,105,440	\$ 802,524
2014 2015 2016	2,184,302 2,303,411 2,387,624	802,524 778,179 705,224
2017 Aggregate thereafter	2,482,423 48,928,357	705,224 705,224 8,301,039
1155.054.0 110.041.0.	60,391,557	12,094,714
Add net unamortized bond premium Less interest	667,276	(5,750,347)
	\$ 61,058,833	\$ 6,344,367

The Hospital paid interest of \$3,340,832 and \$3,312,005 in 2012 and 2011, respectively. Interest incurred in 2012 and 2011 was \$3,276,169 and \$3,247,715, respectively.

In 2012 the Hospital entered into a twenty-year capital lease of \$5,108,015 with an interest rate of 6 06% for a building located at 582 Norwich Road, Plainfield, CT to be used for emergency, radiology and lab services. Under the terms of the lease, the Hospital has the option for two additional five year terms as well as an option to purchase the property. The outstanding balance on this capital lease at September 30, 2012 was \$5,058,182.

In 2010 the Hospital entered into a five-year capital lease of \$458,781 with an interest rate of 5 9% for a building located at 80 Route 32, Montville, CT, to be used for patient services. The outstanding balance on this capital lease at September 30, 2012 was \$246,383. Under the terms of the lease, the Hospital has the option to renew for five periods of five years each.

In 2010 the Hospital entered into a fixed rate commercial mortgage of \$1,250,000 for a period of fifteen years at a rate of 6 125% The note is secured by real property located at 11 Stott Avenue, Norwich, CT

Notes to Financial Statements (continued)

8. Long-term Debt (continued)

In 2004, the Hospital entered into a twenty-year capital lease of \$1,094,640 with an interest rate of 4 875% for a building located at 151-163 Broadway, Colchester, CT to be used for patient services. The outstanding balance on this capital lease at September 30, 2012 is \$1,039,802

Deferred financing costs are amortized over the life of the bonds which is substantially the same as using the effective interest method

9. Related Party Transactions

The Hospital processes payroll and disbursements for several of its affiliated entities for which it is reimbursed Reimbursements due to the Hospital at September 30, 2012 and 2011 were approximately \$562,000 and \$165,000, respectively

10. Retirement Benefit Plans

Effective January 1, 2010, the Hospital amended its defined benefit pension plan to close the plan to new participants and to freeze accruals for the existing participants in favor of a defined contribution plan

The defined contribution plan covers substantially all of the employees of the Hospital. Under the provisions of the plan, the Hospital will make non-elective contributions to the plan on behalf of each eligible employee in the amount of 3% of the employee's eligible earnings. The Hospital will also make a non-elective transition contribution equal to 3% of employee's eligible earnings for all employees who meet the transition participant criteria. The Hospital may also, at the discretion of the Board of Trustees, make an elective matching contribution at the end of the plan year based on the Hospital's financial performance. The cost recorded for the years ended September 30, 2012 and 2011 was \$4,675,303 and \$5,206,397, respectively

The Hospital also provides noncontributory postretirement health care benefits to eligible retirees and to eligible spouses of retirees who retired prior to January 1, 1994. Subsequent to 1993, covered retirees contribute a percentage of the cost based on years of service. In addition, the Hospital sponsors a nonqualified pension benefit program. Included in other long-term liabilities at September 30, 2012 and 2011 are approximately \$1,455,000 and \$2,600,000, respectively related to the future obligation for the nonqualified benefits.

Notes to Financial Statements (continued)

10. Retirement Benefit Plans (continued)

Included in unrestricted net assets at September 30 are the following amounts that have not yet been recognized in net periodic benefit cost

	 Pension Benefits				Postretirement Be				
	2012		2011		2012		2011		
			(In thou	sana	ls)				
Unrecognized actuarial (loss) gain Unrecognized transition obligation	\$ (69,083)	\$	(64,522)	\$	1,476 (242)	\$	1,600 (565)		
	\$ (69,083)	\$	(64.522)	\$	1,234	\$	1.035		

The actuarial loss and transition obligation included in unrestricted net assets and expected to be recognized in net periodic benefit cost during the year ending September 30, 2012 are \$4,919,884 and \$241,957, respectively

At September 30, 2011, the unfunded status of the pension plan is included in long-term liabilities in the amount of \$60,301,776. The unfunded status of the postretirement benefits is \$4,083,669, with \$435,510 included in short-term liabilities, and the remainder of \$3,648,159 included in long-term liabilities. At September 30, 2012, the unfunded status of the pension plan is included in long-term liabilities in the amount of \$61,486,044. The unfunded status of the postretirement benefits is \$3,882,076, with \$412,955 included in short-term liabilities, and the remainder of \$3,469,121 included in long-term liabilities.

Notes to Financial Statements (continued)

10. Retirement Benefit Plans (continued)

The following table sets forth the funded status of the plans as of the measurement date of September 30, 2012 and 2011

	Pension Benefits			P	ostretiren	Benefits		
	2012 2011			2012			2011	
	(In thousands)							
Change in projected benefit obligation								
Benefit obligation at beginning of year	\$ ((175,946)	\$	(158, 266)	\$	(, ,	\$	(4,266)
Service cost						(1)		(4)
Interest cost		(7,981)		(7.963)		(178)		(207)
Change in assumptions		(22,583)		(12.536)		(216)		(147)
Actuarial gain (loss)		118		(2.006)		184		113
Benefits paid		5,214		4.825		412		428
Benefit obligation at end of year		(201,178)	\$	(175,946)	\$	(3,882)	\$	(4,083)
Change in plan assets								
Fair value of plan assets at beginning of year	\$	115,644	\$	114.203				
Actual return on plan assets	Ф	21,162	ψ	(1.834)				
Contributions		8,100		8,100	\$	412	\$	428
Benefits paid		(5,214)		(4.825)	d)	(412)	ψ	(428)
Fair value of plan assets at end of year	\$	139,692	\$	115,644	\$	(412)	\$	(420)
Tail value of plan assets at end of year		137,072	ψ	113,044	Ф		ψ	
Underfunded status								
Accrued benefit liability recognized in the balance sheets	\$	(61,486)	\$	(60,302)	\$	(3,882)	\$	(4,083)
Components of net periodic benefit cost								
Service cost					\$	1	\$	4
Interest cost	\$	7,981	\$	7.963		178		207
Expected return on plan assets		(7,908)		(7.832)				
Net amortization and deferral		4,651		2,843		230		224
Net periodic benefit cost	\$	4,724	\$	2,974	\$	409	\$	435
Assumptions:								
Weighted-average assumptions used to determine								
benefit obligations								4 6 11 0 1
Discount rate		3.80%		4 60%		3.80%		4 60%
Weighted-average assumptions used to determine net								
periodic benefit cost								
Discount rate		4.60		5 10		4.60		5 10
Expected long-term rate of return on plan assets		6.75		6 75		7.00		210
2 specied long term rate of return on plan assets		V• / S		010				

The accumulated benefit obligation at September 30, 2012 and 2011 was \$201,178,047 and \$175,946,699, respectively

Notes to Financial Statements (continued)

10. Retirement Benefit Plans (continued)

The asset allocations for the retirement plan at the end of 2012 and 2011 and the target allocation by asset category are as follows

	Target A	Allocation		itage of Assets
Asset Category	Minimum	Maximum	2012	2011
US Equity Large Cap	20%	50%	37%	34%
US Equity Small Cap		15	5	5
International Equity	10	30	14	15
Core Fixed Income	20	60	44	46
Total		_	100%	100%

The Hospital Plan's investment policy includes target asset allocations percentages as shown above. The investment objective for the Hospital Plan is to produce a total rate of return (net of fees) that meets or exceeds the actuarial return assumption used for funding purposes, while generally striving to minimize significant variations in annual contribution levels through investment diversification. Investment return assumptions are developed through a multi-step process using external economic research including industry surveys and published economic research combined with internal economic scenario analysis, historical market returns and correlation trends.

Information about the expected cash flows for both plans is as follows

	Pension	Postretirement	
	Benefits	Benefits	
Expected employer contributions for 2013	\$ 8,100,000	\$ 412,955	
Estimated future benefit payments			
2013	6,182,497	412,955	
2014	6,785,494	401,888	
2015	7,330,485	380,032	
2016	7,771,301	358,037	
2017	8,269,818	336,252	
2018-2022	49,972,063	1,372,745	

Notes to Financial Statements (continued)

10. Retirement Benefit Plans (continued)

Assumed healthcare cost trend rates for 2012 are as follows.	
Health care trend rate assumed for next year	7 00%
Rate to which the cost rate trend rate is assumed to decline (the	
ultimate trend rate)	5 00%
Year that the rate reaches the ultimate trend rate	2015

A one-percentage-point change in assumed health care cost trend rates would have the following effects on the postretirement benefit plan.

	One-Percentage-Point			
	Increase	Decrease		
	(In thousands)			
Effect on total of service and interest cost components	\$ 1	\$ (1)		
Effect on postretirement benefit obligation	\$ 2	\$ (2)		

11. Property, Plant, and Equipment

Property, plant, and equipment at September 30 consist of the following

	2012	2011
Land and land improvements	\$ 4,862,121	\$ 4,862,121
Buildings and leasehold improvements	129,515,253	125,984,685
Equipment	104,187,422	98,557,288
Construction in process (2012 estimated cost to		
complete \$1,389,000)	1,747,654	1,365,773
Less accumulated depreciation	(148,957,964)	(140,786,203)
	\$ 91,354,486	\$ 89,983,664

The net unamortized value of internally developed software was \$388,314 at September 30, 2011 Amortization expense for the years ended September 30, 2012 and 2011 was \$388,314 and \$596,429, respectively

The Hospital wrote off approximately \$6,941,684 of fully depreciated assets in 2012

Notes to Financial Statements (continued)

11. Property, Plant, and Equipment (continued)

The Hospital leases space to be used for patient services. One year remains on the initial term, with two five-year renewal options available at the discretion of the Hospital Rent expense for the years ended September 30, 2012 and 2011 was \$755,190 and \$655,574, respectively

The Hospital leases various types of equipment with annual payments ranging from \$91 to \$49,000 Expenses as a result of these leases were approximately \$270,000 and \$362,000 for the years ended September 30, 2012 and 2011, respectively

Future minimum lease payments under the above leases during each of the next five years were as follows.

2013	\$ 785,063
2014	209,216
2015	147,346
2016	36,950
2017	23,565
Thereafter	 1,920
	\$ 1,204,060

12. Concentrations of Credit Risk

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

	2012	2011
Medicare	32% 21	26% 23
Self pay Health Maintenance Organizations Anthem Blue Cross/Blue Shield	15 15	17 15
Medicaid Commercial	8 6	10
Other state agencies	3 100%	4 100%

Notes to Financial Statements (continued)

13. Contingencies

There have been malpractice claims that fall within the Hospital's partially self-insured program (see Note 1) which have been asserted against the Hospital In addition, there are known incidents that have occurred through September 30, 2012, that may result in the assertion of claims Hospital management, in conjunction with its consulting actuaries, has accrued its best estimate of these contingent losses

Hospital management believes that it may not have conformed to all applicable laws and regulations regarding certain arrangements with outside parties. An internal investigation is underway and management has estimated and accrued a liability related to this matter. Except for this matter, Hospital management believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of any potential wrongdoing

The Hospital is a party to various lawsuits incidental to its business. Management believes that the lawsuits will not have a material adverse effect on the Hospital's financial position or results of operations.

At September 30, 2012, approximately 22% of the Hospital's employees were covered by collective bargaining agreements

14. Other Operating Revenues

Electronic Health Record (EHR) Program

Certain health care providers can earn incentive payments between 2011 and 2016 from Medicare and Medicaid for establishing an EHR system and maintaining its meaningful use The Hospital recognizes income when it is reasonably assured that it is in compliance with the program criteria. The Hospital has included \$2,777,416 in other operating revenue related to the program for fiscal year 2012, including \$737,160 received from Medicaid. The estimate for the Medicare program is based on cost report data which is subject to audit and the amounts recognized are subject to change. The Hospitals attestation of compliance with the meaningful use criteria is subject to audit by the Federal or State government or its designee.

Notes to Financial Statements (continued)

14. Other Operating Revenues (continued)

Other operating revenues consist of the following.

	Year Ended September 30			
	2012	2011		
EHR income	\$ 2,777,416			
Cafeteria sales	1,166,526	\$ 1,102,713		
Rental income	1,025,861	1,336,398		
Grants	614,920	578,977		
Condominium income	492,179	412,106		
Fee income	454,529	398,731		
Child care	398,545	391,976		
Purchase discounts	370,943	269,594		
Interest	249,145	165,642		
Miscellaneous	224,255	192,061		
	\$ 7,774,319	\$ 4,848,198		

15. Functional Expenses

The Hospital provides inpatient medical and surgical, outpatient, psychiatric and emergency care services to residents of eastern Connecticut Expenses related to providing these services are as follows:

	Year Ended September 30			
	2012	2011		
Health care services	\$ 199,189,567	\$ 188,038,846		
General and administrative	57,263,709	51,760,982		
Fundraising	200,940	193,923		
	\$ 256,654,216	\$ 239,993,751		

Costs for interest and insurance are included in general and administrative expenses. Malpractice insurance is included in health care services.

Notes to Financial Statements (continued)

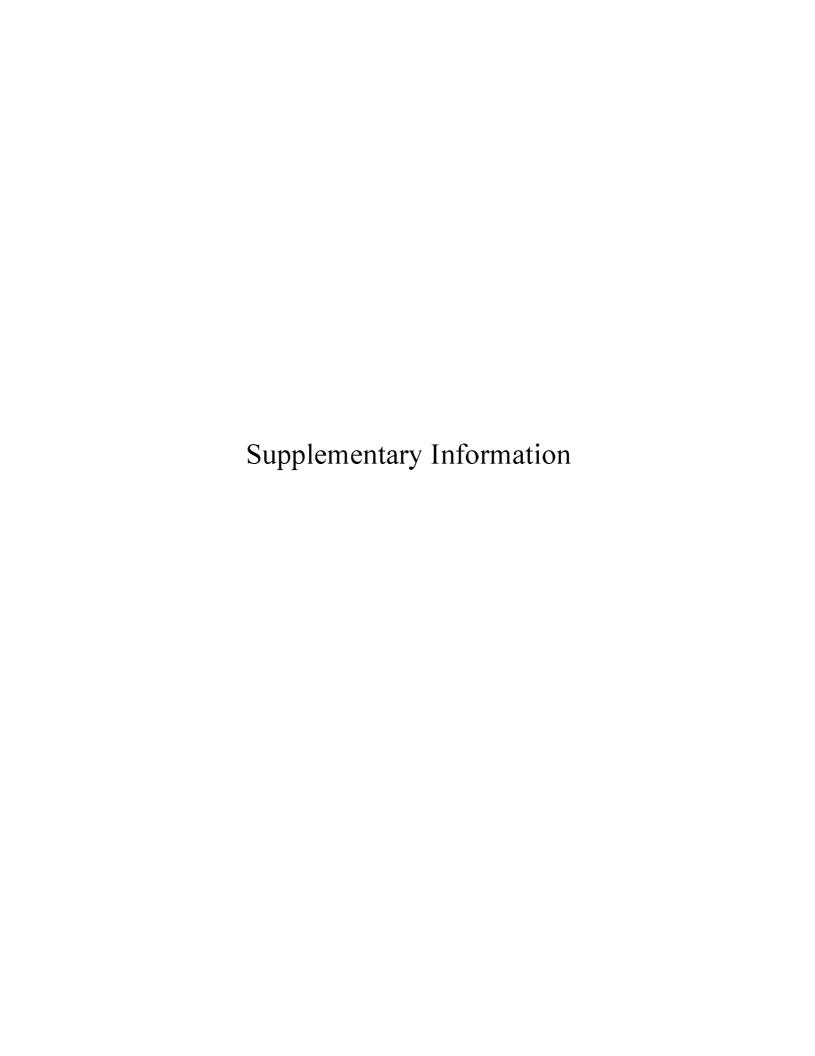
16. Cash Flows

Changes in operating assets and liabilities at September 30 include the following.

	2012	2011
(Increase) decrease in assets		
Accounts receivable	\$ (7,591,912)	\$ (14,106,271)
Pledges receivable	69,488	84,655
Due from affiliates	(397,894)	496,941
Inventories of supplies, prepaid expenses, and other	(1,550,490)	(251,633)
(Decrease) increase in liabilities		
Due to third-party reimbursement agencies	(5,652,284)	8,463,850
Accounts payable	(742,115)	(210,687)
Employee related obligations	(4,552,508)	(5,322,115)
Interest payable and other accrued liabilities	1,870,890	(3,233,379)
Salaries and wages, payroll taxes, and taxes withheld		
from payroll	136,013	460,084
Self-insured professional liability	(4,539,196)	339,430
Other liabilities	209,079	93,505
Changes in operating assets and liabilities	\$ (22,740,929)	\$ (13,185,620)

17. Subsequent Events

The Hospital evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date for the year ended September 30, 2012. The Hospital evaluated subsequent events through December 14, 2012, which is the date the financial statements were issued. No events occurred that require disclosure or adjustment to the combined financial statements.





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Report of Independent Auditors on Supplementary Information

Board of Trustees The William W Backus Hospital

We have audited the financial statements of The William W Backus Hospital for the year ended September 30, 2012, and have issued our report thereon dated December 14, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The consolidating balance sheet and statement of operations are presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole

Ernst + Young LLP

December 14, 2012

Consolidating Balance Sheet

September 30, 2012

		Backus Medical Center		
	The William W.	Condominium		
	Backus Hospital	Association, Inc.	Eliminations	Consolidated
Assets	•			
Current assets				
Cash and cash equivalents	\$ 107,428,365			\$ 107,428,365
Assets whose use is limited – required for current liabilities	7,433,046			7,433,046
Accounts receivable, less allowance for uncollectible accounts	32,015,340			32,015,340
Pledges receivable	31,723			31,723
Due from affiliates	564,613		\$ (2,572)	562,041
Inventories of supplies	3,548,865			3,548,865
Prepaid expenses and other	3,309,657	\$ 20,641		3,330,298
Total current assets	154,331,609	20,641	(2,572)	154,349,678
Assets whose use is limited				
Board-designated investments	116,868,765			116,868,765
Held by trustee	30,175,064			30,175,064
Total assets whose use is limited	147.043.829			147,043,829
Less assets whose use is limited – required for current liabilities	7,433,046			7,433,046
	139,610,783			139,610,783
Property plant, and equipment, net	91,354,486			91,354,486
Deferred financing costs	1,754,758			1,754,758
Other assets	5,881,388			5,881,388
Total assets	\$ 392,933,024	\$ 20,641	\$ (2.572)	\$ 392,951,093

Consolidating Balance Sheet (continued)

September 30, 2012

		Backus Medical		
	The William W.	Center Condominium		
	Backus Hospital	Association, Inc.	Eliminations	Consolidated
Liabilities and net assets				
Current liabilities				
Accounts payable – trade	\$ 9,176,344			\$ 9,176,344
Salaries and wages, payroll taxes, and taxes withheld from payroll	6,802,151			6,802,151
Other accrued liabilities	6,890,306			6,890,306
Employ ee related obligations	3,834,900			3,834,900
Due to third-party reimbursement agencies	1,193,235			1,193,235
Interest payable	714,869			714,869
Due to affiliates		\$ 2,572	\$ (2,572)	
Current portion of long-term debt	2,346,210			2,346,210
Total current liabilities	30,958,015	2.572	(2,572)	30,958,015
Other liabilities				
Long-term debt and capital lease obligations	65,056,990			65,056,990
Employ ee related obligations	71,736,171			71,736,171
Self-insured professional liability	9,685,357			9,685,357
Due to third-party reimbursement agencies	17,000,185			17,000,185
Other	652,262			652,262
	164,130,965	_		164,130,965
Net assets.				
Unrestricted	187,197,385	18,069		187,215,454
Temporarily restricted	2,890,743			2,890,743
Permanently restricted	7,755,916			7,755,916
Total net assets	197,844,044	18,069		197,862,113
Total liabilities and net assets	\$ 392,933,024	\$ 20,641	\$ (2.572)	\$ 392,951,093

Consolidating Statement of Operations

Year Ended September 30, 2012

Backus Medical Center The William W. Condominium **Backus Hospital** Association, Inc. Consolidated **Eliminations** Operating revenues \$ 283,219,755 \$ 283,219,755 Net patient service revenue Provision for uncollectible accounts (7,949,694)(7,949,694)Net patient service revenue less provision for uncollectible accounts 275,270,061 275,270,061 \$ 511,256 7,774,319 Other operating revenues 7,282,140 \$ (19,077) Net assets released from restriction 174,552 174,552 282,726,753 511,256 (19,077)283,218,932 Operating expenses Salaries, wages, and professional fees 114,140,337 114,140,337 Payroll taxes and other fringe benefits 32,008,290 32,008,290 Supplies, insurance, and other 88,731,046 511,256 (19,077)89,223,225 Depreciation and amortization 18,006,195 18,006,195 3,276,169 3,276,169 Interest 256,162,037 511,256 (19,077)256,654,216 26,564,716 Operating income 26,564,716 Nonoperating gains and (losses) Income from investments 12,701,591 12,701,591 147,058 147,058 Contributions Other (29,536)(29,536)39,383,829 39,383,829 Excess of revenues over expenses

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