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Form 990

## Return of Organization Exempt From Income Tax

2011

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

## A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012

B Check if applicable

Address change

Name change

Initial return

Terminated

Amended return

Application pending

C Name of organization  
The Norwalk Hospital Association

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite  
24 Stevens StreetCity or town, state or country, and ZIP + 4  
Norwalk, CT 06850F Name and address of principal officer  
Daniel Debarba  
24 Stevens Street  
Norwalk, CT 06850D Employer identification number  
06-6068853E Telephone number  
(203) 852-2000

G Gross receipts \$ 391,051,710

I Tax-exempt status  501(c)(3)  501(c) ( ) (insert no)  4947(a)(1) or  527H(a) Is this a group return for affiliates?  Yes  NoH(b) Are all affiliates included?  Yes  No  
If "No," attach a list (see instructions)

H(c) Group exemption number ►

J Website: ► www.norwalkhospital.org

K Form of organization  Corporation  Trust  Association  Other ►

L Year of formation 1893

M State of legal domicile CT

## Part I Summary

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

THE MISSION OF NORWALK HOSPITAL IS TO PROVIDE UNIQUELY EXCELLENT, INNOVATIVE AND COMPASSIONATE HEALTH CARE WITH EXCEPTIONAL OUTCOMES

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

3 Number of voting members of the governing body (Part VI, line 1a) . . . . .

3 19

4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .

4 13

5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . . .

5 2,165

6 Total number of volunteers (estimate if necessary) . . . . .

6 525

7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .

7a 3,903,308

b Net unrelated business taxable income from Form 990-T, line 34 . . . . .

7b -187,811

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h) . . . . .	4,163,105	6,577,196
9	Program service revenue (Part VIII, line 2g) . . . . .	355,229,999	371,139,088
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	1,637,037	4,649,560
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,473,072	2,719,656
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	363,503,213	385,085,500

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		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16) . . . . .	347,466,749	432,888,470
21	Total liabilities (Part X, line 26) . . . . .	211,769,948	266,195,478
22	Net assets or fund balances Subtract line 21 from line 20 . . . . .	135,696,801	166,692,992

## Part II Signature Block

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

Sign Here	Signature of officer	2013-08-12
	Daniel Debarba CEO Type or print name and title	Date

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed ►	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	ERNST & YOUNG US LLP 55 IVAN ALLEN BLVD SUITE 1000 ATLANTA, GA 30308	EIN ►	Phone no ► (404) 874-8300

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

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III **1 Briefly describe the organization's mission**

THE MISSION OF NORWALK HOSPITAL IS TO PROVIDE UNIQUELY EXCELLENT, INNOVATIVE AND COMPASSIONATE HEALTH CARE WITH EXCEPTIONAL OUTCOMES

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

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

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

If "Yes," describe these changes on Schedule O

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

**4a** (Code ) (Expenses \$ 38,476,185 including grants of \$ ) (Revenue \$ 49,711,042 )

WOMEN'S HEALTH ONE OF THE HOSPITAL'S PREMIER SIGNATURE CLINICAL PROGRAMS, OUR WOMEN'S AND CHILDREN'S SERVICES FEATURES A TOP NOTCH TEAM OF OBSTETRICIANS/GYNECOLOGISTS, PEDIATRICIANS, CERTIFIED NURSES MIDWIVES, PEDIATRIC HOSPITALISTS, NEONATOLOGISTS, PEDIATRIC SPECIALISTS, PHYSICIAN ASSISTANTS AND NURSES THIS TEAM'S COMPASSIONATE AND EXPERT CARE IS FURTHER ENHANCED BY THE ONSITE AVAILABILITY OF FULL-TIME PERINATOLOGISTS FROM YALE UNIVERSITY MEDICAL SCHOOL OUR OBSTETRICIANS AND CERTIFIED NURSE MIDWIVES DELIVER BABIES IN THE HOSPITAL'S MODERN, HOME-LIKE CHILDBIRTH CENTER THE CENTER FEATURES IN-SUITE AMENITIES, INCLUDING BEAUTIFUL SINGLE ROOMS WITH PRIVATE BATHS AND SHOWERS, MASSAGE THERAPY FOR INFANTS AND MOTHERS, WIRELESS INTERNET ACCESS AND FLAT-SCREEN TELEVISIONS FOR ADDITIONAL EXPERTISE, THE HOSPITAL ALSO PROVIDES PERINATOLOGY SERVICES, FOR HIGH-RISK PREGNANCY, AS WELL AS REPRODUCTIVE ENDOCRINOLOGY SERVICES IN ADDITION, ADVANCED, MINIMALLY INVASIVE ROBOTIC SURGERY FOR SEVERAL GYNECOLOGIC PROCEDURES, INCLUDING HYSTERECTOMIES, FIBROID REMOVAL, VAGINAL PROLAPSE CORRECTION, TO STOP MENORRHAGIA AND TO TREAT CERTAIN FORMS OF CERVICAL AND UTERINE CANCERS, ARE NOW AVAILABLE AT THE HOSPITAL WOMEN'S HEALTH HAD TOTAL INPATIENT DISCHARGES OF 3,465 FOR THE FISCAL YEAR ENDED 9/30/2012

**4b** (Code ) (Expenses \$ 37,759,493 including grants of \$ ) (Revenue \$ 42,034,414 )

GASTROENTEROLOGY & DIGESTIVE SERVICES NORWALK HOSPITAL IS NOTED FOR ITS ADVANCED GASTROENTEROLOGY PROGRAM, WHICH IS CONSIDERED TO BE A LEADING PROGRAM IN CONNECTICUT AS WELL AS IN NEARBY WESTCHESTER COUNTY, NEW YORK, FOR THE DIAGNOSIS AND TREATMENT OF A WIDE RANGE OF DIGESTIVE DISEASES AND CONDITIONS ONE OF THE HOSPITALS PREMIER SIGNATURE CLINICAL SERVICES, THIS PROGRAM FEATURES EXPERIENCED AND HIGHLY RESPECTED GASTROENTEROLOGISTS, ON THE NORWALK HOSPITAL MEDICAL STAFF, WHO SEE PATIENTS IN THEIR OFFICES THROUGHOUT LOWER FAIRFIELD COUNTY AS WELL AS AT THE HOSPITALS CENTER FOR DIGESTIVE DISEASES A KEY COMPONENT OF NORWALK HOSPITALS DIGESTIVE DISEASES SERVICE IS A COLORECTAL CANCER SCREENING PROGRAM COLORECTAL CANCERS ARE HIGHLY PREVENTABLE AND TREATABLE IF CAUGHT EARLY HEALTH EXPERTS RECOMMEND A SCREENING COLONOSCOPY AT AGE 50 FOR ADULTS CONSIDERED AT AVERAGE RISK COLONOSCOPES ARE PERFORMED BY GASTROENTEROLOGISTS IN THE HOSPITALS MODERN AND NATIONALLY ACCREDITED GASTROINTESTINAL (GI) LAB NORWALK HOSPITAL IS THE ONLY HOSPITAL IN CONNECTICUT TO OFFER THIRD EYE RETROSCOPE-ENHANCED COLONOSCOPES THIS NEW TECHNOLOGY HAS BEEN SHOWN IN CLINICAL STUDIES TO IMPROVE THE DETECTION RATE OF POTENTIALLY PRE-CANCEROUS COLON POLYPS BY UP TO 25% ONCE DETECTED, THE COLON POLYPS CAN BE REMOVED DURING THE COLONOSCOPY SEVERAL GASTROENTEROLOGISTS ON THE HOSPITALS MEDICAL STAFF ARE OFFERING THIRD EYE RETROSCOPE-ENHANCED COLONOSCOPES TO PATIENTS THE NORWALK HOSPITAL CENTER FOR DIGESTIVE DISEASES PROVIDES STATE-OF-THE-ART, ACADEMIC MEDICAL CENTER-LEVEL CARE IN A CONVENIENTLY LOCATED, COMMUNITY HOSPITAL SETTING THE CENTERS WIDELY RECOGNIZED, FELLOWSHIP-TRAINED, SPECIALIST PHYSICIANS PROVIDE LEADING-EDGE DIAGNOSTICS AND TREATMENTS FOR DISORDERS OF THE ESOPHAGUS, STOMACH, SMALL INTESTINE, COLON, RECTUM, GALLBLADDER, PANCREAS AND LIVER A LEADER IN ADVANCED ENDOSCOPIC PROCEDURES FOR THE TREATMENTS OF GASTROINTESTINAL DISORDERS, THE CENTER ALSO OFFERS A CHRONIC HEARTBURN PROGRAM, AND, IN PARTNERSHIP WITH YALE SCHOOL OF MEDICINE, A COMPREHENSIVE LIVER CENTER CLINICAL SERVICES PROVIDED BY THE CENTERS SPECIALIST PHYSICIANS INCLUDE, BUT ARE NOT LIMITED TO ABLATION THERAPY FOR BARRETT'S ESOPHAGUS, CHRONIC HEARTBURN (GERD) EVALUATION AND TREATMENT, COLON CANCER SCREENING, COLONOSCOPES, DOUBLE BALLOON-ASSISTED ENTEROSCOPY, ENDOSCOPIC PROCEDURES, INCLUDING ENDOSCOPIC ULTRASOUND, INFLAMMATORY BOWEL DISEASE EVALUATION AND TREATMENTS, LIVER DISEASES, INCLUDING HEPATITIS C, EVALUATIONS AND TREATMENTS THE CENTER SERVES AS A MAJOR TEACHING SITE FOR THE YALE SCHOOL OF MEDICINE WILLIAM HALE, MD, DIRECTOR OF GASTROENTEROLOGY AND HEPATOLOGY, DENNIS MEIGHAN, DO, DIRECTOR OF ENDOSCOPY, AND SETH A. GROSS, MD, DIRECTOR OF ADVANCED ENDOSCOPY, HELP TRAIN RESIDENTS AND FELLOWS, AND ALSO CONDUCT CLINICAL RESEARCH STUDIES DESIGNED TO IMPROVE CARE FOR PATIENTS GASTRO & DIGESTIVE HAD TOTAL INPATIENT DISCHARGES OF 1,908 FOR THE FISCAL YEAR ENDED 9/30/2012

**4c** (Code ) (Expenses \$ 36,284,897 including grants of \$ ) (Revenue \$ 40,936,636 )

ORTHOPEDICS AND NEUROSPINE SERVICES NORWALK HOSPITAL PROVIDES COMPREHENSIVE, HIGH-QUALITY ORTHOPEDIC AND NEUROSPINE CARE TO RESIDENTS OF GREATER FAIRFIELD COUNTY, CONNECTICUT THROUGH AN EXPERT TEAM OF BOARD-CERTIFIED OR ELIGIBLE ORTHOPEDISTS AND NEUROSURGEONS WHO HAVE TRAINED AT SOME OF THE NATIONS MOST PRESTIGIOUS HOSPITALS AND MEDICAL SCHOOLS A SIGNATURE SERVICE, OUR ORTHOPEDIC AND NEUROSPINE PROGRAM FEATURES A COLLABORATIVE, TEAM APPROACH FOR THE EVALUATION, TREATMENT, AND REHABILITATION OF DISEASES AND CONDITIONS AFFECTING THE BONES, JOINTS, CARTILAGE, MUSCLES, TENDONS AND LIGAMENTS CLINICAL SERVICES PROVIDED INCLUDES ARTHRITIS & JOINT PAIN TREATMENT, FOOT AND ANKLE CARE, FRACTURE CARE, HAND AND UPPER EXTREMITY CARE, INCLUDING SHOULDER AND ELBOW REPLACEMENT SURGERY), JOINT REPLACEMENT (HIP & KNEE), SPINE SURGERY, SPORTS MEDICINE, TRAUMA CARE FOR ORTHOPEDIC INJURIES ORTHONEURO HAD TOTAL INPATIENT DISCHARGES OF 1,745 FOR THE FISCAL YEAR ENDED 9/30/2012

**4d Other program services (Describe in Schedule O )**

(Expenses \$ 190,388,549 including grants of \$ 6,428,040 ) (Revenue \$ 237,942,007 )

**4e Total program service expenses \$ 302,909,124**

**Part IV Checklist of Required Schedules**

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.

2 Is the organization required to complete Schedule B, *Schedule of Contributors* (see instructions)?

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.

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.

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.

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.

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.

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.

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.

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.

11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

- a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.
- 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.
- 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.
- 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.
- e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.
- 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 XI.

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.

- 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.

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.

14a Did the organization maintain an office, employees, or agents outside of the United States?

- 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.

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.

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.

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I.

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.

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.

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H.

- 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.

	Yes	No
1	Yes	
2	Yes	
3		No
4	Yes	
5		No
6		No
7		No
8		No
9		No
10		No
11a	Yes	
11b		No
11c	Yes	
11d	Yes	
11e	Yes	
11f		No
12a		No
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20a	Yes	
20b	Yes	

**Part IV Checklist of Required Schedules (continued)**

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	<input type="checkbox"/>	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	<input type="checkbox"/>	22	No	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	<input type="checkbox"/>	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	<input type="checkbox"/>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		24b	No	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		24c	No	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		24d	No	
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	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)		28a	Yes	
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	<input type="checkbox"/>	28b	No	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	<input type="checkbox"/>	28c	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	<input type="checkbox"/>	29	No	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		30	No	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		31	No	
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		32	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		33	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	<input type="checkbox"/>	34	Yes	
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	<input type="checkbox"/>	35a	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?		35b	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	<input type="checkbox"/>	36	No	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	<input type="checkbox"/>	37	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	<input type="checkbox"/>	38	Yes	
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O				

**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
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	362
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	2,165
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	No
<b>b</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		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7a	No
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	No
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	7e	No
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	9b	
<b>a</b>	Did the organization make any taxable distributions under section 4966?	10a	
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	10b	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	11a	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	11b	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter	12a	
<b>a</b>	Gross income from members or shareholders	11a	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12b	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	13a	
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> 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	13b	
<b>b</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	13c	
<b>c</b>	Enter the aggregate amount of reserves on hand		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

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

### Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year . . . . . **1a** 19

b Enter the number of voting members included in line 1a, above, who are independent . . . . . **1b** 13

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . . **2** No

3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . . **3** No

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . . **4** No

5 Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . . **5** No

6 Did the organization have members or stockholders? . . . . . **6** Yes

7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . . **7a** Yes

b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . . **7b** Yes

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body? . . . . . **8a** Yes

b Each committee with authority to act on behalf of the governing body? . . . . . **8b** Yes

9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . . **9** No

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

10a Did the organization have local chapters, branches, or affiliates? . . . . . **10a** No

b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . . **10b**

11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . . **11a** Yes

b Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . . **12a** Yes

12a Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . . **12b** Yes

b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . . **12c** 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 . . . . . **13** Yes

13 Did the organization have a written whistleblower policy? . . . . . **14** No

14 Did the organization have a written document retention and destruction policy? . . . . . **15**

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?

a The organization's CEO, Executive Director, or top management official . . . . . **15a** Yes

b Other officers or key employees of the organization . . . . . **15b** Yes

If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . . **16a** Yes

b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . **16b** No

### Section C. Disclosure

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

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

Own website  Another's website  Upon request

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

TONI HORNE CONTROLLER  
24 STEVENS STREET  
NORWALK, CT 06850  
(203) 852-2071

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

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

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

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, 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
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

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

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ►321

	Yes	No
3 Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	3 Yes	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	4 Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .	5	No

## **Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

(A)	Name and business address	(B)	Description of services	(C)	Compensation
COMFORCE TECHNICAL SERVICES	PO BOX 9695			STAFFING SERVICES	3,724,687
UNIONDALE, NY 11555					
MORRISON MANAGEMENT SPECIALISTS INC	POBOX 102289			FOOD SERVICE	2,904,339
ATLANTA, GA 30368					
CARPEDIA INTERNATIONAL	75 NAVY STREET			CONSULTING	2,022,000
OAKVILLE, ONTARIO L6J2ZCAN	CA				
FREEMAN WHITE INC	8845 RED OAK BOULEVARD			ARCHITECT	1,521,531
CHARLOTTE, NC 282175593					
UNITEX TEXTILE RENTAL	121-123 MEADOW STREET			LAUNDRY SERVICES	1,332,198
HARTFORD, CT 06114					
2	Total number of independent contractors (including but not limited to those listed above) who received more than				
1,000,000	of compensation for the year 2012				

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►60

**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>					
	<b>b</b> Membership dues . . . . .	<b>1b</b>					
	<b>c</b> Fundraising events . . . . .	<b>1c</b>					
	<b>d</b> Related organizations . . . . .	<b>1d</b>	4,520,237				
	<b>e</b> Government grants (contributions)	<b>1e</b>	2,056,959				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>					
	<b>g</b> Noncash contributions included in lines 1a-1f \$						
	<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .		6,577,196				
<b>Program Service Revenue</b>	<b>Business Code</b>						
			<b>2a</b> Net Patient Services Revenue	621400	359,364,569	359,364,569	
			<b>b</b> Other Medical Services	900099	1,757,715	1,757,715	
			<b>c</b> Norwalk Surgery Center Joint Venture	900099	662,518	662,518	
			<b>d</b> Lab Services	621400	3,903,308		3,903,308
			<b>e</b> Meaningful Use	900099	3,440,764	3,440,764	
			<b>f</b> All other program service revenue		2,010,214	2,010,214	
	<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .		371,139,088				
<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .		1,289,938			1,289,938		
<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .		0					
<b>5</b> Royalties . . . . .		0					
<b>6a</b> Gross rents	(i) Real						
	3,904,706						
<b>b</b> Less rental expenses	(ii) Personal						
	3,101,151						
<b>c</b> Rental income or (loss)		803,555					
<b>d</b> Net rental income or (loss) . . . . .			803,555		803,555		
<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities						
	997,000	5,007,480					
<b>b</b> Less cost or other basis and sales expenses	(ii) Other						
	999,502	1,645,356					
<b>c</b> Gain or (loss)		-2,502	3,362,124				
<b>d</b> Net gain or (loss) . . . . .				3,359,622	3,359,622		
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .							
<b>b</b> Less direct expenses . . . . .	<b>b</b>		0				
<b>c</b> Net income or (loss) from fundraising events . . . . .							
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .							
<b>b</b> Less direct expenses . . . . .	<b>b</b>		0				
<b>c</b> Net income or (loss) from gaming activities . . . . .							
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .							
<b>b</b> Less cost of goods sold . . . . .	<b>b</b>	476,420					
<b>c</b> Net income or (loss) from sales of inventory . . . . .		220,201	256,219		256,219		
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11a</b> Cafeteria/Vending		900099	1,531,323		1,531,323		
<b>b</b> Parking		900099	128,559		128,559		
<b>c</b>							
<b>d</b> All other revenue . . . . .							
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .			1,659,882				
<b>12</b> <b>Total revenue.</b> See Instructions . . . . .			385,085,500	367,235,780	3,903,308	7,369,216	

**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 

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
<b>1</b> Grants and other assistance to governments and organizations in the United States See Part IV, line 21	6,428,040	6,428,040		
<b>2</b> Grants and other assistance to individuals in the United States See Part IV, line 22	0			
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
<b>4</b> Benefits paid to or for members	0			
<b>5</b> Compensation of current officers, directors, trustees, and key employees . . . . .	2,716,034		2,716,034	
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
<b>7</b> Other salaries and wages	131,064,312	114,328,913	16,735,399	
<b>8</b> Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	11,100,781	9,840,996	1,259,785	
<b>9</b> Other employee benefits . . . . .	27,319,025	24,107,997	3,211,028	
<b>10</b> Payroll taxes . . . . .	10,565,222	9,296,448	1,268,774	
<b>11</b> Fees for services (non-employees)				
<b>a</b> Management . . . . .	0			
<b>b</b> Legal . . . . .	1,825,297		1,825,297	
<b>c</b> Accounting . . . . .	253,790		253,790	
<b>d</b> Lobbying . . . . .	115,000		115,000	
<b>e</b> Professional fundraising See Part IV, line 17 . . . . .	0			
<b>f</b> Investment management fees . . . . .	0			
<b>g</b> Other . . . . .	47,828,239	36,467,496	11,360,743	
<b>12</b> Advertising and promotion . . . . .	1,741,055	58,029	1,683,026	
<b>13</b> Office expenses . . . . .	3,343,753	2,010,656	1,333,097	
<b>14</b> Information technology . . . . .	6,832,436	4,891,707	1,940,729	
<b>15</b> Royalties . . . . .	0			
<b>16</b> Occupancy . . . . .	16,828,204	13,708,437	3,119,767	
<b>17</b> Travel . . . . .	650,836	523,863	126,973	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
<b>19</b> Conferences, conventions, and meetings . . . . .	30,006	29,707	299	
<b>20</b> Interest . . . . .	2,025,836	2,025,836		
<b>21</b> Payments to affiliates . . . . .	0			
<b>22</b> Depreciation, depletion, and amortization . . . . .	20,380,372	13,701,144	6,679,228	
<b>23</b> Insurance . . . . .	7,881,407	7,767,160	114,247	
<b>24</b> 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 )				
<b>a</b> Bad Debt	23,530,477	23,530,477		
<b>b</b> Pharmacy	7,616,398	7,616,398		
<b>c</b> Radiology & Lab Supplies	2,402,932	2,402,932		
<b>d</b> MEDICAL SUPPLIES	21,205,237	21,205,237		
<b>e</b>				
<b>f</b> All other expenses	4,945,404	2,967,651	1,977,753	
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24f	358,630,093	302,909,124	55,720,969	0
<b>26</b> <b>Joint costs.</b> Check here <input type="checkbox"/> <input checked="" type="checkbox"/> 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				

**Part X Balance Sheet**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing . . . . .	61,458,676	<b>1</b> 79,838,027
	2 Savings and temporary cash investments . . . . .	0	<b>2</b> 0
	3 Pledges and grants receivable, net . . . . .	0	<b>3</b> 0
	4 Accounts receivable, net . . . . .	37,299,759	<b>4</b> 30,103,755
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .	0	<b>5</b> 0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .	0	<b>6</b> 0
	7 Notes and loans receivable, net . . . . .	1,387,672	<b>7</b> 983,779
	8 Inventories for sale or use . . . . .	1,879,253	<b>8</b> 1,860,656
	9 Prepaid expenses and deferred charges . . . . .	2,698,590	<b>9</b> 2,373,762
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	429,133,210 <b>10a</b>	
	b Less accumulated depreciation . . . . .	292,559,901 <b>10b</b>	
		126,908,218 <b>10c</b>	136,573,309
	11 Investments—publicly traded securities . . . . .	30,219,610	<b>11</b> 55,114,847
	12 Investments—other securities See Part IV, line 11 . . . . .	2,729,803	<b>12</b> 2,267,986
	13 Investments—program-related See Part IV, line 11 . . . . .	36,399,874	<b>13</b> 49,220,441
	14 Intangible assets . . . . .	0	<b>14</b> 0
	15 Other assets See Part IV, line 11 . . . . .	46,485,294	<b>15</b> 74,551,908
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	347,466,749	<b>16</b> 432,888,470
Liabilities	17 Accounts payable and accrued expenses . . . . .	105,366,368	<b>17</b> 45,455,394
	18 Grants payable . . . . .	0	<b>18</b> 0
	19 Deferred revenue . . . . .	208,218	<b>19</b> 0
	20 Tax-exempt bond liabilities . . . . .	56,060,000	<b>20</b> 52,395,000
	21 Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	0	<b>21</b> 0
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .	0	<b>22</b> 0
	23 Secured mortgages and notes payable to unrelated third parties . . . . .	6,275,846	<b>23</b> 0
	24 Unsecured notes and loans payable to unrelated third parties . . . . .	0	<b>24</b> 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 D . . . . .	43,859,516	<b>25</b> 168,345,084
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	211,769,948	<b>26</b> 266,195,478
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets . . . . .	104,824,797	<b>27</b> 123,000,420
	28 Temporarily restricted net assets . . . . .	21,432,761	<b>28</b> 34,246,719
	29 Permanently restricted net assets . . . . .	9,439,243	<b>29</b> 9,445,853
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	30 Capital stock or trust principal, or current funds . . . . .	30	
	31 Paid-in or capital surplus, or land, building or equipment fund . . . . .	31	
	32 Retained earnings, endowment, accumulated income, or other funds . . . . .	32	
	33 Total net assets or fund balances . . . . .	135,696,801	<b>33</b> 166,692,992
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	347,466,749	<b>34</b> 432,888,470

**Part XI Reconciliation of Net Assets**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) . . . . .	1	385,085,500
2 Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	358,630,093
3 Revenue less expenses Subtract line 2 from line 1 . . . . .	3	26,455,407
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	135,696,801
5 Other changes in net assets or fund balances (explain in Schedule O) . . . . .	5	4,540,784
6 Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) . . . . .	6	166,692,992

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII 

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

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 06-6068853  
**Name:** The Norwalk Hospital Association

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee			
Ervin Shames Trustee thru (12/31/2011)	20	X							
Diane M Allison Esq Chairman	50	X		X					
George P Bauer Trustee	20	X							
Andrew Whittingham Treasurer	30	X		X					
Joseph Mann Secretary	20	X		X					
Fred Afragola Trustee	20	X							
Charles Augenbraun MD Trustee (Leave of Absence)	00	X							
Barbara Butler Trustee	30	X							
Daniel DeBarba President & CEO	500	X		X			785,240	0	29,083
Victor Liss Trustee	30	X							
David Komansky Trustee	20	X							
David Lehn Trustee	20	X							
Gary Reiner Trustee	30	X							
Roland Stichweh Trustee (Thru 12/31/2011)	20	X							
William J Tammee Vice Chair thru 12/31/11	20	X							
Richard Zelkowitz Trustee	20	X							
Robert Ready Trustee	20	X							
Thomas Ayoub Trustee, Chief of Staff	180	X					85,000		0
Maria Borges-Lopez Trustee	20	X							
Paul Gagne MD Trustee	20	X							
Mark Gudis Trustee	20	X							
Ed Kangas - ttee thru 123111 Vice chair 1/1/12	30	X		X					
Ed Mahony Trustee	30	X							
Patrick Minicus VP and Chief Financial Officer	500			X			395,398	0	26,425
Eric Mazur VP and Chief Medical Officer	500			X			784,370	0	52,937

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Office	Key employee	Highest compensated employee			
Lisa Brady Chief Operating Officer	50 0			X			508,462	0	27,783
Mary Nolan VP Nursing & Patient Care Svcs	50 0			X			363,277	0	59,640
Anthony Aceto VP Human Resources	50 0			X			349,093	0	52,105
Michael Carius Chairman Emergency Department	50 0				X		508,485	0	53,076
Arthur Strichman Physician	50 0				X		466,279	0	49,587
Brian McGovern Physician	50 0				X		608,020	0	51,024
Lewis Berman Chairman, Dept of Medicine	50 0				X		456,325	0	43,007
Yoni Barnhard Chairman OBGYN	50 0				X		589,689	0	32,783
Geoffrey Cole Former President & CEO	0 0					X	630,498	0	0

2011

Open to Public  
Inspection**SCHEDULE A**  
(Form 990 or 990EZ)**Public Charity Status and Public Support**

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

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

Department of the Treasury  
Internal Revenue Service  
  
Name of the organization  
The Norwalk Hospital Association

Employer identification number

06-6068853

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

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

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

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

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

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

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

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

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

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

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

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

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

e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f  If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g  Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii) a family member of a person described in (i) above?

(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h  Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

**Part II Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 <b>Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 <b>First Five Years</b> 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 <b>stop here</b>						►

**Section C. Computation of Public Support Percentage**

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a <b>33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization	►
b <b>33 1/3% support test—2010.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization	►
17a <b>10%-facts-and-circumstances test—2011.</b> If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization	►
b <b>10%-facts-and-circumstances test—2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization	►
18 <b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	►

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

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 <b>Total.</b> Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 <b>Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
13 <b>Total support</b> (Add lines 9, 10c, 11 and 12 )						
14 <b>First Five Years</b> 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 <b>stop here</b>						

**Section C. Computation of Public Support Percentage**

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15
16 Public support percentage from 2010 Schedule A, Part III, line 15	16

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18
19a <b>33 1/3% support tests—2011.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization	
b <b>33 1/3% support tests—2010.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization	
20 <b>Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions	

**Part IV** **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

**Facts And Circumstances Test**

**Explanation**

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**SCHEDULE C**  
(Form 990 or 990-EZ)**Political Campaign and Lobbying Activities****2011****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.

**Open to Public  
Inspection**

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

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

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

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

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

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

Name of the organization The Norwalk Hospital Association	Employer identification number 06-6068853
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV
- 2 Political expenditures ► \$ \_\_\_\_\_
- 3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ► \$ \_\_\_\_\_
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ► \$ \_\_\_\_\_
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No
- 4a Was a correction made?  Yes  No
- 4b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ \_\_\_\_\_
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ► \$ \_\_\_\_\_
- 4 Did the filing organization file **Form 1120-POL** for this year?  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

**A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		<b>(a) Filing Organization's Totals</b>	<b>(b) Affiliated Group Totals</b>
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)			
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)			
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)			
<b>d</b> Other exempt purpose expenditures			
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)			
<b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns			
<b>If the amount on line 1e, column (a) or (b) is:</b>	<b>The lobbying nontaxable amount is:</b>		
Not over \$500,000	20% of the amount on line 1e		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)			
<b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-			
<b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-			
<b>j</b> 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?		<input type="checkbox"/> Yes	<input type="checkbox"/> No

**4-Year Averaging Period Under Section 501(h)**

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
<b>Calendar year (or fiscal year beginning in)</b>	<b>(a) 2008</b>	<b>(b) 2009</b>	<b>(c) 2010</b>	<b>(d) 2011</b>	<b>(e) Total</b>
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	
			Amount
<b>1</b> 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			
<b>a</b> Volunteers?		No	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?		No	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		438,721
<b>j</b> Total lines 1c through 1i			438,721
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

<b>1</b> Dues, assessments and similar amounts from members	1	
<b>2</b> 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).		
<b>a</b> Current year	2a	
<b>b</b> Carryover from last year	2b	
<b>c</b> Total	2c	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
<b>4</b> 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?		
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	4	
	5	

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 11. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
OTHER ACTIVITIES	SCHEDULE C PART II-B LINE 1	NORWALK HOSPITAL ASSOCIATION PAYS MEMBERSHIP DUES TO MEMBER ORGANIZATIONS WHICH MAY ENGAGE IN LOBBYING ACTIVITIES, THEREFORE, A PORTION OF THE DUES MAY BE ATTRIBUTABLE TO LOBBYING ACTIVITIES. NORWALK HOSPITAL ENGAGED THE FIRM BROWN RUDNICK LLP FOR GOVERNMENT RELATIONS IN CONNECTICUT AND ON THE FEDERAL LEVEL. BROWN RUDNICK KEEPS NORWALK HOSPITAL ASSOCIATION APPRAISED OF FEDERAL HEALTHCARE POLICY, GRANT OPPORTUNITIES AND RELATED BILLS & PENDING LEGISLATION THAT MAY BE OF INTEREST TO THE WELL BEING OF THE HOSPITAL. Lobbying expenditures are incurred to ensure the Hospital is made aware of issues that impact funding to Hospitals on both a Federal and State level.

2011

Open to Public  
Inspection**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.

**Name of the organization**  
The Norwalk Hospital Association**Employer identification number**

06-6068853

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically importantly land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

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

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

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

► \$ \_\_\_\_\_

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

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

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

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

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

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

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

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

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

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

	Amount
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

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

**b** If "Yes," explain the arrangement in Part XIV

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

	<b>(a) Current Year</b>	<b>(b) Prior Year</b>	<b>(c) Two Years Back</b>	<b>(d) Three Years Back</b>	<b>(e) Four Years Back</b>
<b>1a</b> Beginning of year balance . . . . .					
<b>b</b> Contributions . . . . .					
<b>c</b> Investment earnings or losses . . . . .					
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .					

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

**a** Board designated or quasi-endowment ►  
**b** Permanent endowment ►  
**c** Term endowment ►

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

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

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

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

	<b>(a) Cost or other basis (investment)</b>	<b>(b) Cost or other basis (other)</b>	<b>(c) Accumulated depreciation</b>	<b>(d) Book value</b>
<b>1a</b> Land . . . . .		951,359		951,359
<b>b</b> Buildings . . . . .		165,546,575	87,250,813	78,295,762
<b>c</b> Leasehold improvements . . . . .		9,232,064	2,209,983	7,022,081
<b>d</b> Equipment . . . . .		242,977,945	201,876,899	41,101,046
<b>e</b> Other . . . . .		10,425,267	1,222,206	9,203,061
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				136,573,309

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		

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

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1
2 Total expenses (Form 990, Part IX, column (A), line 25)	2
3 Excess or (deficit) for the year Subtract line 2 from line 1	3
4 Net unrealized gains (losses) on investments	4
5 Donated services and use of facilities	5
6 Investment expenses	6
7 Prior period adjustments	7
8 Other (Describe in Part XIV)	8
9 Total adjustments (net) Add lines 4 - 8	9
10 Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

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

1 Total revenue, gains, and other support per audited financial statements . . . . .	1
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a Net unrealized gains on investments . . . . .	2a
b Donated services and use of facilities . . . . .	2b
c Recoveries of prior year grants . . . . .	2c
d Other (Describe in Part XIV) . . . . .	2d
e Add lines 2a through 2d . . . . .	2e
3 Subtract line 2e from line 1 . . . . .	3
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a
b Other (Describe in Part XIV) . . . . .	4b
c Add lines 4a and 4b . . . . .	4c
5 Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5

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

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

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
FIN 48 FOOTNOTE	SCHEDULE D, PART X, LINE 2	THERE WAS NO FIN 48/ASC 740 FOOTNOTE IN THE AUDITED FINANCIAL STATEMENTS

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 06-6068853  
**Name:** The Norwalk Hospital Association

### Form 990, Schedule D, Part IX, - Other Assets

	(a) Description	(b) Book value
Other Receivables		389,206
Debt Service Fund		278,083
Due from Affiliates		4,330,064
DEBT SERVICE RESERVE FUND		2,366,125
MALPRACTICE TRUST FUND		2,450,281
Goodwill - NRMC Purchase		13,843,749
Non-Compete - NRMC Purchase		6,753,304
CHEFA Bond Issue Expense		932,040
CHEFA Bond Discount		92,211
Malpractice Receivable		43,116,845

### Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Amount
	Due to third party payors	27,778,256
	Malpractice Reserve	50,184,679
	Asset Retirement Obligation	10,866,380
	CHA Trust loan	671,926
	Workers' Comp Reserve	2,328,377
	Long Term Disability Reserve	2,501,086
	Lease - Current and long term	4,711,073
	Accrued Pension Liability	64,741,651
	Due to Affiliates	4,561,656

2011

Open to Public  
InspectionSCHEDULE H  
(Form 990)Department of the Treasury  
Internal Revenue Service

## Hospitals

► Complete if the organization answered "Yes" to Form 990, Part IV, question 20.  
► Attach to Form 990. ► See separate instructions.Name of the organization  
The Norwalk Hospital Association

Employer identification number

06-6068853

## Part I Charity Care and Certain Other Community Benefits at Cost

**1a** Did the organization have a charity care policy? If "No," skip to question 6a . . . . .

**b** If "Yes," is it a written policy? . . . . .

**2** If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals

Applied uniformly to all hospitals  Applied uniformly to most hospitals  
 Generally tailored to individual hospitals

**3** Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year

**a** Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care

100%  150%  200%  Other \_\_\_\_\_%

**b** Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care

200%  250%  300%  350%  400%  Other \_\_\_\_\_%

**c** If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

**4** Did the organization's policy provide free or discounted care to the "medically indigent"? . . . . .

**5a** Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .

**b** If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .

**c** If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .

**6a** Did the organization prepare a community benefit report during the tax year? . . . . .

**6b** If "Yes," did the organization make it available to the public? . . . . .

	Yes	No
<b>1a</b>	Yes	
<b>1b</b>	Yes	
<b>3a</b>	Yes	
<b>3b</b>	Yes	
<b>4</b>	Yes	
<b>5a</b>	Yes	
<b>5b</b>	Yes	
<b>5c</b>		No
<b>6a</b>	Yes	
<b>6b</b>		No

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

## 7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>a</b> Charity care at cost (from Worksheet 1) . . . . .		17,316	6,275,150	4,206,333	2,068,817	0 620 %
<b>b</b> Medicaid (from Worksheet 3, column a) . . . . .		43,813	46,664,552	35,303,508	11,361,044	3 390 %
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
<b>d</b> <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .		61,129	52,939,702	39,509,841	13,429,861	4 010 %
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . .	115	1,347,084	1,769,799	31,811	1,737,988	0 520 %
<b>f</b> Health professions education (from Worksheet 5) . . . . .	5	305	12,277,378	3,723,467	8,553,911	2 550 %
<b>g</b> Subsidized health services (from Worksheet 6) . . . . .	1	0	3,143,006	1,883,420	1,259,586	0 380 %
<b>h</b> Research (from Worksheet 7) . . . . .						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .						
<b>j</b> <b>Total</b> Other Benefits . . . . .	121	1,347,389	17,190,183	5,638,698	11,551,485	3 450 %
<b>k</b> <b>Total.</b> Add lines 7d and 7j . . . . .	121	1,408,518	70,129,885	45,148,539	24,981,346	7 460 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building	2	220	45,937	0	45,937	
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
<b>10 Total</b>	<b>2</b>	<b>220</b>	<b>45,937</b>	<b>0</b>	<b>45,937</b>	

**Part III Bad Debt, Medicare, & Collection Practices**
**Section A. Bad Debt Expense**

1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15? . . . . .

2 Enter the amount of the organization's bad debt expense . . . . .

3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy . . . . .

4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit

	Yes	No
1	Yes	
2	23,530,477	
3	10,510,336	
5	90,919,244	
6	96,448,148	
7	-5,528,904	
9a	Yes	
9b	Yes	

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) . . . . .

6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .

7 Subtract line 6 from line 5 This is the surplus or (shortfall) . . . . .

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used

Cost accounting system  Cost to charge ratio  Other

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year? . . . . .

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

9a	Yes
9b	Yes

**Part IV Management Companies and Joint Ventures** (see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1	Norwalk Surgery Ctr	Ambulatory Surgery Center	70 000 %	0 %	25 000 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

## Part V Facility Information

## **Section A. Hospital Facilities**

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address

**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)

Norwalk Hospital Association

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

	<b>Yes</b>	<b>No</b>
<b>Community Health Needs Assessment</b> (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 <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 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 account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the 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 <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility		
d <input type="checkbox"/> Participation in community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
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	
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 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 <u>200</u> %		
If "No," explain in Part VI the criteria the hospital facility used		

**Part V Facility Information (continued)**

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

**Part V Facility Information (continued)****Policy Relating to Emergency Medical Care**

**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? . . . . .

If "No," indicate why

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility's policy was not in writing
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>18</b>	Yes	

**Individuals 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

- a**  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b**  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c**  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d**  Other (describe in Part VI)

<b>20</b>		No
<b>21</b>		No

**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? . . . . .

If "Yes," explain in Part VI

**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? . . . . .

If "Yes," explain in Part VI

**Part V Facility Information (continued)****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? 3

Name and address		Type of Facility (Describe)
1	Norwalk Hospital Outpatient Rehab 520 West Ave Norwalk, CT 06850	Outpatient Rehabilitation Facility
2	Norwalk Radiology & Mammography ctr 148 East Ave Norwalk, CT 06851	Radiology & Mammography Center
3	Norwalk Hospital Ambulatory Surgery Ctr 40 cross st norwalk, CT 06851	Ambulatory Surgery Center
4		
5		
6		
7		
8		
9		
10		

**Part VI Supplemental Information**

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Complete this part to provide the following information

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 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
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
Part I, Line 7, column f		<p>Bad Debt Expense of \$23,530,477 has been excluded from the denominator in the calculations for Part I, Column F Part II Greater Norwalk Opening Doors - Project to end homelessness Norwalk Hospital has been a leader in this coalition through a series of strategic goals and action steps Working collaboratively with more than 100 committed representatives of approximately 50 agencies, a collaborative model has been developed including the development of a Philosophy of Care and a Coordinated Care Team This broad collaboration includes multiple City Departments with the Mayor serving as the co-chair of the Leadership Council Norwalk Hospital representatives are on the Leadership Committee which directs and oversees the entire project and also serves as co-chair of the services committee Modeling a current program developed by the Corporation for Supportive Housing which is supported by Federal Social Innovation Funding, Greater Norwalk Opening Doors has launched an initiative that strives to house and provide services to 100 homeless in an effort to integrate housing, case management and health care The Housing Authority, a quasi-municipal and federal agency, is providing five housing units for this vulnerable population The Norwalk Coordinated Care Team Model seeks to improve the health, housing stability and overall well-being of the City's most vulnerable population while lowering public costs The project identified high utilizers of health services who are homeless or at risk of homelessness and who may have chronic physical and/or mental illnesses, including substance abuse disorders Client goals and objectives will include reducing homelessness and increasing housing stability, reducing emergency room utilization, and improving physical and mental health System level goals and objectives include breaking down barriers to coordinated services thereby enhancing the quality of care delivered and integrating affordable housing resources with the health care system Project LEAN Project LEAN (Learning with Energy from Activity and Nutrition) is an innovative, community-wide collaborative program designed to actively engage elementary school children with a hands-on interactive curriculum to combat childhood obesity Project LEAN's goal is to improve attitudes, increase knowledge, and keep Body Mass Index at or below the Center for Disease Control and Prevention average gains through nutrition education and increased activity The aim is to improve the overall health of the students through healthy nutrition and exercise with the goal to make a sustainable difference in their lives The program has three components The before school "Breakfast Club Boot Camp" begins at 7:30am and includes a free healthy breakfast served after 40 minutes of fun but structured, vigorous exercises The in-school component provides the children with a weekly 40 minute fun-filled nutrition and activity education program directed by a Registered Dietitian from Norwalk Hospital The dietitian brings nutrition education to life in the classroom with weekly interactive, hands-on activities The after-school activities include a monthly "Family Night" aimed at engaging the entire family and providing educational sessions on physical activities, healthy eating, and leading a healthy lifestyle Activities include family Zumba, cooking classes, shopping activities, etc Since weight problems in childhood often continue into adulthood, targeting this age group allows us to make a lasting effect on healthy living minimizing future potential medical risks and significantly impacting the battle against obesity Additionally, implementing this program at this point in children's lives greatly increases the chances the children will retain the information as they age We stress the benefit of the entire family working together to lead a healthy, active lifestyle and give them the skills to do so Part III, Line 4 Line 2 - Bad debt expense is a function of actual bad debt write-offs and estimated bad debts for balances still in accounts receivable (AR) as of the measurement date The hospital calculates the estimated bad debts in AR by computing historical payment % by payor, service type, and by account age and applies those percentages adjusted for price increases to current AR Line 3 - The percent of charity care applications under Norwalk Hospital's Financial Assistance Policy that resulted in a discount was 44.67% We applied this % to our bad debt expense of \$23,530,477 to arrive at our estimate of bad debt expense attributable to patients eligible under Norwalk Hospital's Financial Assistance Policy of \$10,510,336 We have no footnote in our Audited Financial Statements that describes bad debt expense Part III, Line 8 All hospitals must record profits in order to generate the capital needed to invest in facilities and services Services that respond to public health needs provided to Medicare patients at Norwalk Hospital generate</p>

Identifier	ReturnReference	Explanation
Part I, Line 7, column f		<p>ate negative margins averaging around 25% of cost. It is possible that some of these services would be discontinued if the decision was made on a purely financial basis. For this reason, it would be appropriate to consider the Medicare payment shortfall a community benefit. The Medicare allowable costs of care on Part III, Line 6 were computed using the cost to charge ratio from the Medicare cost report multiplied against Medicare charges. Part I II, Line 9b Norwalk Hospital collection practices consist primarily of billing notices and follow up courtesy calls. The patient is notified of the Financial Assistance Program (FAP) with each written notification and at each point of service. Notification is shared by postings and verbal notification at the time the procedure is scheduled. If at anytime during the collection process a patient would like to participate in the FAP program collection activity ceases. The patient is then sent an application and works with the Financial Counseling team for approval of full or partial discounts. Needs Assessment Part VI, Question 1 In FY 2010, as part of Norwalk Hospital's community outreach strategic initiative, Norwalk Hospital and the Norwalk Hospital Foundation developed community advisory boards representing each of the communities we serve. Comprised of neighbors, health directors, public officials, clergy, business leaders, civic group representatives, etc., these groups assist the hospital in assessing the health care needs and outreach opportunities in specific towns. The advisory boards provide invaluable feedback so that we can continually enhance our outreach efforts and meet changing health care needs. The planning department of the hospital has access to hospital, statewide and national databases that track trends and service usage on an ongoing basis in order to evaluate how the hospital is meeting the health care needs of the community we serve. In 2012, Norwalk Hospital and the Norwalk Health Department engaged in a collaborative community planning process to improve the health of Greater Norwalk Area residents. This effort was supported by the health departments of New Canaan, Westport, Weston, Wilton, Darien, and Fairfield. The initiative included a community health needs assessment to identify the health-related strengths and needs of the region and a community health improvement plan to identify priorities, goals, and strategies. The assessment and improvement plan impacts zip codes 06820, 06824, 06825, 06840, 06850, 06851, 06853, 06854, 06855, 06880, 06883, 06890, and 06897. The community health needs assessment was guided by a participatory approach that integrated existing social, economic, and health indicator data with qualitative information from 15 focus groups and 17 key informant interviews with 225 community leaders, service providers, and residents across the Greater Norwalk Area. The primary health needs identified include Mental Health, Substance Abuse, Obesity, Chronic Disease (cardiovascular disease, cancer, diabetes, asthma, HIV/AIDS), Health Literacy, Long Term Care, and Access to Care. Patient Education of Eligibility for Assistance Part VI, Question 3 The patient is notified of the Financial Assistance Program (FAP) with each written notification and at each point of service. Notification is shared by postings and verbal notification at the time the procedure is scheduled. The facility also employs financial counselors to facilitate patient education regarding all programs available to include state, local and internal. If at anytime during the collection process a patient would like to participate in the FAP program collection activity ceases. The patient is then sent an application and works with the Financial Counseling team for approval of full or partial discounts. Community Information Part VI, Question 4 Norwalk Hospital services an area population of about 270,000 in lower Fairfield County. The primary service area includes Norwalk, New Canaan,</p>

**Schedule I  
(Form 990)**

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

**Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.**

► Attach to Form 990

2011

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
The Norwalk Hospital Association

**Employer identification number**

## **Part I General Information on Grants and Assistance**

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

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

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed .

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
(1) Norwalk Hospital Foundation 24 Stevens Street Norwalk, CT 06850	22-2577708	501(c)(3)	1,182,308				FUND OPERATIONS
(2) Norwalk Hospital Physicians & Surgeons Inc 24 Stevens Street Norwalk, CT 06850	06-1522078	501(C)(3)	5,245,732				FUND OPERATIONS

**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) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

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

Identifier	Return Reference	Explanation
Form 990, Schedule I	Description of Organization's Procedures for Monitoring the Use of Grants	FUNDS ARE PROVIDED TO NORWALK HOSPITAL FOUNDATION AND NORWALK HOSPITAL PHYSICIANS AND SURGEONS, INC , RELATED 501(C)(3) ORGANIZATIONS, WHICH ARE SUBJECT TO THE SAME POLICIES AND PROCEDURES AS NORWALK HOSPITAL ASSOCIATION

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

**2011****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service

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.**

**Name of the organization**

The Norwalk Hospital Association

**Employer identification number**

06-6068853

**Part I Questions Regarding Compensation**

Yes

No

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

**b** If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

**a** Receive a severance payment or change-of-control payment?  
**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?  
**c** Participate in, or receive payment from, an equity-based compensation arrangement?  
 If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**1b****2****4a** Yes**4b** Yes**4c** No**5a**

No

**5b**

No

**6a**

No

**6b**

No

**7** Yes**8** No**9****Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

**a** The organization?

**b** Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

**a** The organization?

**b** Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

**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.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Daniel DeBarba	(i) 476,134 (ii) 0	250,000 0	59,106 0	11,025 0	18,058 0	814,323 0	0 0
(2) Patrick Minicus	(i) 268,757 (ii) 0	109,650 0	16,991 0	7,667 0	18,758 0	421,823 0	0 0
(3) Eric Mazur	(i) 602,717 (ii) 0	155,428 0	26,225 0	36,179 0	16,758 0	837,307 0	0 0
(4) Lisa Brady	(i) 352,731 (ii) 0	120,672 0	35,059 0	11,025 0	16,758 0	536,245 0	0 0
(5) Mary Nolan	(i) 280,422 (ii) 0	68,576 0	14,279 0	41,482 0	18,158 0	422,917 0	0 0
(6) Anthony Aceto	(i) 258,686 (ii) 0	71,160 0	19,247 0	35,347 0	16,758 0	401,198 0	0 0
(7) Michael Carius	(i) 384,129 (ii) 0	94,555 0	29,801 0	35,538 0	17,538 0	561,561 0	0 0
(8) Arthur Strichman	(i) 224,767 (ii) 0	219,840 0	21,672 0	31,329 0	18,258 0	515,866 0	0 0
(9) Brian McGovern	(i) 252,571 (ii) 0	338,949 0	16,500 0	24,266 0	26,758 0	659,044 0	0 0
(10) Lewis Berman	(i) 358,377 (ii) 0	72,778 0	25,170 0	23,999 0	19,008 0	499,332 0	0 0
(11) Yoni Barnhard	(i) 462,486 (ii) 0	124,528 0	2,675 0	11,025 0	21,758 0	622,472 0	0 0
(12) Geoffrey Cole	(i) 0 (ii) 0	0 0	630,498 0	0 0	0 0	630,498 0	0 0

### Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Supplemental Compensation Information		SCHEDULE J, PART I, LINE 4A Geoffrey Cole received part of a two year severance arrangement based upon his compensation at the time of termination. The amount paid during the year, \$630,498, has been included in Schedule J, Part II, Column b(III)
Supplemental Compensation Information	Schedule J, Part I, Line 4b	Norwalk Hospital Association has established the Norwalk Hospital Senior Deferred Compensation Plan, primarily for the purpose of providing a program of deferred compensation for Daniel DeBarba, President and CEO. Amounts promised under the plan are based on targeted retirement benefits. The payment of benefits under the plan is subject to vesting, no amounts were vested or reported as taxable income on Mr. DeBarba's 2011 W2
Supplemental Compensation Information	Schedule J, Part I, Line 7	Bonuses are provided based on achievement of quantifiable and measureable goals. Goals are established for eligible executives at the beginning of each fiscal year. Bonuses are paid in accordance with the overall financial performance of the hospital as well as the executive's success in meeting or exceeding those goals. Target incentive award opportunities range from 15% to 25% for senior leaders, and 40% for the President and CEO. Maximum award opportunities are 150% of the target, awarded for exceptional and superior performance evidenced by actual, measurable results. Actual incentive awards were approved by the President and CEO and Compensation Committee based on each Senior Leader's FY2012 performance rating, using a 5 point scale - A performance rating of 3 generally equates to 100% of target opportunity - A performance rating of 4 generally equates to 125% of target opportunity - A performance rating of 5 generally equates to 150% of target opportunity. Actual Awards are interpolated for performance ratings that fall between levels, e.g., a rating of 3.60. The President and CEO and Committee also exercise and apply discretion to reflect special accomplishments and individual results, and can recommend slightly higher final awards.

**Schedule K  
(Form 990)****2011****Open to Public  
Inspection****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.

Department of the Treasury  
Internal Revenue ServiceName of the organization  
The Norwalk Hospital AssociationEmployer identification number  
06-6068853**Part I Bond Issues**

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A state of ct health & edu facilities authority	06-0806186		12-09-2010	46,840,000	See part V		X		X		X

**Part II Proceeds**

1	Amount of bonds retired	A		B		C		D	
		3,005,000	0	46,844,786	0	1,010,854	0	829,268	0
2	Amount of bonds defeased		0						
3	Total proceeds of issue			46,844,786					
4	Gross proceeds in reserve funds		0						
5	Capitalized interest from proceeds			1,010,854					
6	Proceeds in refunding escrow		0						
7	Issuance costs from proceeds			829,268					
8	Credit enhancement from proceeds		0						
9	Working capital expenditures from proceeds			463,600					
10	Capital expenditures from proceeds			43,328,901					
11	Other spent proceeds		0						
12	Other unspent proceeds			1,252,451					
13	Year of substantial completion		2012						

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

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use?		X						
<b>b</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?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?		X						
<b>d</b> 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?								
<b>4</b> 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			2 060 %					
<b>5</b> 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			0 510 %					
<b>6</b> Total of lines 4 and 5			2 570 %					
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X						

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
<b>2</b> Is the bond issue a variable rate issue?		X						
<b>3a</b> Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
<b>b</b> Name of provider	0							
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintegrated?								
<b>e</b> Was a hedge terminated?								
<b>4a</b> Were gross proceeds invested in a GIC?		X						
<b>b</b> Name of provider	0							
<b>c</b> Term of GIC								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X						
<b>6</b> Did the bond issue qualify for an exception to rebate?		X						

**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  Yes  No

**Part VI Supplemental Information**

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

Identifier	Return Reference	Explanation
Schedule K, part I	0	use of bond proceeds The Proceeds of the bond are being used for construction of a parking garage and for the purchase of other capital equipment Schedule K, part III, line 7 While a formal written policy has not been adopted by the Board of

## Schedule L

## Transactions with Interested Persons

OMB No 1545-0047

2011

Department of the Treasury  
Internal Revenue Service

► 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.

**Open to Public  
Inspection**

**Name of the organization**

## The Norwalk Hospital Association

**Employer identification number**

06-606885

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

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

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 \$ \_\_\_\_\_

## **Part II      Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

### **Part III Grants or Assistance Benefitting Interested Persons.**

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

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SCUL Practice group	See Part V	103,385	See part v		No
(2) bank of new canaan	see part v	13,220	see part v		No
(3) first county bank	see part v	11,817	see part v		No
(4) norwalk medical group	see part v	282,617	see part v		No

**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 transactions involving interested persons	schedule l, part iv, line 1	Paul Gagne, M D is a member of the board of Norwalk Hospital Association (NHA) and the medical director of SCUL Practice Group NHA paid SCUL Practice Group \$103,385 for cardiac and vascular services schedule l, part iv, line 2 Thomas Ayoub, Fred Afragola, and George Bauer are members of the board of NHA and directors of the Bank of New Canaan NHA received interest income from the Bank of New Canaan in the amount of \$13,220 schedule l, part iv, line 3 Mary Franco is an employee of NHA and a director of first county bank NHA received interest income from First County Bank in the amount of \$11,817 schedule l, part iv, line 4 Richard Zelkowitz, M D is a member of the board of NHA and the medical director of Norwalk Medical Group NHA paid Norwalk Medical Group \$282,617 for cancer services

**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.

**2011****Open to Public  
Inspection**Name of the organization  
The Norwalk Hospital Association**Employer identification number**

06-6068853

Identifier	Return Reference	Explanation
ORGANIZATIONS MISSION	FORM 990, PART I, LINE 1 AND PART III, LINE 1	THE MISSION OF NORWALK HOSPITAL IS TO PROVIDE UNIQUELY EXCELLENT, INNOVATIVE AND COMPASSIONATE HEALTH CARE WITH EXCEPTIONAL OUTCOMES VISION NORWALK HOSPITAL WILL BE THE HOSPITAL OF CHOICE FOR PATIENTS, PHYSICIANS, AND HEALTH CARE PROFESSIONALS, RECOGNIZED FOR DELIVERING INNOVATIVE CLINICAL SERVICES WITH COMPASSION WE ARE GUIDED BY THESE VALUES PATIENT-CENTERED HONORING EACH INDIVIDUALS DIGNITY, PRIVACY, AND CONFIDENTIALITY, EMPOWERING PATIENTS AND THEIR FAMILIES AS PARTNERS IN THEIR CARE, FACILITATING SIMPLE, CONVENIENT WAYS FOR PATIENTS AND THEIR FAMILIES TO USE OUR PROGRAMS AND SERVICES EXCELLENCE SETTING THE HIGHEST STANDARDS FOR SAFETY, CLINICAL OUTCOMES AND PERSONAL SERVICE, AND CONTINUOUSLY MEASURING, MONITORING AND RAISING THOSE STANDARDS INNOVATION CONTINUOUSLY PIONEERING NEW AND BETTER WAYS TO DELIVER CARE, INCLUDING BRINGING STATE-OF-THE-ART TECHNOLOGY TO REAL-WORLD CARE DELIVERY, RESEARCH AND PREVENTION OF ILLNESS LEADERSHIP ATTRACTING AND DEVELOPING THROUGHOUT THE ORGANIZATION PEOPLE WHO ARE RECOGNIZED AS EXCEPTIONAL LEADERS AND WHO SUBSCRIBE TO THESE VALUES TEAMWORK WORKING TOGETHER TO ACHIEVE OUR MISSION AND GOALS IN A COOPERATIVE, RESPECTFUL, OPEN ENVIRONMENT TRUST AND FAIRNESS WE FOSTER A CLIMATE OF OPENNESS IN WHICH ALL WHO WORK HERE TREAT ONE ANOTHER WITH TRUST AND FAIRNESS, WE SUPPORT OPEN COMMUNICATION TO ENHANCE THIS CLIMATE EDUCATION PROVIDING NATIONALLY RECOGNIZED MEDICAL EDUCATION PROGRAMS FOR FUTURE PROVIDERS, PARTICIPATING IN CLINICAL RESEARCH AND OFFERING A RANGE OF EDUCATIONAL PROGRAMS TO OUR PATIENTS AND THE COMMUNITY TO ENHANCE THEIR HEALTH AND WELL-BEING FINANCIAL RESPONSIBILITY BEING ACCOUNTABLE AS FINANCIAL STEWARDS FOR CONSTANT IMPROVEMENT IN THE EFFICIENCY AND EFFECTIVENESS OF SERVICE DELIVERY, COORDINATING THE SERVICES OF NORWALK HOSPITAL WITH THOSE OF OTHER HEALTH, EDUCATION, AND SOCIAL SERVICES IN THE COMMUNITY (E.G. LONG-TERM CARE FACILITIES, COMMUNITY OUTREACH, HEALTH PROMOTION/ILLNESS PREVENTION ORGANIZATIONS, ETC.) IN ORDER TO OPTIMIZE THE AVAILABILITY OF A FULL SCOPE OF SERVICES IN A COST-EFFECTIVE MANNER CHARITY AS A NOT-FOR-PROFIT ORGANIZATION, PROVIDING NEEDED MEDICAL CARE TO ALL, INCLUDING THOSE WHO CANNOT PAY FOR IT

Identifier	Return Reference	Explanation
OTHER PROGRAM SERVICE DESCRIPTIONS	FORM 990, PART III, LINE 4D	OTHER PROGRAM SERVICES INCLUDE ED TREATED AND RELEASED, CARDIOVASCULAR SERVICES, CANCER SERVICES, PULMONARY & RESPIRATORY SERVICES, REHAB SERVICES, ALL OTHER SURGICAL SERVICES, PEDIATRIC SERVICES, PSYCHIATRY SERVICES, ALL OTHER MEDICAL SERVICES, AND ALL OTHER LAB SERVICES

Identifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, LINES 6 AND 7a	<p>NORWALK HEALTH SERVICES CORPORATION, INC IS THE SOLE MEMBER OF NORWALK HOSPITAL ASSOCIATION (NHA) AND APPOINTS NHA'S BOARD OF DIRECTORS. Governance decisions reserved to member Form 990, part vi, line 7b All powers of Norwalk Hospital Association (NHA) shall be exercised by and under the authority of the Board of Trustees, and the property, business and affairs of NHA shall be managed under the direction of the Board. Provided, however, that the Board shall obtain the approval of a two-thirds (2/3) vote of the Board of the Member of NHA before action on any of the following matters becomes final and effective (1) amendment of the Articles of incorporation of NHA or of the bylaws of NHA, (2) the sale, lease or exchange of all or substantially all the property or assets of NHA, (3) merger or consolidation with any other corporation, (4) dissolution of NHA, (5) approval of the annual budget and long range plan for NHA, (6) any transfer of funds by grant, gift or loan from NHA, (7) any other matter that by law requires the approval of the Member of NHA. The Board or the appropriate committee of the Member of NHA shall also institute procedures to provide for (1) orientation of newly elected Board members to board functions and procedures (2) periodic re-examination of the relationship of the Hospital to the total Hospital community, (3) a program of continuing education to be made available to all members of the Board, (4) the establishment and monitoring of an effective medical and hospital care quality assurance program, (5) developing with management necessary policies and procedures and, as a Board, monitoring policies and procedures, (6) review of the Board's performance, (7) adoption and enforcement of a conflict of interest policy, and (8) implementation, dissemination and enforcement of a patient's bill of rights in accordance with applicable laws and regulations pertaining to the same</p>

Identifier	Return Reference	Explanation
DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990	FORM 990, PART VI, LINE 11	NORWALK HOSPITAL ASSOCIATION'S (NHA) FORM 990 IS PREPARED WITH THE ASSISTANCE OF ERNST & YOUNG LLP AND REVIEWED BY NHA'S INTERNAL MANAGEMENT FOLLOWING THAT REVIEW, NHA'S INTERNAL MANAGEMENT PRESENTS THE FORM 990 TO THE AUDIT COMMITTEE FOR REVIEW AND COMMENT. THE COMPLETED FORM 990 IS PROVIDED, VIA EMAIL, TO ALL MEMBERS OF THE BOARD OF TRUSTEES PRIOR TO THE FORM BEING FILED WITH THE IRS

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	FORM 990, PART VI, LINE 12C	<p>MONITORING THE ORGANIZATION'S CONFLICT OF INTEREST POLICY PROVIDES THAT ANNUALLY, EACH person covered by the Policy, including Board Members, and Key Management Personnel, including the CEO, Vice Presidents, Chairmen, Executive Directors, Norwalk Hospital Physicians &amp; Surgeons and any other Hospital employed physicians, Directors, and any other personnel with financial decision making authority as designated by the CEO, Senior Vice President, Vice Presidents or Department Chairmen SHALL SIGN A STATEMENT AFFIRMING THAT SUCH PERSON RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, READ AND UNDERSTANDS THE POLICY AND AGREES TO COMPLY WITH THE POLICY ADDITIONALLY, THE SIGNED STATEMENT AFFIRMS THAT THE PERSON UNDERSTANDS THE Hospital IS A CHARITABLE ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS TAX-EXEMPT STATUS, THE Hospital MUST ENGAGE IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES ENFORCEMENT FAILURE TO COMPLY WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY SHALL CONSTITUTE GROUNDS FOR REMOVAL OF A PERSON COVERED BY THE POLICY AS A BOARD MEMBER OR BOARD COMMITTEE MEMBER, AND, IN THE CASE OF KEY MANAGEMENT PERSONNEL, TERMINATION OF EMPLOYMENT WHO IS COVERED? THE ORGANIZATION'S CONFLICT OF INTEREST POLICY COVERS EACH person covered by the Policy, including Board Members, and Key Management Personnel, including the CEO, Vice Presidents, Chairmen, Executive Directors, NHP&amp;S and any other Hospital employed physicians, Directors, and any other personnel with financial decision making authority as designated by the CEO, Senior Vice President, Vice Presidents or Department LEVEL OF DETERMINATION AND REVIEW OF CONFLICTS IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT AFTER PRESENTATION OF A POTENTIAL TRANSACTION OR ARRANGEMENT IS MADE BY AN INTERESTED PERSON, THE REMAINING DISINTERESTED BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS THE CHAIRPERSON OF THE GOVERNING BOARD OR COMMITTEE SHALL, IF APPROPRIATE, APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT AFTER EXERCISING DUE DILIGENCE, THE GOVERNING BOARD OR COMMITTEE SHALL DETERMINE IF THE Hospital CAN OBTAIN, WITH REASONABLE EFFORTS, A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY POSSIBLE UNDER CIRCUMSTANCES NOT PRODUCING A CONFLICT OF INTEREST, THE GOVERNING BOARD OR COMMITTEE SHALL DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS WHETHER THE TRANSACTION OR ARRANGEMENT IS IN THE ORGANIZATION'S BEST INTEREST, FOR ITS OWN BENEFIT AND WHETHER IT IS FAIR AND REASONABLE IN CONFORMITY WITH THE ABOVE DETERMINATION, THE GOVERNING BOARD OR COMMITTEE SHALL MAKE ITS DECISION AS TO WHETHER TO ENTER INTO THE TRANSACTION OR ARRANGEMENT RESTRICTIONS PLACED ON CONFLICTED PERSONS IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE/SHE SHALL LEAVE THE GOVERNING BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS</p>

Identifier	Return Reference	Explanation
WRITTEN DOCUMENT RETENTION AND DESTRUCTION POLICY	FORM 990, PART VI, LINE 14	NORWALK HOSPITAL ASSOCIATION IS IN THE PROCESS OF DRAFTING A FORMAL WRITTEN DOCUMENT RETENTION AND DESTRUCTION POLICY

Identifier	Return Reference	Explanation
OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN	FORM 990, PART VI, LINES 15 A & B	AN OUTSIDE CONSULTING FIRM CONDUCTS AN EXECUTIVE COMPENSATION ANALYSIS UTILIZING THIRD-PARTY, BLINDED SURVEY DATA SOURCES. THE CONSULTANT THEN PRESENTS FINDINGS TO THE COMPENSATION COMMITTEE OF THE BOARD, WHO DECIDE WHAT ACTION TO TAKE, IF ANY, FOR EACH EXECUTIVE. THIS PROCEDURE ONLY APPLIES TO THE PRESIDENT, VICE PRESIDENTS, AND CERTAIN KEY EMPLOYEES. FOR THOSE KEY EMPLOYEES WHOSE SALARIES ARE NOT SUBJECT TO THE COMPENSATION COMMITTEE REVIEW, THEIR RESPECTIVE VICE PRESIDENTS ASSESS THEIR PERFORMANCE AND DETERMINE SALARY INCREASES BASED ON THE GUIDELINES ESTABLISHED BY THE ANNUAL REVIEW PROGRAM AND FINAL REVIEW RATINGS. COMPENSATION DECISIONS ALSO EMPLOY EXTERNAL MARKET SURVEY DATA AND INTERNAL ANALYSIS BASED ON NORWALK HOSPITAL ASSOCIATION'S SALARY RANGES. THIS PROCESS IS UNDERTAKEN EACH YEAR.

Identifier	Return Reference	Explanation
JOINT VENTURE POLICY	FORM 990, PART VI, SECTION B, LINE 16B	WHILE A WRITTEN POLICY HAS NOT BEEN ADOPTED REGARDING THE EVALUATION OF PARTICIPATION IN JOINT VENTURES, MANAGEMENT FOLLOWS A PROCEDURE IN WHICH ALL POSSIBLE JOINT VENTURE ARRANGEMENTS ARE EVALUATED UNDER APPLICABLE FEDERAL TAX LAWS. MANAGEMENT UTILIZES THE SERVICES OF APPROPRIATE CONSULTANTS AND LEGAL COUNSEL TO EVALUATE EACH JOINT VENTURE OPPORTUNITY. THIS EVALUATION ALSO INCLUDES AN ANALYSIS OF HOW THE JOINT VENTURE WILL FURTHER THE HOSPITAL'S MISSION. THE HOSPITAL HAS TAKEN ALL APPROPRIATE STEPS TO SAFEGUARD ITS TAX EXEMPT STATUS WITH RESPECT TO ALL JOINT VENTURE ARRANGEMENTS. JOINT VENTURE ARRANGEMENTS ARE APPROVED BY THE BOARD OF TRUSTEES.

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS, ETC AVAILABLE TO THE PUBLIC	FORM 990, PART VI, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY & FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	Unrealized Gains on Investment 3,763,749 Transfer to Norwalk Health Services Corporation (4,501,544) Transfer to Norwalk Hospital Foundation (889,780) Transfer from Norwalk Hospital Foundation 737,532 Pension Cost (6,727,223) Hospital Foundation - Temporarily Restricted 12,813,958 Hospital Foundation - Permanently Restricted 6,610 Norwalk Surgery Center (662,518) Total Other Changes in Net Assets 4,540,784

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Ervin Shames TITLE Trustee thru (12/31/2011) HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Diane M Allison, Esq TITLE Chairman HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME George P Bauer TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Andrew Whittingham TITLE Treasurer HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Joseph Mann TITLE Secretary HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Fred Afragola TITLE Trustee HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Barbara Butler TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Daniel DeBarba TITLE President & CEO HOURS 6

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Victor Liss TITLE Trustee HOURS 4

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME David Komansky TITLE Trustee HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME David Lehn TITLE Trustee HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Gary Reiner TITLE Trustee HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Roland Stichweh TITLE Trustee (Thru 12/31/2011) HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME William J Tamme TITLE Vice Chair thru 12/31/11 HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Richard Zelkowitz TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Robert Ready TITLE Trustee HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Thomas Ayoub TITLE Trustee, Chief of Staff HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Maria Borges-Lopez TITLE Trustee HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Paul Gagne, MD TITLE Trustee HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Mark Gudis TITLE Trustee HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Ed Kangas - ttee thru 12/31/11 TITLE Vice chair 1/1/12 HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Ed Mahony TITLE Trustee HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Patrick Minicus TITLE VP and Chief Financial Officer HOURS 2

SCHEDULE R  
(Form 990)

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Department of the Treasury  
Internal Revenue ServiceOpen to Public  
Inspection

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

Name of the organization  
The Norwalk Hospital AssociationEmployer identification number  
06-6068853

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No

(1) Norwalk Hospital Physicians & Surgeons 24 Stevens Street Norwalk, CT 06850 06-1522078	Phys Practice	CT	501(c)(3)	11B	NHSC	Yes	
(2) Norwalk Health Care Inc 24 Stevens Street Norwalk, CT 06850 22-2577722	Inactive	CT	501(c)(3)	9	NHSC	Yes	
(3) Norwalk Health Services Corporation 24 Stevens Street Norwalk, CT 06850 22-2577711	Support Svcs	CT	501(c)(3)	11B	NA	Yes	
(4) Norwalk Hospital Foundation 34 Maple Street Norwalk, CT 06850 22-2577708	Fundraising	CT	501(c)(3)	7	NHSC	Yes	
(5) Advanced Center for Rehabilitation Medic 24 Stevens Street Norwalk, CT 06850 06-1304799	Inactive	CT	501(c)(3)	11B	NHSC	Yes	

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

**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) Maple Street Indemnity Company Ltd							
40 Church St PO Box 2062							
Hamilton HM HX							
BD							
98-0549862							
(2) SWC Corporation							
24 Stevens Street							
Norwalk, CT 06850							
22-2577718							

**Part V 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**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)
- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses
- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b	Yes	
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i	Yes	
1j		No
1k	Yes	
1l	Yes	
1m		No
1n		No
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(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.

**Part VII Supplemental Information**

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

Identifier	Return Reference	Explanation
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**Software ID:**  
**Software Version:**

**EIN:** 06-6068853

**Name:** The Norwalk Hospital Association

**Form 990, Schedule R, Part V - Transactions With Related Organizations**

	<b>(a)</b> Name of other organization	<b>(b)</b> Transaction type(a-r)	<b>(c)</b> Amount Involved (\$)	<b>(d)</b> Method of determining amount involved
<b>(1)</b>	Norwalk Hospital Physicians & Surgeons	i	408,758	FMV
<b>(2)</b>	Norwalk Hospital Physicians & Surgeons	i	7,491,890	FMV
<b>(3)</b>	Norwalk Hospital Physicians & Surgeons	p	8,503,343	FMV
<b>(4)</b>	Maple Street Indemnity Company Ltd	q	7,804,000	FMV
<b>(5)</b>	Norwalk Health Care Inc	r	2,408,015	FMV
<b>(6)</b>	Norwalk Health Services Corporation	r	319,630	FMV
<b>(7)</b>	Norwalk Hospital Foundation	b	1,182,308	FMV
<b>(8)</b>	Norwalk Hospital Foundation	c	4,520,237	FMV
<b>(9)</b>	Norwalk Hospital Foundation	k	65,160	FMV
<b>(10)</b>	Norwalk Hospital Foundation	p	1,691,552	FMV
<b>(11)</b>	Norwalk Hospital Foundation	q	889,780	FMV
<b>(12)</b>	Norwalk Hospital Foundation	r	5,125,000	FMV
<b>(13)</b>	SWC Corporation	k	138,000	FMV
<b>(14)</b>	SWC Corporation	i	3,469,471	FMV
<b>(15)</b>	SWC Corporation	p	227,237	FMV
<b>(16)</b>	SWC Corporation	q	3,050,000	FMV
<b>(17)</b>	Norwalk Hospital Physicians & Surgeons	o	145,500	FMV
<b>(18)</b>	Norwalk Hospital Physicians & Surgeons	q	8,650,000	FMV
<b>(19)</b>	Norwalk Health Services Corporation	q	4,501,544	FMV

**Norwalk Hospital Association**  
**Consolidated Financial Statements**  
**September 30, 2012 and 2011**

# **Norwalk Hospital Association**

## **Index**

**September 30, 2012 and 2011**

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### Report of Independent Auditors

To the Board of Trustees of  
Norwalk Hospital Association

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of changes in net assets, and of cash flows present fairly, in all material respects, the consolidated financial position of Norwalk Hospital Association (the "Hospital") at September 30, 2012 and 2011, and the results of its operations, its changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Norwalk Hospital Association's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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.

As described in Note 1, the Hospital adopted new guidance related to the presentation of noncontrolling interests in consolidating entities.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, on pages 22 through 27, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies. Accordingly, we do not express an opinion on the financial position and results of operations of the individual companies. However, the consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

January 29, 2013

**Norwalk Hospital Association**  
**Consolidated Balance Sheets**  
**September 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 80,412,466	\$ 66,806,594
Investments	8,710,885	8,693,538
Patient accounts receivable, less allowance for doubtful accounts of \$25,100,000 and \$25,800,000, respectively	31,143,215	37,323,187
Due from affiliates, net	4,330,064	2,640,682
Other receivables	389,206	949,635
Inventories	2,224,235	1,964,675
Prepaid expenses	2,435,281	2,785,293
Due from third party agencies	2,368,715	-
Assets whose use is limited - required for current liabilities	278,083	372,429
Total current assets	<u>132,292,150</u>	<u>121,536,033</u>
Assets whose use is limited		
Assets held by trustee under bond indenture agreements	2,366,125	15,111,873
Assets held in trust for self-insurance	2,450,281	4,567,394
Total assets whose use is limited	<u>4,816,406</u>	<u>19,679,267</u>
Long-term investments	46,403,962	21,526,072
Other assets	44,153,712	1,079,632
Noncompete	6,753,304	7,547,810
Due from third party agencies	3,698,890	2,715,774
Notes receivable	983,780	1,387,672
Goodwill	13,843,749	15,097,582
Investment in joint venture	2,267,986	2,729,803
Beneficial interest in Norwalk Hospital Foundation, Inc	49,220,441	36,399,874
Property, plant and equipment		
Land and land improvements	2,774,613	2,727,368
Buildings	174,778,639	146,977,766
Equipment	244,853,059	233,652,063
Construction in progress	8,602,012	22,713,647
Accumulated depreciation	<u>(292,848,758)</u>	<u>(277,748,018)</u>
Total property, plant and equipment	<u>138,159,565</u>	<u>128,322,826</u>
Total assets	<u>\$ 442,593,945</u>	<u>\$ 358,022,345</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 26,143,810	\$ 26,817,229
Accrued compensation	17,920,526	19,374,751
Due to third party agencies	4,906,972	4,525,191
Due to affiliates	4,561,656	-
Accrued interest	757,682	809,088
Current portion of long-term debt	5,674,419	4,887,563
Current portion of capital lease	7,180	9,649
Total current liabilities	<u>59,972,245</u>	<u>56,423,471</u>
Accrued pension liability	64,741,651	60,019,814
Asset retirement obligation	10,866,380	11,509,090
Other liabilities	55,942,040	16,518,934
Due to third party agencies	28,938,889	14,726,335
Long-term debt, less current portion	56,096,399	61,717,853
Capital lease, less current portion	-	7,180
Total liabilities	<u>276,557,604</u>	<u>220,922,677</u>
Net assets		
Unrestricted attributable to Norwalk Hospital	121,389,239	105,557,071
Unrestricted attributable to noncontrolling interest	954,530	670,593
Temporarily restricted	34,246,719	21,432,761
Permanently restricted	9,445,853	9,439,243
Total net assets	<u>166,036,341</u>	<u>137,099,668</u>
Total liabilities and net assets	<u>\$ 442,593,945</u>	<u>\$ 358,022,345</u>

The accompanying notes are an integral part of these consolidated financial statements

**Norwalk Hospital Association**  
**Consolidated Statements of Operations**  
**Years Ended September 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Operating revenues</b>		
Net revenues from services to patients	\$ 368,415,721	\$ 350,618,665
Other operating revenues	20,311,534	22,891,536
Total operating revenues	<u>388,727,255</u>	<u>373,510,201</u>
<b>Operating expenses</b>		
Salaries and benefits	182,853,245	189,403,257
Supplies and other expenses	135,560,131	123,879,833
Depreciation	20,644,157	19,183,374
Provision for bad debts	23,689,476	20,654,069
Interest	2,226,437	1,565,210
Support for Norwalk Hospital Foundation, Inc	<u>1,182,308</u>	<u>1,042,576</u>
Total operating expenses	<u>366,155,754</u>	<u>355,728,319</u>
Income from operations	22,571,501	17,781,882
<b>Nonoperating income (expense)</b>		
Investment income	1,275,016	799,311
Net unrealized gain (loss) on investments	3,763,749	(1,455,301)
Loss on sale of equipment	(483,772)	-
Provision for joint venture investment	<u>(461,817)</u>	<u>-</u>
Total nonoperating income (loss)	<u>4,093,176</u>	<u>(655,990)</u>
Excess of revenues over expenses, before noncontrolling interest in joint venture	26,664,677	17,125,892
Change in value attributable to noncontrolling interest in joint venture	<u>(283,937)</u>	<u>418,448</u>
Excess of revenues over expenses	26,380,740	17,544,340
<b>Other changes in net assets</b>		
Transfers (to) from Norwalk Health Services Corporation	(4,501,544)	1,914,723
Transfer of interest of Fairfield County Medical Services, Inc	832,443	-
Transfers from Norwalk Hospital Foundation, Inc	737,532	322,298
Funding of operations of Norwalk Hospital Foundation, Inc	(889,780)	(765,289)
Transfers from Norwalk Surgery Center, LLC	-	1,089,041
Pension related changes other than net periodic benefit cost	(6,727,223)	(25,149,518)
Non controlling interest in joint venture	<u>283,937</u>	<u>(418,448)</u>
Increase/(decrease) in unrestricted net assets	<u>\$ 16,116,105</u>	<u>\$ (5,462,853)</u>

The accompanying notes are an integral part of these consolidated financial statements

**Norwalk Hospital Association**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended September 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Unrestricted net assets</b>		
Excess of revenues over expenses	\$ 26,380,740	\$ 17,014,933
Transfers (to) from Norwalk Health Services Corporation	(4,501,544)	1,914,723
Transfer of interest of Fairfield County Medical Services, Inc	832,443	-
Transfers from Norwalk Hospital Foundation, Inc	737,532	322,298
Funding of operations of Norwalk Hospital Foundation, Inc	(889,780)	(765,289)
Transfers from Norwalk Surgery Center	-	1,200,000
Pension related changes other than net periodic benefit cost	(6,727,223)	(25,149,518)
Non controlling interest in joint venture	283,937	-
Increase/(decrease) in unrestricted net assets	16,116,105	(5,462,853)
<b>Temporarily restricted net assets</b>		
Change in beneficial interest in Norwalk Hospital Foundation, Inc	12,813,958	7,585,808
Increase in temporarily restricted net assets	12,813,958	7,585,808
<b>Permanently restricted net assets</b>		
Change in beneficial interest in Norwalk Hospital Foundation, Inc	6,610	10,534
Increase in permanently restricted net assets	6,610	10,534
Increase in net assets	28,936,673	2,133,489
<b>Net assets</b>		
Beginning of year	137,099,668	134,966,179
End of year	\$ 166,036,341	\$ 137,099,668

The accompanying notes are an integral part of these consolidated financial statements

**Norwalk Hospital Association**  
**Consolidated Statements of Cash Flows**  
**Years Ended September 30, 2012 and 2011**

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	<b>2012</b>	<b>2011</b>
<b>Operating activities</b>		
Change in net assets	\$ 28,936,673	\$ 2,133,489
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Noncash items		
Depreciation and amortization	20,644,157	19,175,533
Loss (gain) on sale of property, plant and equipment	476,292	(800)
Provision for bad debts	23,689,476	20,654,069
Writeoff of investment in joint venture	461,817	-
Net realized and unrealized (gain) loss on investments	(3,761,248)	659,747
Pension related changes other than net periodic benefit cost	6,727,223	25,149,518
Net asset items		
Transfers to (from) Norwalk Hospital Foundation, Inc	152,248	442,991
Transfer from Norwalk Health Services Corporation	4,501,544	(1,914,723)
Change in beneficial interest in Norwalk Hospital Foundation, Inc	(12,820,567)	(7,596,342)
Changes in operating assets and liabilities		
Accounts receivable	(17,509,504)	(17,035,605)
Due from affiliates	2,872,274	(2,194,540)
Other receivables	560,429	523,050
Inventories	(259,560)	529,255
Prepaid expenses	350,012	(832,584)
Other assets	(43,074,080)	(275,321)
Notes receivable	-	(59,080)
Accounts payable and accrued expenses	4,159,742	2,031,313
Accrued compensation	(1,454,225)	721,764
Due to third-party reimbursement agencies, net	11,242,504	10,129,264
Accrued interest	(51,406)	667,314
Accrued pension liability	(2,005,386)	(2,981,503)
Asset retirement obligation	(642,710)	1,296,583
Other liabilities	39423106	1,787,384
Net cash provided by operating activities	<u>62,618,811</u>	<u>53,010,776</u>
<b>Investing activities</b>		
Net decrease (increase) in assets whose use is limited	14,954,705	(12,643,839)
Sale of investments	-	4,226
Purchase of investments	(21,131,487)	(698,524)
Additions to property, plant and equipment	(34,249,490)	(28,100,123)
Proceeds from sale of property, plant and equipment	507,480	4,000
Acquisition of radiology imaging center	-	(22,914,723)
Net cash used by investing activities	<u>(39,918,792)</u>	<u>(64,348,983)</u>
<b>Financing activities</b>		
Transfers (to) Norwalk Hospital Foundation, Inc	(152,248)	(442,991)
Transfers (to) from Norwalk Health Services Corporation	(4,501,544)	1,914,723
Payments on notes receivable	403,892	691,355
Proceeds from long-term debt	-	50,840,000
Payments on capital lease	(9,649)	(8,444)
Payments on long-term debt	(4,834,598)	(1,645,142)
Net cash (used by) provided by financing activities	<u>(9,094,147)</u>	<u>51,349,501</u>
Increase in cash and cash equivalents	13,605,872	40,011,294
<b>Cash and cash equivalents</b>		
Beginning of year	66,806,594	26,795,300
End of year	<u>\$ 80,412,466</u>	<u>\$ 66,806,594</u>
<b>Noncash transactions</b>		
Fixed assets expenditures included in accounts payable	\$ 499,327	\$ 5,332,488
Capitalized interest	559,895	940,110

The accompanying notes are an integral part of these consolidated financial statements

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**1. Organization and Significant Accounting Policies**

Norwalk Hospital Association (the "Hospital"), a not-for-profit organization incorporated under the General Statutes of the State of Connecticut, is a wholly-owned subsidiary of Norwalk Health Services Corporation. The Board of the Hospital, appointed by Norwalk Health Services Corporation, controls the operations of the Hospital.

**Principles of Consolidation**

The consolidated Norwalk Hospital Association financial statements include the accounts of the Hospital, and its majority interest in Norwalk Surgery Center, LLC. All significant intercompany accounts and transactions are eliminated in consolidation.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates. Significant estimates reflected in the consolidated financial statements include the contractual and bad debt allowances for patient service revenue and the related patient accounts receivable, valuation of the intangible asset from acquisition, estimated settlements due to or from third parties, the asset retirement obligation, reserves for malpractice, workers' compensation and other self-insured liabilities, and benefit plan assumptions.

**Income Taxes**

The Hospital and Fairfield County Medical Services, Inc. are not-for-profit corporations as described in Section 501(c) (3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Norwalk Surgery Center LLC, is a Limited Liability Corporation and is taxed as a Partnership.

**Regulatory Matters**

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

**Cash Equivalents**

The Hospital and its subsidiary consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash equivalents approximates its fair value.

**Concentration of Credit Risk**

Cash and cash equivalents are maintained with domestic institutions. Management monitors the financial strength of those institutions.

**Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value, based upon quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**Fair Value Measurements**

The Hospital records investments in the financial statements at fair value. Fair value is a market-based measurement based on assumptions that market participants would use in pricing an assets or liability. As a basis for considering assumptions, a three-tier fair value hierarchy has been established which prioritizes the inputs used to measure fair value. The three levels of the fair value hierarchy under this principle are as follows:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Hospital has the ability to access

**Level 2** Inputs to the valuation methodology include

- Quoted prices for similar assets and liabilities in active markets,
- Quoted prices for identical or similar assets and liabilities in inactive markets,
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset and liability has a specified term, the level 2 input must be observable for substantially the full term of the asset and liability

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

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

The fair values of the Hospital's investments are based on quoted market values

**Fair Value Option**

The Hospital elected to measure its investments at fair value. Accordingly, unrealized gains and losses on investments are included in excess of revenues over expenses

**Assets Whose Use is Limited**

Assets limited as to use primarily include assets held by trustees under indenture agreements and assets held by trustee for self insurance

**Inventories**

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

**Investments in Joint Ventures**

The Hospital has invested in a joint venture which is accounted for under the equity method of accounting

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**Property, Plant and Equipment**

Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Hospital provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of the assets over their estimated useful lives. Useful lives assigned to assets are as follows: Land Improvements – 2–25 years, Buildings – 15–40 years, and Equipment – 3–20 years.

**Temporarily and Permanently Restricted Net Assets**

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

**Medical Malpractice Self-Insurance**

As of October 1, 2005, the Hospital is insured for general liability and professional liability claims by Maple Street Indemnity Company, Ltd ("MSI"). MSI, a wholly owned subsidiary of Norwalk Health Services Corporation, is a captive insurance company, incorporated under the laws of the Bermuda Monetary Authority. The Hospital has obtained professional liability coverage through MSI of \$35,000,000 per claim and \$48,000,000 in the aggregate. MSI purchases \$30,000,000 of excess reinsurance coverage above a self-insured retention of \$5,000,000 per claim and \$18,000,000 in the aggregate.

The Hospital established an irrevocable trust for the purpose of setting aside assets to pay general and professional liability claims incurred prior to the formation of MSI on October 1, 2005 based on actuarial funding recommendations. Under the trust agreement, the trust assets can only be used for payment of malpractice losses, related expenses, and the cost of administering the trust. The assets of, and contributions to, the trust are reported as part of unrestricted net assets, income from the trust assets and administrative costs are reported in the statement of operations. Management accrues its best estimate of malpractice losses as they occur.

**Fair Value of Financial Instruments**

The carrying value of cash and cash equivalents, short term investments, accounts receivable, other receivables, assets limited as to use, investments, accounts payable and accrued liabilities at the balance sheet dates approximate their fair values. The fair value of long-term debt at the balance sheet dates, based on current market rates for similar debt, was approximately \$70,561,730 and \$75,094,000 in 2012 and 2011, respectively. The carrying value of debt is \$61,770,818 and \$66,605,000 in 2012 and 2011, respectively.

**Beneficial Interest in the Norwalk Hospital Foundation, Inc.**

The Hospital has recorded its beneficial interest in the net assets of Norwalk Hospital Foundation, Inc (the "Foundation").

**Statement of Operations**

The consolidated statement of operations includes the excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, includes pension-related changes other than net periodic benefit cost, transfers to/from Norwalk Health Services Corporation, Norwalk Hospital Foundation, Inc, and Norwalk Surgery Center, LLC, funding of operations of Norwalk Hospital Foundation, Inc, transfer of interest of Fairfield Medical Services, Inc, and noncontrolling interest in joint venture

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**Nonoperating Income**

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating income (expense) primarily consists of investment income, realized and unrealized gains and losses on investments, loss on sale of equipment, and provision for joint venture.

**Asset Retirement Obligation**

The Hospital records a liability for legal obligations associated with the retirement of tangible long-lived assets when the timing and/or method of settlement of the obligation is conditional on a future event. The fair value of a liability for a conditional asset retirement obligation is recognized in the period in which it occurred if a reasonable estimate of fair value can be made.

**Implementation of Accounting Standards**

Effective October 1, 2012, the Hospital adopted the provisions of ASU 2010-24, "Presentation of Insurance Claims and Related Insurance Recoveries", which clarifies that health care entities should not net insurance recoveries against the related claims liabilities. In connection with the Hospital's adoption of ASU 2010-24, the Hospital recorded an increase in its assets and liabilities of approximately \$43,000,000 in the accompanying Consolidated Balance Sheet as of September 30, 2012.

**2. Revenues From Services to Patients and Charity Write-Offs**

The following table summarizes revenues from services to patients

	<b>2012</b>	<b>2011</b>
Gross revenues from services to patients	\$ 922,882,975	\$ 853,958,106
Deductions and exclusions		
Allowances	554,467,254	503,346,706
Net revenues from services to patients	<u>\$ 368,415,721</u>	<u>\$ 350,611,400</u>

Revenues and patient accounts receivable are recorded when patient services are performed. Amounts received from certain payors are different from established billing rates, and these differences are accounted for as allowances.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Provisions for estimated third-party payor settlements and adjustments are estimated in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inpatient acute care services rendered to Medicare program recipients are paid at prospectively determined rates per discharge varying according to the intensity of services required. Inpatient acute care services are paid based on Diagnosis-Related Groups ("DRG"), inpatient rehabilitation services are paid based on Case Mix Groups ("CMG"), and inpatient psychiatry services are paid on a prospective per diem rate. Outpatient services are reimbursed by Medicare on an Ambulatory Payment Classification ("APC") basis and fee screens. Hospital claims for reimbursement are subject to review and audit. The Hospital's Medicare costs reports have been final settled with the Medicare fiscal intermediary through 2006.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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Inpatient Medicaid reimbursement through the Connecticut Department of Social Services ("DSS") is reimbursed on a per diem basis with settlement cost reports based on discharges filed in the subsequent fiscal year. Outpatient activity through DSS is reimbursed based on fee schedules in effect at the time the service is provided. Managed Medicaid services are reimbursed according to per diems and fee schedules in place at the time the service is provided.

The Hospital has agreements with various Health Maintenance Organizations (HMOs) to provide medical services to subscribing participants. Under these agreements, the Hospital receives fee-for-service payments for covered services based upon discounted fee schedules.

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 net revenue from patients and third-party payors at September 30, 2012 and 2011 are as follows:

	<b>2012</b>	<b>2011</b>
Commercial/other	57 %	56 %
Medicare	25	27
Self pay	9	8
Medicaid	9	9
	<hr/> <b>100 %</b>	<hr/> <b>100 %</b>

The mix of net receivables from patients and third-party payors at September 30, 2012 and 2011 are as follows:

	<b>2012</b>	<b>2011</b>
Commercial/other	63 %	76 %
Medicare	28	20
Self pay	1	-
Medicaid	8	4
	<hr/> <b>100 %</b>	<hr/> <b>100 %</b>

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. While the Hospital believes it is in compliance with all such applicable laws and regulations, as referenced in footnote 11, compliance with such laws and regulations is subject to government review and interpretation and can result in significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates can change by material amounts. In addition, changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. These policies define charity services as those services for which no payment is anticipated. In assessing a patient's ability to pay, the Hospital utilizes the generally recognized poverty income levels for the state, but also includes certain cases where incurred charges are significant when compared to income published in the Federal Register. For the years ended September 30, 2012 and 2011, the Hospital provided charity care of approximately \$17,929,000 and \$17,327,000, respectively, in charges.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**3. Investments**

Investments are stated at fair value. The composition of investments as of September 30 is as follows

	<b>2012</b>	<b>2011</b>
<b>General investments</b>		
Cash and cash equivalents	\$ 8,710,885	\$ 8,693,538
Mutual funds	<u>46,403,962</u>	<u>21,526,072</u>
	<u>\$ 55,114,847</u>	<u>\$ 30,219,610</u>
<b>Assets held in trust for self-insurance</b>		
Cash and cash equivalents	\$ 2,450,281	\$ 4,567,394
	<u>\$ 2,450,281</u>	<u>\$ 4,567,394</u>
<b>Assets held by trustee per bond indenture</b>		
Cash and cash equivalents	\$ 2,366,616	\$ 15,149,873
U S Treasury obligations	<u>277,592</u>	<u>334,429</u>
	<u>\$ 2,644,208</u>	<u>\$ 15,484,302</u>

As described in Note 1, investments are recorded at fair value. The Hospital endeavors to utilize the best available information in measuring fair value. The following table presents the financial instruments carried at fair value.

	<b>2012</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair Value</b>
<b>General investments</b>				
Cash and cash equivalents	\$ 8,710,885	\$ -	\$ -	\$ 8,710,885
Mutual funds	<u>46,403,962</u>	<u>-</u>	<u>-</u>	<u>46,403,962</u>
	<u>\$ 55,114,847</u>	<u>-</u>	<u>-</u>	<u>\$ 55,114,847</u>
<b>Assets whose use is limited</b>				
Cash and cash equivalents	4,816,897	-	-	4,816,897
U S Treasury obligations	<u>277,592</u>	<u>-</u>	<u>-</u>	<u>277,592</u>
	<u>\$ 5,094,489</u>	<u>-</u>	<u>-</u>	<u>\$ 5,094,489</u>
	<u>\$ 60,209,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,209,336</u>

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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	2011			
	Level 1	Level 2	Level 3	Fair Value
<b>General investments</b>				
Cash and cash equivalents	\$ 8,693,537	\$ -	\$ -	\$ 8,693,537
Mutual funds	<u>21,526,073</u>	<u>-</u>	<u>-</u>	<u>21,526,073</u>
	<u>30,219,610</u>	<u>-</u>	<u>-</u>	<u>30,219,610</u>
<b>Assets whose use is limited</b>				
Cash and cash equivalents	19,717,267	-	-	19,717,267
U S Treasury obligations	<u>334,429</u>	<u>-</u>	<u>-</u>	<u>334,429</u>
	<u>20,051,696</u>	<u>-</u>	<u>-</u>	<u>20,051,696</u>
	<u><u>\$ 50,271,306</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,271,306</u></u>

There were no transfers of assets between levels for the year ended September 30, 2012

Interest income and net realized gains and losses from investments, cash equivalents, and other investments comprise the following

	2012	2011
<b>Investment return</b>		
Interest income	\$ 1,291,916	\$ 840,283
Net realized (losses) gains on sales of securities	<u>(2,502)</u>	<u>795,554</u>
	<u><u>\$ 1,289,414</u></u>	<u><u>\$ 1,635,837</u></u>

The Hospital has recorded \$1,275,016 and \$796,825 of the investment return as nonoperating gains for the years ended September 30, 2012 and 2011, respectively. The remaining investment income in 2012 and 2011 has been recorded as other operating revenues as certain investments relate to operating activities of the Hospital.

#### 4. Leases

The Hospital leases property and equipment under noncancelable operating leases that expire in various years through 2028. Certain leases may be renewed at the end of their term.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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Future minimum payments under noncancelable operating leases, and future receipts under noncancelable subleases where the Hospital is receiving rental receipts, with initial terms of one year or more consisted of the following at September 30, 2012

	<b>Operating Lease Payments</b>	<b>Sublease Rental Receipts</b>
2013	\$ 7,238,000	\$ 2,875,000
2014	7,182,000	2,869,000
2015	7,111,000	2,934,000
2016	7,191,000	3,007,000
2017	6,990,000	3,082,000
Thereafter	<u>62,467,000</u>	<u>8,904,000</u>
	<u><u>\$ 98,179,000</u></u>	<u><u>\$ 23,671,000</u></u>

Rental expense was approximately \$9,153,000 and \$8,336,000 for the years ended September 30, 2012 and 2011, respectively. Rental expense was offset by rental revenue of approximately \$2,909,000 and \$2,525,000, respectively.

**5. Goodwill**

In 2011, the Hospital recorded goodwill of \$13,843,749 related to the acquisition of Norwalk Radiology and Mammography Center ("NRMC"). The Hospital will assess the goodwill for impairment on an annual basis. There is no impairment as of September 30, 2012 and 2011.

In 2009, the Hospital purchased a physician practice. The Hospital paid consideration of \$1,866,755 of which \$1,620,000 was recorded as goodwill. In fiscal 2012, the hospital recorded impairment of goodwill associated with the purchase due to reduced practice volume. Accumulated impairment as of September 30, 2012 and 2011 amounted to \$1,620,000 and \$837,000, respectively.

The Hospital maintains goodwill associated with a purchase of a diagnostic imaging service practice. The Hospital paid \$3,362,500 in consideration all of which was recorded as goodwill. In fiscal 2011, the Hospital recorded impairment of goodwill associated with the purchase due to reduced radiology volume. Accumulated impairment as of September 30, 2012 and 2011 amounted to \$3,362,500 and \$2,891,667, respectively.

**6. Long-Term Debt**

The Hospital has outstanding State of Connecticut Health and Educational Facilities Authority ("CHEFA") Revenue Bonds, Series E issued under a Master Trust Indenture with the Hospital, Norwalk Health Care, Inc., and the Foundation (collectively, the "Obligated Group"). The Series E bonds mature serially through 2022 with interest at a net average annual rate of 4.41%. Interest on the bonds is payable semi annually each January 1 and July 1. As of September 30, 2012, the Series E outstanding debt is \$8,560,000.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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The bonds are collateralized by the debt service reserve fund, and other funds held by the Bond Trustee as well as the gross receipts of the Obligated Group. The outstanding principal amount of the Obligated Group's loan obligation at September 30, 2012 and 2011 is \$52,395,000 and \$63,865,000, respectively.

The Series E are subject to early redemption at the option of the Hospital, at established redemption prices.

The Series E bonds are subject to mandatory sinking fund redemptions on each July 1, commencing July 1, 2015. The Series E bonds maturing on July 1, 2022, are subject to mandatory sinking fund redemption on each July 1, commencing July 1, 2020.

In 2011, the Hospital financed the construction of the parking garage and other equipment through a private placement as CHEFA Series G, H and I, which issued \$46,840,000 in debt under the existing Master Trust Indenture.

The Series G bonds totaling \$25,000,000 mature serially through 2025 with interest at an annual rate of 5.12%. Interest on the bonds is payable semi annually each June and December 1. As of September 30, 2012, the Series G outstanding debt is \$23,860,000.

The Series H bonds totaling \$10,040,000 mature serially through 2020 with interest at an annual rate of 3.49%. Interest on the bonds is payable semi annually each June and December 1. As of September 30, 2012, the Series H outstanding debt is \$9,185,000.

The Series I bonds totaling \$11,800,000 mature serially through 2020 with interest at an annual rate of 3.4%. Interest on the bonds is payable semi annually each June and December 1. As of September 30, 2012, the Series I outstanding debt is \$10,790,000.

In 2011, Norwalk Surgery Center, LLC obtained a \$4,000,000 seven year term loan from The Bank of Fairfield. The loan bears interest at a fixed rate of 4.875%. Monthly payments of interest only are required for the first eighteen months of the loan. Thereafter, monthly payments of principal and interest are required based upon a five and one-half year amortization schedule. The loan is secured by a first lien on all business assets of Norwalk Surgery Center, LLC. As of September 30, 2012, the term loan outstanding debt is \$3,351,443.

In 2007, the Hospital financed certain equipment related to an energy project through CHEFA, which issued \$9,066,025 in debt under a Master Financing Agreement (the "Agreement"), dated as of April 1, 2007 with Bank of America Public Capital Corp as the lender (the "Lender"). The loan is payable in 120 equal installments of \$93,432 beginning June 3, 2007, with interest of 4.38%. The Hospital has granted a collateral interest to the Lender in the equipment financed. As of September 30, 2012, the CHEFA outstanding debt is \$4,703,893.

In connection with this borrowing, the Hospital applied to the Department of Public Utility Control ("DPUC") for a capital grant for customer-side distributed resources. Pursuant to the application, DPUC has approved a rate reduction subsidy with regard to certain of the equipment financed under this Agreement. Effective July 3, 2010, the rate reduction subsidy of \$1,302 per month is remitted by the Connecticut Light and Power Company directly to the Lender.

In 2007, the Hospital entered into an agreement with the Connecticut Hospital Association Trust (the "Trust") to borrow up to \$2,000,000 from the energy conservation and load management loan fund. The loan, which is interest free, will enable the Hospital to convert electrical energy and to

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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manage its electrical energy needs. As of September 30, 2012 and 2011, \$671,926 and \$941,496, respectively, was outstanding under the agreement. The loan is payable in 84 equal monthly installments of \$22,462, beginning April 1, 2008. As of September 30, 2012, the Trust outstanding debt is \$671,926.

The following table summarizes the long-term debt outstanding as of September 30, 2012.

	<b>Norwalk Hospital</b>	<b>Norwalk Surgery Center, LLC</b>	<b>Total</b>
2013	\$ 5,025,862	\$ 648,557	\$ 5,674,419
2014	5,223,589	681,916	5,905,505
2015	5,296,052	716,395	6,012,447
2016	5,389,094	752,390	6,141,484
2017	5,231,221	790,661	6,021,882
Thereafter	<u>31,605,000</u>	<u>410,081</u>	<u>32,015,081</u>
	57,770,818	4,000,000	61,770,818
Less Current portion of long-term debt	<u>5,025,862</u>	<u>648,557</u>	<u>5,674,419</u>
Long-term debt	<u>\$ 52,744,956</u>	<u>\$ 3,351,443</u>	<u>\$ 56,096,399</u>

During 2012 and 2011, the Hospital paid interest of \$2,637,137 and \$1,723,690, respectively, on its long-term debt obligations. Interest capitalized for the years ended September 30, 2012 and 2011 was approximately \$560,000 and \$940,000, respectively.

## 7. Benefit Plans

The Hospital has a defined benefit pension plan covering all eligible employees. The benefits are based on years of service and the employee's average compensation (as defined in the Plan document). The Hospital's funding policy is to contribute, for each plan year, an amount necessary to satisfy the Employee Retirement Income Security Act ("ERISA") minimum funding requirements.

Effective December 31, 2006, an amendment froze participation in the plan. Individuals hired on or after January 1, 2007 are ineligible to participate in the plan.

Amounts included as a reduction of unrestricted net assets that are not yet recognized as a component of net periodic benefit cost are as follows:

	<b>2012</b>	<b>2011</b>
Net actuarial loss	\$ 101,904,421	\$ 94,565,193
Prior service cost	<u>518,832</u>	<u>1,130,837</u>
	<u>\$ 102,423,253</u>	<u>\$ 95,696,030</u>

The amount of prior service cost and actuarial loss expected to be recognized in net periodic benefit cost in 2013 is \$6,375,980.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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The following is a summary of the changes in the projected benefit obligation and plan assets

	<b>2012</b>	<b>2011</b>
<b>Accumulated benefit obligation</b>	\$ 210,119,166	\$ 183,920,145
<b>Change in projected benefit obligation</b>		
Benefit obligation, beginning of year	\$ 199,263,628	\$ 175,101,725
Service cost	6,630,998	6,250,268
Interest cost	9,167,766	8,875,690
Actuarial loss	22,832,432	16,603,824
Benefits paid	(8,462,072)	(7,567,879)
Benefit obligation, end of year	<u>229,432,752</u>	<u>199,263,628</u>
<b>Change in plan assets</b>		
Fair value of plan assets, beginning of year	139,243,814	137,249,926
Actuarial return on plan assets	23,909,359	(438,233)
Contributions	10,000,000	10,000,000
Benefits paid	(8,462,072)	(7,567,879)
Fair value of plan assets, end of year	<u>164,691,101</u>	<u>139,243,814</u>
Funded status and accrued pension liability	<u><u>\$ (64,741,651)</u></u>	<u><u>\$ (60,019,814)</u></u>

Components of net periodic benefit cost for the years ended September 30

	<b>2012</b>	<b>2011</b>
Service cost	\$ 6,630,998	\$ 6,250,268
Interest cost	9,167,766	8,875,690
Expected return on plan assets	(12,626,442)	(12,010,289)
Net amortization and deferral	4,822,292	3,902,828
Net periodic benefit cost	<u>\$ 7,994,614</u>	<u>\$ 7,018,497</u>

**Assumptions**

The weighted-average assumptions used to determine the year-end benefit obligation at September 30, 2012 and 2011 are as follows

	<b>2012</b>	<b>2011</b>
Discount rate	3 90 %	4 68 %
Rate of compensation increase	3 50 %	3 50 %

The weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows

	<b>2012</b>	<b>2011</b>
Discount rate	4 68 %	5 17 %
Expected return on assets	8 00	8 00
Rate of compensation increase	3 50	3 50

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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The Hospital's expected long-term rate of return on assets assumption is derived from a review of anticipated future long-term performance of individual asset classes and consideration of the appropriate asset allocation strategy given the anticipated requirements of the plan to determine the average rate of earnings expected on the funds invested to provide for the pension plan benefits. While the review gives appropriate consideration to recent fund performance and historical returns, the assumption is primarily a long-term, prospective rate.

**Plan Assets**

The Hospital's pension plan asset allocations at September 30, 2012 and 2011 are as follows:

<b>Asset category</b>	<b>2012</b>	<b>2011</b>
Equity securities	60 %	56 %
Debt securities	40	44
	<b><u>100 %</u></b>	<b><u>100 %</u></b>

The Hospital maintains target allocation percentages among various asset classes based on an investment policy established for the pension plan which is designed to achieve, long-term objectives of return, while mitigating against downside risk and considering expected cash flows. The current weighted-average target asset allocation is 60% equity securities and 40% debt securities. The investment policy is reviewed from time to time to ensure consistency with the long-term objective of funding the plan to a level sufficient to pay benefits as they become due.

The defined benefit plan assets categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table summarizes the Hospital's fair values of investments by major type held by the defined benefit plan at September 30.

	<b>2012</b>			<b>Fair Value</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Cash and cash equivalents	\$ 1,704,147	\$ -	\$ -	\$ 1,704,147
Mutual funds	162,808,780			162,808,780
Unallocated immediate participation group annuity contract	- \$ 164,512,927	178,174 \$ 178,174	- \$ -	178,174 \$ 164,691,101

**Contributions**

The Hospital expects to contribute \$10,000,000 to the plan in fiscal 2013.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**Estimated Future Benefit Payments**

The following future benefit payments are expected to be paid

<b>Fiscal Years</b>	<b>Benefit Payments</b>
2013	\$ 7,124,000
2014	7,438,000
2015	7,748,000
2016	8,149,000
2017	8,611,000
2018 - 2021	<u>52,913,000</u>
	<u>\$ 91,983,000</u>

The Hospital also sponsors a defined contribution savings plan covering substantially all of its employees. Effective January 1, 2007, the plan was split into two parts. Part I is for eligible employees who have a date of employment on or before December 31, 2006. Part II is for eligible employees who have a date of employment on January 1, 2007 or thereafter. Elective deferrals and after tax contributions are made pursuant to a salary reduction agreement for Part I and Part II employees.

For Part I employees, the Hospital provides a partial matching contribution on the first 3% of an employee's elective deferred and/or after tax contributions.

For Part II employees, the Hospital provides a partial matching contribution on the first 3% of an employee's elective deferral and/or after tax contributions. Part II employees will also receive a required employer contribution equal to 3% of such employee's compensation.

Expense related to the Hospital's defined contribution plan was approximately \$3,189,000 and \$2,841,000 for the years ended September 30, 2012 and 2011, respectively.

**8. Temporarily and Permanently Restricted Net Assets**

The Hospital's temporarily and permanently restricted net assets represent its beneficial interest in the Foundation.

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

	<b>2012</b>	<b>2011</b>
Healthcare services	\$ 34,246,719	\$ 21,432,761

Permanently restricted net assets at September 30, 2012 and 2011 are restricted to:

	<b>2012</b>	<b>2011</b>
Healthcare services	\$ 9,445,852	\$ 9,439,243

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**9. Transactions with Affiliates**

The Hospital records other operating revenues from an affiliated entity, Norwalk Health Care, Inc., a wholly owned subsidiary of Norwalk Health Services Corporation. Revenues for services provided to this entity, at cost, totaled approximately \$0 and \$1,590,000 in 2012 and 2011, respectively.

Following are the balances due from (to) affiliates

	<b>2012</b>	<b>2011</b>
Norwalk Health Care, Inc	\$ -	\$ 1,990,712
Norwalk Hospital Physicians & Surgeons	4,139,259	-
Norwalk Health Services Corporation	(4,501,544)	271,630
Norwalk Hospital Foundation, Inc	190,805	342,032
SWC Corporation	<u>(60,112)</u>	<u>36,308</u>
	<u><u>\$ (231,592)</u></u>	<u><u>\$ 2,640,682</u></u>

**10. Acquisition of Norwalk Radiology and Mammography Center**

In 2011, a medical imaging Joint Venture between SWC Corporation, an affiliate of the Hospital, and a group of physicians was terminated. The Hospital purchased the medical imaging business from the group of physicians that was previously part of the Joint Venture for \$20,000,000. The Hospital has recorded as purchase consideration an additional \$1,914,723 which represents SWC investment in the Joint Venture at the time of sale and an accrual of \$1,000,000 as an estimate of the potential earn out based on volume. This earn out is also recorded as a liability. The transaction was recorded as follows:

Goodwill	\$ 13,843,749
Covenant not to compete intangible	7,945,063
Property, plant and equipment	872,039
Inventory	132,293
Prepaid expenses	<u>121,579</u>
	<u><u>\$ 22,914,723</u></u>

The value of the Covenant Not to Compete ("CNC") is based on the management's assessment of a 50% probability of radiologist competition and a maximum 60% reduction in volume over a three year period. The CNC was projected to have an impact in perpetuity. The Hospital is amortizing the noncompete intangible over the ten year length of the noncompete agreement on a straight-line basis. Accumulated amortization as of September 30, 2012 amounted to \$1,191,760.

**11. Transfer of Assets to Norwalk Surgery Center, LLC**

On May 31, 2012, The Hospital transferred assets associated with its offsite ambulatory surgery business to Norwalk Surgery Center, LLC. The Hospital owns 70% of Norwalk Surgery Center, LLC. The Hospital recorded a gain on the sale of the assets to Norwalk Surgery Center, LLC of \$3,838,416 which is eliminated in consolidation.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**12. Transfer of Interest in Norwalk Hospital Physicians and Surgeons**

On October 1, 2011, The Hospital transferred its interest in Fairfield County Medical Services, Inc to Norwalk Health Services Corporation. The Hospital recorded an entry for \$832,000 to reverse the deficit previously recorded in net assets. Subsequent to the transfer of interest, Fairfield County Medical Services, Inc changed its name to Norwalk Hospital Physicians & Surgeons, Inc.

**13. Noncontrolling Interest**

The Hospital adopted ASU *Not-for-Profit Entities Mergers and Acquisitions*. This guidance impacts the financial statement treatment of noncontrolling interests in consolidated entities. This guidance requires the Hospital to report noncontrolling interests in consolidated entities as a separate component of net assets on the Balance Sheet and the change in net assets attributable to the noncontrolling interests separately within the *Statements of Changes in Net Assets*. The Hospital has consolidated noncontrolling interests relating to its investment in Norwalk Surgery Center, LLC under ASU 2010 - 7. These noncontrolling interests represent the portion of the Norwalk Surgery Center, LLC not controlled by the Hospital, but are required to be presented on the Hospital's balance sheet under generally accepted accounting principles. These interests were approximately \$955,000 as of September 30, 2012.

Changes in Consolidated Unrestricted Net Assets Attributable to Norwalk Hospital are as follows,

	<b>Norwalk Hospital</b>	<b>Non-Controlling Interest</b>	<b>Total</b>
<b>Balances at October 1, 2010</b>	\$ 111,690,517	\$ -	\$ 111,690,517
Excess of revenues over expenses	17,544,338	(418,448)	17,125,890
Other changes	(23,677,784)	1,089,041	(22,588,743)
Changes in unrestricted net assets	(6,133,446)	670,593	(5,462,853)
<b>Balances at September 30, 2011</b>	105,557,071	670,593	106,227,664
Excess of revenues over expenses (from continuing operations)	26,380,740	283,937	26,664,677
Other changes	(10,548,572)		(10,548,572)
Changes in unrestricted net assets	15,832,168	283,937	16,116,105
<b>Balances at September 30, 2012</b>	\$ 121,389,239	\$ 954,530	\$ 122,343,769

**14. Contingencies**

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against the Hospital. While the outcomes of the lawsuits and claims cannot be determined at this time, management believes that any loss that may arise from these lawsuits and claims will not have a material adverse effect on the financial position or on the net assets of the Hospital.

The Hospital has received requests for information from governmental authorities relating to, among other things, patient billings. These requests relate to compliance with certain laws and regulations. Management is cooperating with these governmental authorities in their information requests and ongoing investigations. While management does not believe that any of these inquiries or investigations will result in a material future loss, the ultimate results of these inquiries and investigations, including the impact on the Hospital, cannot be determined at this time.

**Norwalk Hospital Association**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**15. Functional Expenses**

The Hospital and its subsidiary provide general health care services to residents within its geographic location Expenses related to providing these services are as follows

	<b>2012</b>	<b>2011</b>
Health care services	\$ 256,975,077	\$ 251,839,907
General and administrative	<u>109,180,677</u>	<u>103,888,412</u>
	<u><u>\$ 366,155,754</u></u>	<u><u>\$ 355,728,319</u></u>

**16. Subsequent Events**

The Hospital and its subsidiary have performed an evaluation of subsequent events through January 29, 2013, which is the date the financial statements were issued

On December 7, 2012, the Hospital issued \$82,000,000 of additional bonds through a private placement as CHEFA Series J In connection with this financing the Master Trust Indenture was amended and restated The Hospital also entered into a swap agreement with a notional principal of \$82,000,000

On December 7, 2012 Norwalk Health Care, Inc withdrew from the obligated group

## **Supplementary Consolidating Information**

**Norwalk Hospital Association**  
**Supplementary Consolidating Balance Sheet**  
**Year Ended September 30, 2012**

	<b>Norwalk Hospital Association</b>	<b>Norwalk Surgery Center LLC</b>	<b>Fairfield County Medical Services, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 79,838,027	\$ 574,439	\$ -	\$ -	\$ 80,412,466
Investments	8,710,885	-	-	-	8,710,885
Patient accounts receivable, net	30,103,755	1,039,460	-	-	31,143,215
Other receivables	389,206	-	-	-	389,206
Due from affiliates, net	4,330,064	-	-	-	4,330,064
Inventories	1,860,656	363,579	-	-	2,224,235
Prepaid expenses	2,373,762	61,519	-	-	2,435,281
Due from third party agencies	2,368,715	-	-	-	2,368,715
Assets whose use is limited - required for current liabilities	278,083	-	-	-	278,083
Total current assets	<u>130,253,153</u>	<u>2,038,997</u>	<u>-</u>	<u>-</u>	<u>132,292,150</u>
Assets limited as to use					
Assets held by trustee per bond indenture	2,366,125	-	-	-	2,366,125
Assets held in trustee for self-insurance	2,450,281	-	-	-	2,450,281
Total assets whose use is limited	<u>4,816,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,816,406</u>
Long-term investments					
Other assets					
Noncompete					
Due from third party agencies					
Notes receivable					
Goodwill					
Investment in joint venture					
Beneficial interest in Norwalk Hospital Foundation, Inc	49,220,441	-	-	-	49,220,441
Property, plant and equipment					
Land and land improvements	2,774,613	-	-	-	2,774,613
Buildings	174,778,639	-	-	-	174,778,639
Equipment	242,977,946	1,571,289	-	303,824	244,853,059
Construction in progress	8,602,012	-	-	-	8,602,012
Accumulated depreciation	(292,559,901)	(288,857)	-	-	(292,848,758)
Total property, plant and equipment	<u>136,573,309</u>	<u>1,282,432</u>	<u>-</u>	<u>303,824</u>	<u>138,159,565</u>
Total assets	<u>\$ 438,956,075</u>	<u>\$ 7,476,286</u>	<u>\$ -</u>	<u>\$ (3,838,416)</u>	<u>\$ 442,593,945</u>

**Norwalk Hospital Association**  
**Supplementary Consolidating Balance Sheet**  
**Year Ended September 30, 2012**

	<b>Norwalk Hospital Association</b>	<b>Norwalk Surgery Center LLC</b>	<b>Fairfield County Medical Services, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Liabilities and Net Assets</b>					
Current liabilities					
Accounts payable and accrued expenses	\$ 25,888,666	\$ 255,144	\$ -	\$ -	\$ 26,143,810
Salaries, wages, payroll taxes and amounts withheld from employees	17,881,149	39,377	-	-	17,920,526
Due to third party agencies	4,906,972	-	-	-	4,906,972
Due to affiliates, net	4,561,656	-	-	-	4,561,656
Accrued interest payable	757,682	-	-	-	757,682
Current portion of long-term debt	5,025,862	648,557	-	-	5,674,419
Current portion of capital lease	7,180	-	-	-	7,180
Total current liabilities	59,029,167	943,078	-	-	59,972,245
Accrued pension liability	64,741,651	-	-	-	64,741,651
Asset retirement obligation	10,866,380	-	-	-	10,866,380
Other liabilities	55,942,040	-	-	-	55,942,040
Due to third party agencies	28,938,889	-	-	-	28,938,889
Long-term debt, less current portion	52,744,956	3,351,443	-	-	56,096,399
Long-term capital lease, less current portion	-	-	-	-	-
Total liabilities	272,263,083	4,294,521	-	-	276,557,604
Net assets (deficit)					
Unrestricted	122,045,890	3,181,765	-	(3,838,416)	121,389,239
Unrestricted attributable to noncontrolling interest in joint venture	954,530	-	-	-	954,530
Temporarily restricted	34,246,719	-	-	-	34,246,719
Permanently restricted	9,445,853	-	-	-	9,445,853
Total net assets	166,692,992	3,181,765	-	(3,838,416)	166,036,341
Total liabilities and net assets	\$ 438,956,075	\$ 7,476,286	\$ -	\$ (3,838,416)	\$ 442,593,945

# Norwalk Hospital Association

## Supplementary Consolidating Statement of Operations

Year Ended September 30, 2012

	Norwalk Hospital Association	Norwalk Surgery Center LLC	Fairfield County Medical Services, Inc.	Eliminations	Consolidated
<b>Operating revenues</b>					
Net revenues from services to patients	\$ 363,267,877	\$ 5,147,844	\$ -	\$ -	\$ 368,415,721
Other operating revenues	20,310,592	942	-	-	20,311,534
Total operating revenues	<u>383,578,469</u>	<u>5,148,786</u>	<u>-</u>	<u>-</u>	<u>388,727,255</u>
<b>Operating expenses</b>					
Salaries and benefits	181,353,127	1,500,118	-	-	182,853,245
Supplies and other expenses	133,479,325	2,080,806	-	-	135,560,131
Depreciation and amortization	20,380,372	263,785	-	-	20,644,157
Provision for bad debts	23,530,477	158,999	-	-	23,689,476
Interest	2,025,836	200,601	-	-	2,226,437
Support for Norwalk Hospital Foundation, Inc	1,182,308	-	-	-	1,182,308
Total operating expenses	<u>361,951,445</u>	<u>4,204,309</u>	<u>-</u>	<u>-</u>	<u>366,155,754</u>
Income from operations	21,627,024	944,477	-	-	22,571,501
<b>Nonoperating income (expense)</b>					
Investment income	1,273,038	1,978	-	-	1,275,016
Net unrealized gain on investments	3,763,749	-	-	-	3,763,749
Loss on sale of equipment	(483,772)	-	-	-	(483,772)
Provision for joint venture investment	(461,817)	-	-	-	(461,817)
Gain on sale of ambulatory surgery	3,838,416	-	-	(3,838,416)	-
Total nonoperating income	<u>7,929,614</u>	<u>1,978</u>	<u>-</u>	<u>(3,838,416)</u>	<u>4,093,176</u>
Excess (deficiency) of revenues over expenses, before noncontrolling interest in joint venture	29,556,638	946,455	-	(3,838,416)	26,664,677
Change in value attributable to noncontrolling interest in joint venture	-	(283,937)	-	-	(283,937)
Excess of revenues over expenses	29,556,638	662,518	-	(3,838,416)	26,380,740
<b>Other changes in net assets</b>					
Transfers to Norwalk Health Services Corporation	(4,501,544)	-	-	-	(4,501,544)
Transfer of interest of Fairfield County Medical Services, Inc	-	-	832,443	-	832,443
Transfers from Norwalk Hospital Foundation, Inc	737,532	-	-	-	737,532
Funding of operations of Norwalk Hospital Foundation, Inc	(889,780)	-	-	-	(889,780)
Pension related changes other than net periodic benefit cost	(6,727,223)	-	-	-	(6,727,223)
Noncontrolling interests in joint venture	-	283,937	-	-	283,937
Increase in unrestricted net assets	<u>\$ 18,175,623</u>	<u>\$ 946,455</u>	<u>\$ 832,443</u>	<u>\$ (3,838,416)</u>	<u>\$ 16,116,105</u>

**Norwalk Hospital Association**  
**Supplementary Consolidating Balance Sheet**  
**Year Ended September 30, 2011**

	<b>Norwalk Hospital Association</b>	<b>Norwalk Surgery Center LLC</b>	<b>Fairfield County Medical Services, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 61,458,676	\$ 5,078,647	\$ 269,271	\$ -	\$ 66,806,594
Investments	8,693,538	-	-	-	8,693,538
Patient accounts receivable, net	37,299,759	23,428	-	-	37,323,187
Other receivables	81,421	-	868,214	-	949,635
Due from affiliates, net	2,640,682	-	-	-	2,640,682
Inventories	1,879,253	85,422	-	-	1,964,675
Prepaid expenses	2,698,590	86,703	-	-	2,785,293
Assets whose use is limited - required for current liabilities	372,429	-	-	-	372,429
Total current assets	<u>115,124,348</u>	<u>5,274,200</u>	<u>1,137,485</u>	<u>-</u>	<u>121,536,033</u>
Assets limited as to use					
Assets held by trustee per bond indenture	15,111,873	-	-	-	15,111,873
Assets held in trustee for self-insurance	4,567,394	-	-	-	4,567,394
Total assets whose use is limited	<u>19,679,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,679,267</u>
Long-term investments	21,526,072	-	-	-	21,526,072
Other assets	1,066,103	13,529	-	-	1,079,632
Noncompete	7,547,810	-	-	-	7,547,810
Due from third party agencies	2,715,774	-	-	-	2,715,774
Notes receivable	1,387,672	-	-	-	1,387,672
Goodwill	15,097,582	-	-	-	15,097,582
Investment in joint venture	2,729,803	-	-	-	2,729,803
Beneficial interest in Norwalk Hospital Foundation, Inc	36,399,874	-	-	-	36,399,874
Property, plant and equipment					
Land and land improvements	2,727,368	-	-	-	2,727,368
Buildings	146,418,075	559,691	-	-	146,977,766
Equipment	232,771,161	880,902	-	-	233,652,063
Construction in progress	22,713,647	-	-	-	22,713,647
Accumulated depreciation	(277,722,033)	(25,985)	-	-	(277,748,018)
Total property, plant and equipment	<u>126,908,218</u>	<u>1,414,608</u>	<u>-</u>	<u>-</u>	<u>128,322,826</u>
Total assets	<u>\$ 350,182,523</u>	<u>\$ 6,702,337</u>	<u>\$ 1,137,485</u>	<u>\$ -</u>	<u>\$ 358,022,345</u>

**Norwalk Hospital Association**  
**Supplementary Consolidating Balance Sheet**  
**Year Ended September 30, 2011**

	<b>Norwalk Hospital Association</b>	<b>Norwalk Surgery Center LLC</b>	<b>Fairfield County Medical Services, Inc.</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Liabilities and Net Assets</b>					
Current liabilities					
Accounts payable and accrued expenses	\$ 26,154,825	\$ 445,231	\$ 217,173	\$ -	\$ 26,817,229
Salaries, wages, payroll taxes and amounts withheld from employees	17,600,200	21,796	1,752,755	-	19,374,751
Due to third party agencies	4,525,191	-	-	-	4,525,191
Due to affiliates, net	-	-	-	-	-
Accrued interest payable	809,088	-	-	-	809,088
Current portion of long-term debt	4,834,597	52,966	-	-	4,887,563
Current portion of capital lease	9,649	-	-	-	9,649
Total current liabilities	53,933,550	519,993	1,969,928	-	56,423,471
Accrued pension liability	60,019,814	-	-	-	60,019,814
Asset retirement obligation	11,509,090	-	-	-	11,509,090
Other liabilities	16,518,934	-	-	-	16,518,934
Due to third party agencies	14,726,335	-	-	-	14,726,335
Long-term debt, less current portion	57,770,819	3,947,034	-	-	61,717,853
Long-term capital lease, less current portion	7,180	-	-	-	7,180
Total liabilities	214,485,722	4,467,027	1,969,928	-	220,922,677
Net assets (deficit)					
Unrestricted	104,154,204	2,235,310	(832,443)	-	105,557,071
Unrestricted attributable to noncontrolling interest	670,593	-	-	-	670,593
Temporarily restricted	21,432,761	-	-	-	21,432,761
Permanently restricted	9,439,243	-	-	-	9,439,243
Total net assets	135,696,801	2,235,310	(832,443)	-	137,099,668
Total liabilities and net assets	\$ 350,182,523	\$ 6,702,337	\$ 1,137,485	\$ -	\$ 358,022,345

# Norwalk Hospital Association

## Supplementary Consolidating Statement of Operations

Year Ended September 30, 2011

	Norwalk Hospital Association	Norwalk Surgery Center LLC	Fairfield County Medical Services, Inc.	Eliminations	Consolidated
<b>Operating revenues</b>					
Net revenues from services to patients	\$ 350,594,448	\$ 24,217	\$ -	\$ -	\$ 350,618,665
Other operating revenues	12,324,861		14,929,787	(4,363,112)	22,891,536
Total operating revenues	<u>362,919,309</u>	<u>24,217</u>	<u>14,929,787</u>	<u>(4,363,112)</u>	<u>373,510,201</u>
<b>Operating expenses</b>					
Salaries and benefits	174,865,641	452,174	14,085,442	-	189,403,257
Supplies and other expenses	121,421,335	828,905	5,992,705	(4,363,112)	123,879,833
Depreciation and amortization	19,041,348	26,137	115,889	-	19,183,374
Provision for bad debts	20,654,069	-	-	-	20,654,069
Interest	1,450,895	114,315	-	-	1,565,210
Support for Norwalk Hospital Foundation, Inc	1,042,576	-	-	-	1,042,576
Total operating expenses	<u>338,475,864</u>	<u>1,421,531</u>	<u>20,194,036</u>	<u>(4,363,112)</u>	<u>355,728,319</u>
Income (loss) from operations	<u>24,443,445</u>	<u>(1,397,314)</u>	<u>(5,264,249)</u>	<u>-</u>	<u>17,781,882</u>
<b>Nonoperating income (expense)</b>					
Investment income	796,825	2,486	-	-	799,311
Net unrealized loss on investments	(1,455,301)	-	-	-	(1,455,301)
Total nonoperating (loss) income	<u>(658,476)</u>	<u>2,486</u>	<u>-</u>	<u>-</u>	<u>(655,990)</u>
Excess (deficiency) of revenues over expenses, before noncontrolling interest in joint venture	23,784,969	(1,394,828)	(5,264,249)	-	17,125,892
Change in value attributable to noncontrolling interest in joint venture	-	418,448	-	-	418,448
Excess (deficiency) of revenues over expenses	23,784,969	(976,380)	(5,264,249)	-	17,544,340
<b>Other changes in net assets</b>					
Transfers from Norwalk Health Services Corporation	1,914,723	-	-	-	1,914,723
Transfer to Fairfield County Medical Services, Inc	(4,642,266)	-	4,642,266	-	-
Transfers from Norwalk Hospital Foundation, Inc	322,298	-	-	-	322,298
Funding of operations of Norwalk Hospital Foundation, Inc	(765,289)	-	-	-	(765,289)
Transfer to Norwalk Surgery Center, LLC	(2,100,000)	3,189,041	-	-	1,089,041
Pension related changes other than net periodic benefit cost	(25,149,518)	-	-	-	(25,149,518)
Noncontrolling interests in joint venture	-	(418,448)	-	-	(418,448)
(Decrease) increase in unrestricted net assets	<u>\$ (6,635,083)</u>	<u>\$ 1,794,213</u>	<u>\$ (621,983)</u>	<u>\$ -</u>	<u>\$ (5,462,853)</u>