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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

ELLIOT HOSPITAL OF THE CITY OF MANCHESTER, A LEADER IN HEALTHCARE, IS DEDICATED TO PROVIDING IT'S COMMUNITY WITH EXCELLENT SERVICES OFFERED WITH DIGNITY, CARING, AND RESPECT

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

No

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

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

No

If "Yes," describe these changes on Schedule O

4

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

4a

(Code ) (Expenses \$ 302,863,835 including grants of \$ 515,623 ) (Revenue \$ 374,229,581 )

MEDICAL SERVICES PROVIDED TO 14,431 IN-PATIENTS AND 509,986 OUT-PATIENTS INCLUDING FREE CARE IN THE AMOUNT OF \$7,023,464 (AT COST) AND CONTRIBUTIONS TO COMMUNITY PROGRAMS

4b

(Code ) (Expenses \$ 620,671 including grants of \$ ) (Revenue \$ )

CONTRIBUTIONS TO MANCHESTER COMMUNITY HEALTH CENTER AND I IMAGINE

4c

(Code ) (Expenses \$ 582,660 including grants of \$ ) (Revenue \$ )

COMMUNITY BENEFITS INCLUDING EDUCATIONAL PROGRAMS, HEALTH SCREENINGS, HEALTH PUBLICATIONS AND OTHER HEALTH INFORMATION SERVICES

4d

Other program services (Describe in Schedule O )

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e

Total program service expenses

304,067,166

Part IV

Checklist of Required Schedules

|                                                                                                                                                                                                                                                                                                                                                                                   | Yes     | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A                                                                                                                                                              | 1 Yes   |    |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?                                                                                                                                                                                            | 2 Yes   |    |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I                                                                                                           | 3       | No |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II                                                                                            | 4 Yes   |    |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III                                                                    | 5       | No |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I                                         | 6       | No |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II                                                                               | 7       | No |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III                                                                                                                                              | 8       | No |
| 9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV  | 9       | No |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V                                                                                        | 10 Yes  |    |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable                                                                                                                                                                                                                                 |         |    |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI                                                                                                                                                            | 11a Yes |    |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII                                                                                        | 11b Yes |    |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII                                                                                       | 11c     | No |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX                                                                                                         | 11d Yes |    |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X                                                                                                                                                                      | 11e Yes |    |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X                                               | 11f Yes |    |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII                                                                                                                                           | 12a     | No |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional                                                            | 12b Yes |    |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E                                                                                                                                                                                                                                                                              | 13      | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States?                                                                                                                                                                                                                                                                                   | 14a     | No |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV                                                                       | 14b     | No |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV                                                                                                                                                          | 15      | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV                                                                                                                                                              | 16      | No |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)                                                                                                                                                                  | 17      | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II                                                                                                                                                                                                 | 18      | No |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III                                                                                                                                                                                                                           | 19      | No |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H                                                                                                                                                                                              | 20a Yes |    |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?                                                                                                                                                                               | 20b Yes |    |

Part IV

Checklist of Required Schedules (continued)

|     |                                                                                                                                                                                                                                                                                                                            |     |     |    |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .                                                                                         | 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? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .                                                                                                           | 22  |     | No |
| 23  | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .                                                      | 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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> . . . . .                             | 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? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                                                                                      | 25a |     | No |
| b   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                       | 25b |     | No |
| 26  | Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .                                                                   | 26  |     | No |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . . | 27  |     | No |
| 28  | Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)                                                                                                                               |     |     |    |
| a   | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                                                                   | 28a | Yes |    |
| b   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                                                | 28b |     | No |
| c   | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                    | 28c | Yes |    |
| 29  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .                                                                                                                                                                                                    | 29  |     | No |
| 30  | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                                                                  | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .                                                                                                                                                                                        | 31  |     | No |
| 32  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .                                                                                                                                                                      | 32  |     | No |
| 33  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .                                                                                                                      | 33  |     | No |
| 34  | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .                                                                                                                                                                  | 34  | Yes |    |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)?                                                                                                                                                                                                                                    | 35a | Yes |    |
| b   | If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                         | 35b |     | No |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                                                           | 36  |     | No |
| 37  | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .                                                                             | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .                                                                                                                              | 38  | Yes |    |

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

|                                                                                                                                                                                                                                                                         |                                                                                                                                                                                |     |       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------|
|                                                                                                                                                                                                                                                                         |                                                                                                                                                                                | Yes | No    |
| 1a                                                                                                                                                                                                                                                                      | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.                                                                                                  | 251 |       |
| 1b                                                                                                                                                                                                                                                                      | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.                                                                                               | 0   |       |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?                                                                                                              |                                                                                                                                                                                | 1c  | Yes   |
| 2a                                                                                                                                                                                                                                                                      | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. | 2a  | 3,355 |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).                                   |                                                                                                                                                                                | 2b  | Yes   |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year?                                                                                                                                                                        |                                                                                                                                                                                | 3a  | Yes   |
| b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.                                                                                                                                                                     |                                                                                                                                                                                | 3b  | Yes   |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?                           |                                                                                                                                                                                | 4a  | No    |
| b If "Yes," enter the name of the foreign country: _____<br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.                                                                                              |                                                                                                                                                                                |     |       |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?                                                                                                                                                                |                                                                                                                                                                                | 5a  | No    |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?                                                                                                                                                      |                                                                                                                                                                                | 5b  | No    |
| c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?                                                                                                                                                                                                    |                                                                                                                                                                                | 5c  |       |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?                                                              |                                                                                                                                                                                | 6a  | No    |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?                                                                                                                         |                                                                                                                                                                                | 6b  |       |
| 7 Organizations that may receive deductible contributions under section 170(c).                                                                                                                                                                                         |                                                                                                                                                                                |     |       |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?                                                                                                                       |                                                                                                                                                                                | 7a  | No    |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided?                                                                                                                                                                       |                                                                                                                                                                                | 7b  |       |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?                                                                                                                                  |                                                                                                                                                                                | 7c  | No    |
| d If "Yes," indicate the number of Forms 8282 filed during the year.                                                                                                                                                                                                    |                                                                                                                                                                                | 7d  |       |
| e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?                                                                                                                                                       |                                                                                                                                                                                | 7e  | No    |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?                                                                                                                                                          |                                                                                                                                                                                | 7f  | No    |
| g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?                                                                                                                                      |                                                                                                                                                                                | 7g  |       |
| h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?                                                                                                                                    |                                                                                                                                                                                | 7h  |       |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |                                                                                                                                                                                | 8   |       |
| 9 Sponsoring organizations maintaining donor advised funds.                                                                                                                                                                                                             |                                                                                                                                                                                |     |       |
| a Did the organization make any taxable distributions under section 4966?                                                                                                                                                                                               |                                                                                                                                                                                | 9a  |       |
| b Did the organization make a distribution to a donor, donor advisor, or related person?                                                                                                                                                                                |                                                                                                                                                                                | 9b  |       |
| 10 Section 501(c)(7) organizations. Enter                                                                                                                                                                                                                               |                                                                                                                                                                                |     |       |
| a Initiation fees and capital contributions included on Part VIII, line 12.                                                                                                                                                                                             |                                                                                                                                                                                | 10a |       |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.                                                                                                                                                                          |                                                                                                                                                                                | 10b |       |
| 11 Section 501(c)(12) organizations. Enter                                                                                                                                                                                                                              |                                                                                                                                                                                |     |       |
| a Gross income from members or shareholders.                                                                                                                                                                                                                            |                                                                                                                                                                                | 11a |       |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).                                                                                                                                          |                                                                                                                                                                                | 11b |       |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?                                                                                                                                                          |                                                                                                                                                                                | 12a |       |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.                                                                                                                                                                                |                                                                                                                                                                                | 12b |       |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers.                                                                                                                                                                                                     |                                                                                                                                                                                |     |       |
| a Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.                                                                      |                                                                                                                                                                                | 13a |       |
| b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.                                                                                                            |                                                                                                                                                                                | 13b |       |
| c Enter the amount of reserves on hand.                                                                                                                                                                                                                                 |                                                                                                                                                                                | 13c |       |
| 14a Did the organization receive any payments for indoor tanning services during the tax year?                                                                                                                                                                          |                                                                                                                                                                                | 14a | No    |
| b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.                                                                                                                                                            |                                                                                                                                                                                | 14b |       |

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

|                                                                                                                                                                                                                  |                                                                                                                                                                                                                     |     |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
|                                                                                                                                                                                                                  |                                                                                                                                                                                                                     | Yes | No  |
| 1a                                                                                                                                                                                                               | Enter the number of voting members of the governing body at the end of the tax year                                                                                                                                 | 22  |     |
| If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O |                                                                                                                                                                                                                     |     |     |
| 1b                                                                                                                                                                                                               | Enter the number of voting members included in line 1a, above, who are independent                                                                                                                                  | 16  |     |
| 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 |
| 7b                                                                                                                                                                                                               | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?                                                           | 7b  | No  |
| 8                                                                                                                                                                                                                | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following                                                                                    |     |     |
| 8a                                                                                                                                                                                                               | The governing body?                                                                                                                                                                                                 | 8a  | Yes |
| 8b                                                                                                                                                                                                               | Each committee with authority to act on behalf of the governing body?                                                                                                                                               | 8b  | Yes |
| 9                                                                                                                                                                                                                | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O        | 9   | No  |

Section B. Policies

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

|                                                                                    |                                                                                                                                                                                                                                                                                              |     |     |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
|                                                                                    |                                                                                                                                                                                                                                                                                              | Yes | No  |
| 10a                                                                                | Did the organization have local chapters, branches, or affiliates?                                                                                                                                                                                                                           | 10a | No  |
| 10b                                                                                | 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 |
| 11b                                                                                | Describe in Schedule O the process, if any, used by the organization to review this Form 990                                                                                                                                                                                                 |     |     |
| 12a                                                                                | Did the organization have a written conflict of interest policy? If "No," go to line 13                                                                                                                                                                                                      | 12a | Yes |
| 12b                                                                                | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?                                                                                                                                                          | 12b | Yes |
| 12c                                                                                | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done                                                                                                                                           | 12c | Yes |
| 13                                                                                 | Did the organization have a written whistleblower policy?                                                                                                                                                                                                                                    | 13  | Yes |
| 14                                                                                 | Did the organization have a written document retention and destruction policy?                                                                                                                                                                                                               | 14  | Yes |
| 15                                                                                 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?                                                                         |     |     |
| 15a                                                                                | The organization's CEO, Executive Director, or top management official                                                                                                                                                                                                                       | 15a | Yes |
| 15b                                                                                | 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 | No  |
| 16b                                                                                | 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 |     |

Section C. Disclosure

|    |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 17 | List the States with which a copy of this Form 990 is required to be filed                                                                                                                                                                                                                                                                                                                                     | NH                                                                             |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.<br><input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O) |                                                                                |
| 19 | Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year                                                                                                                                                                                                              |                                                                                |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization                                                                                                                                                                                                                                                                                   | MARC CULLEROT 1070 HOLT AVENUE UNIT 1 SUITE 2100 MANCHESTER, NH (603) 663-2033 |

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 Enter -0- in columns (D), (E), and (F) if no compensation was paid

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

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

List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

| (A)<br>Name and Title                      | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W- 2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W- 2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|-----------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                            |                                                                                            | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                       |                                                                            |                                                                                               |
| (1) DOUGLAS F DEAN<br>PRESIDENT & CEO      | 40 00<br>4 00                                                                              | X                                                                                                         |                       | X       |              |                              |        | 1,996,284                                                             | 0                                                                          | 152,995                                                                                       |
| (2) RICK PHELPS<br>COO                     | 40 00<br>2 00                                                                              | X                                                                                                         |                       | X       |              |                              |        | 578,667                                                               | 0                                                                          | 87,507                                                                                        |
| (3) R SCOTT BACON<br>CHAIR                 | 1 00<br>1 00                                                                               | X                                                                                                         |                       | X       |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (4) JAMES C HOOD ESQ<br>TRUSTEE            | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (5) ANN REMUS<br>SECRETARY                 | 1 00<br>4 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (6) SELMA NACCACH-HOFF<br>TRUSTEE          | 1 00<br>2 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (7) LOUISE FORSEZE<br>TRUSTEE              | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (8) LAWRENCE M HOEPP MD<br>TRUSTEE         | 1 00<br>41 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 893,217                                                                    | 20,864                                                                                        |
| (9) HOWARD BRODSKY<br>TRUSTEE              | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (10) ROGER A SEVIGNY<br>TRUSTEE            | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (11) DANIEL M MONFRIED<br>TRUSTEE          | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (12) REVEREND JOHN A CERRATO JR<br>TRUSTEE | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (13) DIANNE M MERCIER<br>VICE CHAIR        | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (14) DAVID R A STEADMAN<br>TREASURUER      | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (15) ROBERT M LAVERY<br>TRUSTEE            | 1 00<br>41 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 586,149                                                                    | 19,812                                                                                        |
| (16) JAMES F FITZGERALD MD<br>TRUSTEE      | 1 00<br>42 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 212,598                                                                    | 22,991                                                                                        |
| (17) RICHARD L WINNEG<br>TRUSTEE           | 1 00<br>2 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |

Part VII

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

| (A)<br>Name and Title                                                                                                                                                 | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W- 2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W- 2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|-----------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                                                                                                                                                       |                                                                                            | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                       |                                                                            |                                                                                               |
| (18) BARBARA A RAND<br>TRUSTEE                                                                                                                                        | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (19) GUS EMMICK MD<br>TRUSTEE                                                                                                                                         | 1 00<br>42 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 285,153                                                                    | 23,587                                                                                        |
| (20) CHARLES ROLECEK<br>TRUSTEE                                                                                                                                       | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (21) JOHN A HESSION<br>TRUSTEE                                                                                                                                        | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (22) JOHN F WEEKS<br>TRUSTEE                                                                                                                                          | 1 00<br>3 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (23) CHRISTOPHER S CALHOUN MD<br>TRUSTEE                                                                                                                              | 1 00<br>40 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 59,883                                                                     | 13,355                                                                                        |
| (24) RICHARD ELWELL<br>CFO                                                                                                                                            | 40 00<br>3 00                                                                              |                                                                                                           |                       | X       |              |                              |        | 485,527                                                               | 0                                                                          | 120,861                                                                                       |
| (25) JOHN FRIBERG<br>SENIOR VP OF OPERATIONS                                                                                                                          | 40 00<br>0 00                                                                              |                                                                                                           |                       |         | X            |                              |        | 370,511                                                               | 0                                                                          | 22,948                                                                                        |
| (26) ALEXANDER W PETRON<br>CHIEF MEDICAL INFO OFFICER                                                                                                                 | 40 00<br>0 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 349,923                                                               | 0                                                                          | 23,598                                                                                        |
| (27) MARC G CULLEROT<br>VP OF FINANCE                                                                                                                                 | 40 00<br>0 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 264,441                                                               | 0                                                                          | 25,459                                                                                        |
| (28) ANITA RITENOUR MD<br>ASST VP MEDICAL AFFAIRS                                                                                                                     | 40 00<br>0 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 319,186                                                               | 0                                                                          | 30,157                                                                                        |
| (29) DENISE P PURINGTON<br>CHIEF INFORMATION OFFICER                                                                                                                  | 40 00<br>0 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 262,941                                                               | 0                                                                          | 23,374                                                                                        |
| (30) WILLIAM BAXTER<br>SENIOR VP MEDICAL AFFFAIRS                                                                                                                     | 40 00<br>2 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 365,580                                                               | 0                                                                          | 23,394                                                                                        |
| 1b Sub-Total                                                                                                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |        |                                                                       |                                                                            |                                                                                               |
| c Total from continuation sheets to Part VII, Section A                                                                                                               |                                                                                            |                                                                                                           |                       |         |              |                              |        |                                                                       |                                                                            |                                                                                               |
| d Total (add lines 1b and 1c)                                                                                                                                         |                                                                                            |                                                                                                           |                       |         |              |                              |        | 4,993,060                                                             | 2,037,000                                                                  | 610,902                                                                                       |
| 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▶114 |                                                                                            |                                                                                                           |                       |         |              |                              |        |                                                                       |                                                                            |                                                                                               |

|   |                                                                                                                                                                                                                                     | 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>                                        |     | No |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | 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>                       |     | 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)<br>Name and business address                                                                                                                                                                                                                    | (B)<br>Description of services    | (C)<br>Compensation |
| JIMENEZ CONSULTING SOLUTION 10450 N 74TH ST STE 160 SCOTTSDALE AZ 85258                                                                                                                                                                             | ICD-10 TRAINING                   | 1,113,365           |
| BIANCO ASSOCIATES 18 CENTER ST CONCORD NH 03301                                                                                                                                                                                                     | REGULATORY AND LEGAL CONSULTING   | 829,277             |
| NH NEUROSPINE INSTITUTE 4 HAWTHORNE DR BEDFORD NH 03110                                                                                                                                                                                             | NEUROSURGERY LOCUMS COVERAGE      | 660,000             |
| CHAMBERLIN EDMONDS 3535 PIEDMONT ROAD SUITE 800 ATLANTA GA 30305                                                                                                                                                                                    | SELF PAY PATIENT BILLING PROVIDER | 397,224             |
| AMOSKEAG ANESTHESIA PLLC 1 ELLIOT WAY MANCHESTER NH 03103                                                                                                                                                                                           | PHYSICIAN SERVICES                | 359,976             |
| 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 ▶22                                                                              |                                   |                     |

Part VIII

Statement of Revenue

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

|                                                           |                                                    |                                                                                                                                               | (A)<br>Total revenue                                                                      | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections<br>512, 513, or<br>514 |           |
|-----------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|-----------|
| Contributions, Gifts, Grants<br>and Other Similar Amounts | 1a                                                 | Federated campaigns . . .                                                                                                                     | 1a                                                                                        |                                                    |                                         |                                                                                 |           |
|                                                           | b                                                  | Membership dues . . . . .                                                                                                                     | 1b                                                                                        |                                                    |                                         |                                                                                 |           |
|                                                           | c                                                  | Fundraising events . . . . .                                                                                                                  | 1c                                                                                        |                                                    |                                         |                                                                                 |           |
|                                                           | d                                                  | Related organizations . . . .                                                                                                                 | 1d                                                                                        |                                                    |                                         |                                                                                 |           |
|                                                           | e                                                  | Government grants (contributions)                                                                                                             | 1e                                                                                        |                                                    |                                         |                                                                                 |           |
|                                                           | f                                                  | All other contributions, gifts, grants, and<br>similar amounts not included above                                                             | 1f                                                                                        | 1,241,795                                          |                                         |                                                                                 |           |
|                                                           | g                                                  | Noncash contributions included in lines<br>1a-1f \$                                                                                           |                                                                                           |                                                    |                                         |                                                                                 |           |
|                                                           | h                                                  | Total. Add lines 1a-1f . . . . .                                                                                                              |                                                                                           | 1,241,795                                          |                                         |                                                                                 |           |
| Program Service Revenue                                   | 2a                                                 | PROG SERV REVENUE-RELATED-990                                                                                                                 | Business Code<br>621110                                                                   | 367,118,203                                        | 367,118,203                             |                                                                                 |           |
|                                                           | b                                                  |                                                                                                                                               |                                                                                           |                                                    |                                         |                                                                                 |           |
|                                                           | c                                                  |                                                                                                                                               |                                                                                           |                                                    |                                         |                                                                                 |           |
|                                                           | d                                                  |                                                                                                                                               |                                                                                           |                                                    |                                         |                                                                                 |           |
|                                                           | e                                                  |                                                                                                                                               |                                                                                           |                                                    |                                         |                                                                                 |           |
|                                                           | f                                                  | All other program service revenue                                                                                                             |                                                                                           |                                                    |                                         |                                                                                 |           |
|                                                           | g                                                  | Total. Add lines 2a-2f . . . . .                                                                                                              |                                                                                           | 367,118,203                                        |                                         |                                                                                 |           |
|                                                           | Other Revenue                                      | 3                                                                                                                                             | Investment income (including dividends, interest,<br>and other similar amounts) . . . . . | 1,863,301                                          |                                         | -69,966                                                                         | 1,933,267 |
| 4                                                         |                                                    | Income from investment of tax-exempt bond proceeds . . .                                                                                      |                                                                                           |                                                    |                                         |                                                                                 |           |
| 5                                                         |                                                    | Royalties . . . . .                                                                                                                           |                                                                                           |                                                    |                                         |                                                                                 |           |
| 6a                                                        |                                                    | Gross rents                                                                                                                                   | (i) Real                                                                                  | (ii) Personal                                      |                                         |                                                                                 |           |
|                                                           |                                                    |                                                                                                                                               | 2,510,701                                                                                 |                                                    |                                         |                                                                                 |           |
|                                                           |                                                    |                                                                                                                                               | 0                                                                                         |                                                    |                                         |                                                                                 |           |
|                                                           |                                                    |                                                                                                                                               | 2,510,701                                                                                 |                                                    |                                         |                                                                                 |           |
| d                                                         |                                                    | Net rental income or (loss) . . . . .                                                                                                         | 2,510,701                                                                                 |                                                    |                                         | 2,510,701                                                                       |           |
| 7a                                                        |                                                    | Gross amount<br>from sales of<br>assets other<br>than inventory                                                                               | (i) Securities                                                                            | (ii) Other                                         |                                         |                                                                                 |           |
|                                                           |                                                    |                                                                                                                                               | 2,029,528                                                                                 |                                                    |                                         |                                                                                 |           |
|                                                           |                                                    |                                                                                                                                               | 0                                                                                         |                                                    |                                         |                                                                                 |           |
|                                                           |                                                    |                                                                                                                                               | 2,029,528                                                                                 |                                                    |                                         |                                                                                 |           |
| d                                                         |                                                    | Net gain or (loss) . . . . .                                                                                                                  | 2,029,528                                                                                 |                                                    |                                         | 2,029,528                                                                       |           |
| 8a                                                        |                                                    | Gross income from fundraising<br>events (not including<br>\$ _____<br>of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . | a                                                                                         |                                                    |                                         |                                                                                 |           |
| b                                                         |                                                    | Less direct expenses . . . . .                                                                                                                | b                                                                                         |                                                    |                                         |                                                                                 |           |
| c                                                         |                                                    | Net income or (loss) from fundraising events . . .                                                                                            |                                                                                           |                                                    |                                         |                                                                                 |           |
| 9a                                                        |                                                    | Gross income from gaming activities<br>See Part IV, line 19 . . . . .                                                                         | a                                                                                         |                                                    |                                         |                                                                                 |           |
| b                                                         |                                                    | Less direct expenses . . . . .                                                                                                                | b                                                                                         |                                                    |                                         |                                                                                 |           |
| c                                                         |                                                    | Net income or (loss) from gaming activities . . .                                                                                             |                                                                                           |                                                    |                                         |                                                                                 |           |
| 10a                                                       |                                                    | Gross sales of inventory, less<br>returns and allowances . . . . .                                                                            | a                                                                                         |                                                    |                                         |                                                                                 |           |
| b                                                         | Less cost of goods sold . . . . .                  | b                                                                                                                                             |                                                                                           |                                                    |                                         |                                                                                 |           |
| c                                                         | Net income or (loss) from sales of inventory . . . |                                                                                                                                               |                                                                                           |                                                    |                                         |                                                                                 |           |
|                                                           | Miscellaneous Revenue                              | Business Code                                                                                                                                 |                                                                                           |                                                    |                                         |                                                                                 |           |
| 11a                                                       | MISCELLANEOUS OTHER                                | 900099                                                                                                                                        | 7,111,378                                                                                 | 7,111,378                                          |                                         |                                                                                 |           |
| b                                                         | LABORATORY SERVICES                                | 621500                                                                                                                                        | 2,987,227                                                                                 |                                                    | 2,987,227                               |                                                                                 |           |
| c                                                         | CAFETERIA REVENUE                                  | 722210                                                                                                                                        | 1,813,622                                                                                 |                                                    |                                         | 1,813,622                                                                       |           |
| d                                                         | All other revenue . . . . .                        |                                                                                                                                               | 1,413,283                                                                                 |                                                    | 189,676                                 | 1,223,607                                                                       |           |
| e                                                         | Total. Add lines 11a-11d . . . . .                 |                                                                                                                                               | 13,325,510                                                                                |                                                    |                                         |                                                                                 |           |
| 12                                                        | Total revenue. See Instructions . . . . .          |                                                                                                                                               | 388,089,038                                                                               | 374,229,581                                        | 3,106,937                               | 9,510,725                                                                       |           |

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. |                                                                                                                                                                                                                                                | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| 1                                                                              | Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.                                                                                                                                       | 514,123               | 514,123                         |                                        |                             |
| 2                                                                              | Grants and other assistance to individuals in the United States. See Part IV, line 22.                                                                                                                                                         | 1,500                 | 1,500                           |                                        |                             |
| 3                                                                              | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.                                                                                                            |                       |                                 |                                        |                             |
| 4                                                                              | Benefits paid to or for members.                                                                                                                                                                                                               |                       |                                 |                                        |                             |
| 5                                                                              | Compensation of current officers, directors, trustees, and key employees.                                                                                                                                                                      | 3,430,989             |                                 | 3,430,989                              |                             |
| 6                                                                              | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).                                                                                                 |                       |                                 |                                        |                             |
| 7                                                                              | Other salaries and wages.                                                                                                                                                                                                                      | 130,455,553           | 97,838,244                      | 32,617,309                             |                             |
| 8                                                                              | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).                                                                                                                                            | 17,261,727            | 12,946,295                      | 4,315,432                              |                             |
| 9                                                                              | Other employee benefits.                                                                                                                                                                                                                       | 13,511,189            | 10,133,392                      | 3,377,797                              |                             |
| 10                                                                             | Payroll taxes.                                                                                                                                                                                                                                 | 9,642,183             | 7,231,637                       | 2,410,546                              |                             |
| 11                                                                             | Fees for services (non-employees):                                                                                                                                                                                                             |                       |                                 |                                        |                             |
| a                                                                              | Management.                                                                                                                                                                                                                                    |                       |                                 |                                        |                             |
| b                                                                              | Legal.                                                                                                                                                                                                                                         | 683,298               |                                 | 683,298                                |                             |
| c                                                                              | Accounting.                                                                                                                                                                                                                                    | 198,600               |                                 | 198,600                                |                             |
| d                                                                              | Lobbying.                                                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| e                                                                              | Professional fundraising services. See Part IV, line 17.                                                                                                                                                                                       |                       |                                 |                                        |                             |
| f                                                                              | Investment management fees.                                                                                                                                                                                                                    |                       |                                 |                                        |                             |
| g                                                                              | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).                                                                                                                                    |                       |                                 |                                        |                             |
| 12                                                                             | Advertising and promotion.                                                                                                                                                                                                                     | 2,115,236             |                                 | 2,115,236                              |                             |
| 13                                                                             | Office expenses.                                                                                                                                                                                                                               |                       |                                 |                                        |                             |
| 14                                                                             | Information technology.                                                                                                                                                                                                                        |                       |                                 |                                        |                             |
| 15                                                                             | Royalties.                                                                                                                                                                                                                                     |                       |                                 |                                        |                             |
| 16                                                                             | Occupancy.                                                                                                                                                                                                                                     | 4,507,171             | 3,380,378                       | 1,126,793                              |                             |
| 17                                                                             | Travel.                                                                                                                                                                                                                                        | 145,140               | 108,855                         | 36,285                                 |                             |
| 18                                                                             | Payments of travel or entertainment expenses for any federal, state, or local public officials.                                                                                                                                                |                       |                                 |                                        |                             |
| 19                                                                             | Conferences, conventions, and meetings.                                                                                                                                                                                                        | 340,676               | 255,508                         | 85,168                                 |                             |
| 20                                                                             | Interest.                                                                                                                                                                                                                                      | 9,349,959             | 7,012,469                       | 2,337,490                              |                             |
| 21                                                                             | Payments to affiliates.                                                                                                                                                                                                                        | 23,309,827            | 23,309,827                      |                                        |                             |
| 22                                                                             | Depreciation, depletion, and amortization.                                                                                                                                                                                                     | 15,934,140            | 11,950,605                      | 3,983,535                              |                             |
| 23                                                                             | Insurance.                                                                                                                                                                                                                                     | 5,514,904             | 4,136,178                       | 1,378,726                              |                             |
| 24                                                                             | Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):                                              |                       |                                 |                                        |                             |
| a                                                                              | PROVISION FOR BAD DEBTS                                                                                                                                                                                                                        | 41,175,801            | 41,175,801                      |                                        |                             |
| b                                                                              | SUPPLIES                                                                                                                                                                                                                                       | 20,586,240            | 20,586,240                      |                                        |                             |
| c                                                                              | DRUGS & PHARMACEUTICALS                                                                                                                                                                                                                        | 14,999,286            | 14,999,286                      |                                        |                             |
| d                                                                              | MEDICAID ENHANCEMENT TAX                                                                                                                                                                                                                       | 11,674,727            |                                 | 11,674,727                             |                             |
| e                                                                              | All other expenses                                                                                                                                                                                                                             | 61,567,348            | 48,486,828                      | 13,080,520                             |                             |
| 25                                                                             | <b>Total functional expenses.</b> Add lines 1 through 24e.                                                                                                                                                                                     | 386,919,617           | 304,067,166                     | 82,852,451                             | 0                           |
| 26                                                                             | <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). |                       |                                 |                                        |                             |

Part X

Balance Sheet

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

☐

|                             |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                              |                | (A)               |     | (B)         |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|-----|-------------|
|                             |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                              |                | Beginning of year |     | End of year |
| Assets                      | 1                                                                                                                                                   | Cash—non-interest-bearing                                                                                                                                                                                                                                                                                                    |                | 21,588,730        | 1   | 25,662,626  |
|                             | 2                                                                                                                                                   | Savings and temporary cash investments                                                                                                                                                                                                                                                                                       |                | 6,095,203         | 2   | 6,188,637   |
|                             | 3                                                                                                                                                   | Pledges and grants receivable, net                                                                                                                                                                                                                                                                                           |                |                   | 3   |             |
|                             | 4                                                                                                                                                   | Accounts receivable, net                                                                                                                                                                                                                                                                                                     |                | 34,960,257        | 4   | 40,411,820  |
|                             | 5                                                                                                                                                   | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L                                                                                                                                                           |                |                   | 5   |             |
|                             | 6                                                                                                                                                   | Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L |                |                   | 6   |             |
|                             | 7                                                                                                                                                   | Notes and loans receivable, net                                                                                                                                                                                                                                                                                              |                |                   | 7   |             |
|                             | 8                                                                                                                                                   | Inventories for sale or use                                                                                                                                                                                                                                                                                                  |                | 2,143,884         | 8   | 2,405,426   |
|                             | 9                                                                                                                                                   | Prepaid expenses and deferred charges                                                                                                                                                                                                                                                                                        |                | 4,336,045         | 9   | 4,028,986   |
|                             | 10a                                                                                                                                                 | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D                                                                                                                                                                                                                                            | 10a355,273,770 |                   |     |             |
|                             | b                                                                                                                                                   | Less accumulated depreciation                                                                                                                                                                                                                                                                                                | 10b195,363,647 | 170,552,056       | 10c | 159,910,123 |
|                             | 11                                                                                                                                                  | Investments—publicly traded securities                                                                                                                                                                                                                                                                                       |                |                   | 11  |             |
|                             | 12                                                                                                                                                  | Investments—other securities See Part IV, line 11                                                                                                                                                                                                                                                                            |                | 97,644,472        | 12  | 99,938,667  |
|                             | 13                                                                                                                                                  | Investments—program-related See Part IV, line 11                                                                                                                                                                                                                                                                             |                |                   | 13  |             |
|                             | 14                                                                                                                                                  | Intangible assets                                                                                                                                                                                                                                                                                                            |                |                   | 14  |             |
|                             | 15                                                                                                                                                  | Other assets See Part IV, line 11                                                                                                                                                                                                                                                                                            |                | 17,053,675        | 15  | 26,012,131  |
|                             | 16                                                                                                                                                  | Total assets. Add lines 1 through 15 (must equal line 34)                                                                                                                                                                                                                                                                    |                | 354,374,322       | 16  | 364,558,416 |
| Liabilities                 | 17                                                                                                                                                  | Accounts payable and accrued expenses                                                                                                                                                                                                                                                                                        |                | 33,887,118        | 17  | 33,268,898  |
|                             | 18                                                                                                                                                  | Grants payable                                                                                                                                                                                                                                                                                                               |                |                   | 18  |             |
|                             | 19                                                                                                                                                  | Deferred revenue                                                                                                                                                                                                                                                                                                             |                |                   | 19  |             |
|                             | 20                                                                                                                                                  | Tax-exempt bond liabilities                                                                                                                                                                                                                                                                                                  |                | 151,706,117       | 20  | 150,115,157 |
|                             | 21                                                                                                                                                  | Escrow or custodial account liability Complete Part IV of Schedule D                                                                                                                                                                                                                                                         |                |                   | 21  |             |
|                             | 22                                                                                                                                                  | Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L                                                                                                                                          |                |                   | 22  |             |
|                             | 23                                                                                                                                                  | Secured mortgages and notes payable to unrelated third parties                                                                                                                                                                                                                                                               |                | 150,000           | 23  | 0           |
|                             | 24                                                                                                                                                  | Unsecured notes and loans payable to unrelated third parties                                                                                                                                                                                                                                                                 |                |                   | 24  |             |
|                             | 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                                                                                                                                                         |                | 94,697,650        | 25  | 74,493,295  |
|                             | 26                                                                                                                                                  | Total liabilities. Add lines 17 through 25                                                                                                                                                                                                                                                                                   |                | 280,440,885       | 26  | 257,877,350 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |                                                                                                                                                                                                                                                                                                                              |                |                   |     |             |
|                             | 27                                                                                                                                                  | Unrestricted net assets                                                                                                                                                                                                                                                                                                      |                | 60,341,629        | 27  | 92,614,711  |
|                             | 28                                                                                                                                                  | Temporarily restricted net assets                                                                                                                                                                                                                                                                                            |                | 1,696,379         | 28  | 1,801,521   |
|                             | 29                                                                                                                                                  | Permanently restricted net assets                                                                                                                                                                                                                                                                                            |                | 11,895,429        | 29  | 12,264,834  |
|                             | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.                          |                                                                                                                                                                                                                                                                                                                              |                |                   |     |             |
|                             | 30                                                                                                                                                  | Capital stock or trust principal, or current funds                                                                                                                                                                                                                                                                           |                |                   | 30  |             |
|                             | 31                                                                                                                                                  | Paid-in or capital surplus, or land, building or equipment fund                                                                                                                                                                                                                                                              |                |                   | 31  |             |
|                             | 32                                                                                                                                                  | Retained earnings, endowment, accumulated income, or other funds                                                                                                                                                                                                                                                             |                |                   | 32  |             |
|                             | 33                                                                                                                                                  | Total net assets or fund balances                                                                                                                                                                                                                                                                                            |                | 73,933,437        | 33  | 106,681,066 |
|                             | 34                                                                                                                                                  | Total liabilities and net assets/fund balances                                                                                                                                                                                                                                                                               |                | 354,374,322       | 34  | 364,558,416 |

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  | 388,089,038 |
| 2  | Total expenses (must equal Part IX, column (A), line 25) . . . . .                                            | 2  | 386,919,617 |
| 3  | Revenue less expenses Subtract line 2 from line 1 . . . . .                                                   | 3  | 1,169,421   |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .           | 4  | 73,933,437  |
| 5  | Net unrealized gains (losses) on investments . . . . .                                                        | 5  | 895,162     |
| 6  | Donated services and use of facilities . . . . .                                                              | 6  |             |
| 7  | Investment expenses . . . . .                                                                                 | 7  |             |
| 8  | Prior period adjustments . . . . .                                                                            | 8  |             |
| 9  | Other changes in net assets or fund balances (explain in Schedule O) . . . . .                                | 9  | 30,683,046  |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 106,681,066 |

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 _____<br>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?<br>If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2a  | No  |
| 2b | Were the organization's financial statements audited by an independent accountant?<br>If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both<br><input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                | 2b  | Yes |
| 2c | If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O                                                                    | 2c  | Yes |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?                                                                                                                                                                                                                                                                 | 3a  | No  |
| 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  |     |

Additional Data

Software ID:

Software Version:

EIN: 02-0232673

Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

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

| (A)<br>Name and Title                   | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|-----------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                         |                                                                                            | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| DOUGLAS F DEAN<br>PRESIDENT & CEO       | 40 00<br>4 00                                                                              | X                                                                                                         |                       | X       |              |                              |        | 1,996,284                                                            | 0                                                                         | 152,995                                                                                       |
| RICK PHELPS<br>COO                      | 40 00<br>2 00                                                                              | X                                                                                                         |                       | X       |              |                              |        | 578,667                                                              | 0                                                                         | 87,507                                                                                        |
| R SCOTT BACON<br>CHAIR                  | 1 00<br>1 00                                                                               | X                                                                                                         |                       | X       |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| JAMES C HOOD ESQ<br>TRUSTEE             | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| ANN REMUS<br>SECRETARY                  | 1 00<br>4 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| SELMA NACCACH-HOFF<br>TRUSTEE           | 1 00<br>2 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| LOUISE FORSEZE<br>TRUSTEE               | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| LAWRENCE M HOEPP MD<br>TRUSTEE          | 1 00<br>41 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 893,217                                                                   | 20,864                                                                                        |
| HOWARD BRODSKY<br>TRUSTEE               | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| ROGER A SEVIGNY<br>TRUSTEE              | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| DANIEL M MONFRIED<br>TRUSTEE            | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| REVEREND JOHN A CERRATO JR<br>TRUSTEE   | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| DIANNE M MERCIER<br>VICE CHAIR          | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| DAVID R A STEADMAN<br>TREASURUER        | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| ROBERT M LAVERY<br>TRUSTEE              | 1 00<br>41 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 586,149                                                                   | 19,812                                                                                        |
| JAMES F FITZGERALD MD<br>TRUSTEE        | 1 00<br>42 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 212,598                                                                   | 22,991                                                                                        |
| RICHARD L WINNEG<br>TRUSTEE             | 1 00<br>2 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| BARBARA A RAND<br>TRUSTEE               | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| GUS EMMICK MD<br>TRUSTEE                | 1 00<br>42 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 285,153                                                                   | 23,587                                                                                        |
| CHARLES ROLECEK<br>TRUSTEE              | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| JOHN A HESSION<br>TRUSTEE               | 1 00<br>1 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| JOHN F WEEKS<br>TRUSTEE                 | 1 00<br>3 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| CHRISTOPHER S CALHOUN MD<br>TRUSTEE     | 1 00<br>40 00                                                                              | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 59,883                                                                    | 13,355                                                                                        |
| RICHARD ELWELL<br>CFO                   | 40 00<br>3 00                                                                              |                                                                                                           |                       | X       |              |                              |        | 485,527                                                              | 0                                                                         | 120,861                                                                                       |
| JOHN FRIBERG<br>SENIOR VP OF OPERATIONS | 40 00<br>0 00                                                                              |                                                                                                           |                       |         | X            |                              |        | 370,511                                                              | 0                                                                         | 22,948                                                                                        |

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

| (A)<br>Name and Title                            | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                                  |                                                                                            | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| ALEXANDER W PETRON<br>CHIEF MEDICAL INFO OFFICER | 40 00<br>0 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 349,923                                                              | 0                                                                         | 23,598                                                                                        |
| MARC G CULLEROT<br>VP OF FINANCE                 | 40 00<br>0 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 264,441                                                              | 0                                                                         | 25,459                                                                                        |
| ANITA RITENOUR MD<br>ASST VP MEDICAL AFFAIRS     | 40 00<br>0 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 319,186                                                              | 0                                                                         | 30,157                                                                                        |
| DENISE P PURINGTON<br>CHIEF INFORMATION OFFICER  | 40 00<br>0 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 262,941                                                              | 0                                                                         | 23,374                                                                                        |
| WILLIAM BAXTER<br>SENIOR VP MEDICAL AFFAIRS      | 40 00<br>2 00                                                                              |                                                                                                           |                       |         |              | X                            |        | 365,580                                                              | 0                                                                         | 23,394                                                                                        |

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

|                                                                           |                                              |
|---------------------------------------------------------------------------|----------------------------------------------|
| Name of the organization<br>THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER | Employer identification number<br>02-0232673 |
|---------------------------------------------------------------------------|----------------------------------------------|

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state \_\_\_\_\_
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33<sup>1</sup>/<sub>3</sub>% 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<sup>1</sup>/<sub>3</sub>% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I 

b

☐

Type II 

c

☐

Type III - Functionally integrated 

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(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 monetary support |
|------------------------------------|----------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----|-----------------------------------------------------------------|----|------------------------------------------------------------|----|----------------------------------|
|                                    |          |                                                                                               | Yes                                                                    | No | Yes                                                             | No | Yes                                                        | No |                                  |
|                                    |          |                                                                                               |                                                                        |    |                                                                 |    |                                                            |    |                                  |
|                                    |          |                                                                                               |                                                                        |    |                                                                 |    |                                                            |    |                                  |
| Total                              |          |                                                                                               |                                                                        |    |                                                                 |    |                                                            |    |                                  |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ.

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2012

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)  
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

| Section A. Public Support                                                                                                                                                                             |          |          |          |          |          |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                                                         | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")                                                                                                   |          |          |          |          |          |           |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                                                     |          |          |          |          |          |           |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                                             |          |          |          |          |          |           |
| 4 Total. Add lines 1 through 3                                                                                                                                                                        |          |          |          |          |          |           |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |          |          |          |          |          |           |
| 6 Public support. Subtract line 5 from line 4                                                                                                                                                         |          |          |          |          |          |           |

| Section B. Total Support                                                                                                                                                             |          |          |          |          |          |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                                        | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
| 7 Amounts from line 4                                                                                                                                                                |          |          |          |          |          |           |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                                     |          |          |          |          |          |           |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on                                                                                 |          |          |          |          |          |           |
| 10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )                                                                                    |          |          |          |          |          |           |
| 11 Total support (Add lines 7 through 10)                                                                                                                                            |          |          |          |          |          |           |
| 12 Gross receipts from related activities, etc (see instructions)                                                                                                                    |          |          |          |          | 12       |           |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here . . . . . ▶ |          |          |          |          |          |           |

| Section C. Computation of Public Support Percentage                                                                                                                                                                                                                                                                                                                                         |  |    |  |  |  |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----|--|--|--|---|
| 14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))                                                                                                                                                                                                                                                                                                   |  | 14 |  |  |  |   |
| 15 Public support percentage for 2011 Schedule A, Part II, line 14                                                                                                                                                                                                                                                                                                                          |  | 15 |  |  |  |   |
| 16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization                                                                                                                                                                          |  |    |  |  |  | ▶ |
| b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization                                                                                                                                                                       |  |    |  |  |  | ▶ |
| 17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization    |  |    |  |  |  | ▶ |
| b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization |  |    |  |  |  | ▶ |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions                                                                                                                                                                                                                                                       |  |    |  |  |  | ▶ |

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

| Section A. Public Support                                                                                                                                                  |          |          |          |          |          |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                              | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")                                                                        |          |          |          |          |          |           |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose |          |          |          |          |          |           |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513                                                                             |          |          |          |          |          |           |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                          |          |          |          |          |          |           |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                  |          |          |          |          |          |           |
| 6 Total. Add lines 1 through 5                                                                                                                                             |          |          |          |          |          |           |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons                                                                                                |          |          |          |          |          |           |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year           |          |          |          |          |          |           |
| c Add lines 7a and 7b                                                                                                                                                      |          |          |          |          |          |           |
| 8 Public support (Subtract line 7c from line 6.)                                                                                                                           |          |          |          |          |          |           |

| Section B. Total Support                                                                                                                                                   |          |          |          |          |          |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                              | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
| 9 Amounts from line 6                                                                                                                                                      |          |          |          |          |          |           |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                         |          |          |          |          |          |           |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                                                                  |          |          |          |          |          |           |
| c Add lines 10a and 10b                                                                                                                                                    |          |          |          |          |          |           |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on                                             |          |          |          |          |          |           |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)                                                                         |          |          |          |          |          |           |
| 13 Total support. (Add lines 9, 10c, 11, and 12.)                                                                                                                          |          |          |          |          |          |           |
| 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶ |          |          |          |          |          |           |

| Section C. Computation of Public Support Percentage                                       |    |  |
|-------------------------------------------------------------------------------------------|----|--|
| 15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)) | 15 |  |
| 16 Public support percentage from 2011 Schedule A, Part III, line 15                      | 16 |  |

| Section D. Computation of Investment Income Percentage                                                                                                                                                                                                               |    |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--|
| 17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))                                                                                                                                                                       | 17 |  |
| 18 Investment income percentage from 2011 Schedule A, Part III, line 17                                                                                                                                                                                              | 18 |  |
| 19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶        |    |  |
| b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶ |    |  |
| 20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶                                                                                                                                        |    |  |

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

|                              |
|------------------------------|
| Facts And Circumstances Test |
|                              |

|             |
|-------------|
| Explanation |
|             |
|             |
|             |
|             |

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

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, Part V, line 35c (Proxy Tax), then

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

|                                                                           |                                              |
|---------------------------------------------------------------------------|----------------------------------------------|
| Name of the organization<br>THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER | Employer identification number<br>02-0232673 |
|---------------------------------------------------------------------------|----------------------------------------------|

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

|   |                                                                                                          |      |
|---|----------------------------------------------------------------------------------------------------------|------|
| 1 | Provide a description of the organization’s direct and indirect political campaign activities in Part IV |      |
| 2 | Political expenditures                                                                                   | ▶ \$ |
| 3 | Volunteer hours                                                                                          |      |

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

|    |                                                                                         |                                                          |
|----|-----------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1  | Enter the amount of any excise tax incurred by the organization under section 4955      | ▶ \$                                                     |
| 2  | Enter the amount of any excise tax incurred by organization managers under section 4955 | ▶ \$                                                     |
| 3  | If the organization incurred a section 4955 tax, did it file Form 4720 for this year?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4a | Was a correction made?                                                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b  | If “Yes,” describe in Part IV                                                           |                                                          |

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

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                          |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1 | Enter the amount directly expended by the filing organization for section 527 exempt function activities                                                                                                                                                                                                                                                                                                                                                                                                                                | ▶ \$                                                     |
| 2 | Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt 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?                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/> Yes <input type="checkbox"/> 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

| Limits on Lobbying Expenditures<br>(The term "expenditures" means amounts paid or incurred.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | (a) Filing organization's totals                         | (b) Affiliated group totals               |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------|--------------------|------------------------------|-----------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------|-------------|--|--|
| <b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0                                                        | 0                                         |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 156,539                                                  | 156,539                                   |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <b>c</b> Total lobbying expenditures (add lines 1a and 1b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 156,539                                                  | 156,539                                   |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <b>d</b> Other exempt purpose expenditures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 303,910,630                                              | 408,857,501                               |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 304,067,169                                              | 409,014,040                               |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1,000,000                                                | 1,000,000                                 |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <table><tr><td><b>If the amount on line 1e, column (a) or (b) is:</b></td><td><b>The lobbying nontaxable amount is:</b></td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table> | <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>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)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 250,000                                                  | 250,000                                   |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0                                                        | 0                                         |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0                                                        | 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.)**

| Lobbying Expenditures During 4-Year Averaging Period             |           |           |           |           |           |
|------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Calendar year (or fiscal year beginning in)                      | (a) 2009  | (b) 2010  | (c) 2011  | (d) 2012  | (e) Total |
| <b>2a</b> Lobbying nontaxable amount                             | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 4,000,000 |
| <b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))    |           |           |           |           | 6,000,000 |
| <b>c</b> Total lobbying expenditures                             | 348,114   | 344,636   | 188,723   | 156,539   | 1,038,012 |
| <b>d</b> Grassroots nontaxable amount                            | 250,000   | 250,000   | 250,000   | 250,000   | 1,000,000 |
| <b>e</b> Grassroots ceiling amount (150% of line 2d, column (e)) |           |           |           |           | 1,500,000 |
| <b>f</b> Grassroots lobbying expenditures                        | 32,124    | 33,158    |           |           | 65,282    |

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)).

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

Part III-A

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

|   |                                                                                                   | Yes | No |
|---|---------------------------------------------------------------------------------------------------|-----|----|
| 1 | Were substantially all (90% or more) dues received nondeductible by members?                      | 1   |    |
| 2 | Did the organization make only in-house lobbying expenditures of \$2,000 or less?                 | 2   |    |
| 3 | Did the organization agree to carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

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

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization  
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number  
02-0232673

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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>                                                            |                              |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div> |                              |

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or education)☐ Preservation of an historically important land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

|    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

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

☐

Part V

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

|                                                            | (a)Current year | (b)Prior year | b (c)Two years back | (d)Three years back | (e)Four years back |
|------------------------------------------------------------|-----------------|---------------|---------------------|---------------------|--------------------|
| 1a Beginning of year balance . . . . .                     | 13,591,808      | 13,860,491    | 12,771,028          | 12,420,985          | 14,078,246         |
| b Contributions . . . . .                                  |                 |               | 50,000              | 174,500             |                    |
| c Net investment earnings, gains, and losses               | 474,547         | -268,683      | 1,039,463           | 175,543             | -1,657,261         |
| d Grants or scholarships . . . . .                         |                 |               |                     |                     |                    |
| e Other expenditures for facilities and programs . . . . . |                 |               |                     |                     |                    |
| f Administrative expenses . . . . .                        |                 |               |                     |                     |                    |
| g End of year balance . . . . .                            | 14,066,355      | 13,591,808    | 13,860,491          | 12,771,028          | 12,420,985         |

2

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

a

Board designated or quasi-endowment ▶ 12 810 %

b

Permanent endowment ▶ 87 190 %

c

Temporarily restricted endowment ▶

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

3a

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

(i) unrelated organizations . . . . .

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

Yes

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

4

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

Part VI

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

| Description of property                                                                          | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land . . . . .                                                                                |                                      | 6,681,464                       |                              | 6,681,464      |
| b Buildings . . . . .                                                                            |                                      | 167,964,104                     | 53,724,729                   | 114,239,375    |
| c Leasehold improvements . . . . .                                                               |                                      | 3,997,535                       | 1,825,640                    | 2,171,895      |
| d Equipment . . . . .                                                                            |                                      | 167,325,151                     | 135,942,619                  | 31,382,532     |
| e Other . . . . .                                                                                |                                      | 9,305,516                       | 3,870,659                    | 5,434,857      |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) |                                      |                                 |                              | 159,910,123    |

Schedule D (Form 990) 2012



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

|          |                                                                                                         |           |             |
|----------|---------------------------------------------------------------------------------------------------------|-----------|-------------|
| <b>1</b> | Total revenue, gains, and other support per audited financial statements . . . . .                      | <b>1</b>  | 388,506,181 |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part VIII, line 12                                      |           |             |
| <b>a</b> | Net unrealized gains on investments . . . . .                                                           | <b>2a</b> | 895,162     |
| <b>b</b> | Donated services and use of facilities . . . . .                                                        | <b>2b</b> |             |
| <b>c</b> | Recoveries of prior year grants . . . . .                                                               | <b>2c</b> |             |
| <b>d</b> | Other (Describe in Part XIII ) . . . . .                                                                | <b>2d</b> |             |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b> . . . . .                                                         | <b>2e</b> | 895,162     |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b> . . . . .                                                    | <b>3</b>  | 387,611,019 |
| <b>4</b> | Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>                              |           |             |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                              | <b>4a</b> |             |
| <b>b</b> | Other (Describe in Part XIII ) . . . . .                                                                | <b>4b</b> | 478,019     |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b> . . . . .                                                             | <b>4c</b> | 478,019     |
| <b>5</b> | Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . . | <b>5</b>  | 388,089,038 |

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

|          |                                                                                                          |           |             |
|----------|----------------------------------------------------------------------------------------------------------|-----------|-------------|
| <b>1</b> | Total expenses and losses per audited financial statements . . . . .                                     | <b>1</b>  | 363,131,771 |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part IX, line 25                                         |           |             |
| <b>a</b> | Donated services and use of facilities . . . . .                                                         | <b>2a</b> |             |
| <b>b</b> | Prior year adjustments . . . . .                                                                         | <b>2b</b> |             |
| <b>c</b> | Other losses . . . . .                                                                                   | <b>2c</b> |             |
| <b>d</b> | Other (Describe in Part XIII ) . . . . .                                                                 | <b>2d</b> |             |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b> . . . . .                                                          | <b>2e</b> | 0           |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b> . . . . .                                                     | <b>3</b>  | 363,131,771 |
| <b>4</b> | Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :                               |           |             |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                               | <b>4a</b> |             |
| <b>b</b> | Other (Describe in Part XIII ) . . . . .                                                                 | <b>4b</b> | 23,787,846  |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b> . . . . .                                                              | <b>4c</b> | 23,787,846  |
| <b>5</b> | Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . . | <b>5</b>  | 386,919,617 |

**Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

| Identifier                                          | Return Reference | Explanation                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS      | PART V, LINE 4   | INCOME OF THE FUNDS HAS BEEN USED FOR OPERATING AND CAPITAL EXPENDITURES                                                                                                                                                                                                                                                                                                     |
| DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48 | PART X, LINE 2   | PART X, INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS WAS THE FOLLOWING, "MANAGEMENT EVALUATED THE HOSPITAL'S TAX POSITIONS AND CONCLUDED THE HOSPITAL HAS MAINTAINED ITS TAX-EXEMPT STATUS, DOES NOT HAVE ANY SIGNIFICANT UNRELATED BUSINESS INCOME AND HAD TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS " |
| PART XI, LINE 4B - OTHER ADJUSTMENTS                |                  | EXPENSE RECLASS 478,019                                                                                                                                                                                                                                                                                                                                                      |
| PART XII, LINE 4B - OTHER ADJUSTMENTS               |                  | EXPENSE RECLASS 478,019 PAYMENTS TO AFFILIATES 23,309,827                                                                                                                                                                                                                                                                                                                    |

SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

**Name of the organization**  
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

**Employer identification number**  
02-0232673

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs                                           | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Financial Assistance at cost (from Worksheet 1) . . . .                                           |                                                 | 16,667                        | 7,023,464                           |                               | 7,023,464                         | 1 820 %                      |
| b Medicaid (from Worksheet 3, column a) . . . . .                                                   |                                                 | 47,742                        | 46,234,454                          | 14,926,517                    | 31,307,937                        | 8 090 %                      |
| c Costs of other means-tested government programs (from Worksheet 3, column b) . .                  |                                                 | 0                             |                                     |                               |                                   |                              |
| d <b>Total</b> Financial Assistance and Means-Tested Government Programs . .                        |                                                 | 64,409                        | 53,257,918                          | 14,926,517                    | 38,331,401                        | 9 910 %                      |
| <b>Other Benefits</b>                                                                               |                                                 |                               |                                     |                               |                                   |                              |
| e Community health improvement services and community benefit operations (from Worksheet 4) . . . . | 11                                              | 2,153                         | 296,421                             | 350                           | 296,071                           | 0 080 %                      |
| f Health professions education (from Worksheet 5) . . . .                                           | 8                                               | 343                           | 274,488                             | 0                             | 274,488                           | 0 070 %                      |
| g Subsidized health services (from Worksheet 6) . . . .                                             | 7                                               |                               | 13,791,002                          | 7,228,701                     | 6,562,301                         | 1 700 %                      |
| h Research (from Worksheet 7) . . . . .                                                             | 1                                               |                               | 11,751                              |                               | 11,751                            | 0 %                          |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) . .                       | 7                                               | 69                            | 620,671                             |                               | 620,671                           | 0 160 %                      |
| j <b>Total.</b> Other Benefits . . . .                                                              | 34                                              | 2,565                         | 14,994,333                          | 7,229,051                     | 7,765,282                         | 2 010 %                      |
| k <b>Total.</b> Add lines 7d and 7j . .                                                             | 34                                              | 66,974                        | 68,252,251                          | 22,155,568                    | 46,096,683                        | 11 920 %                     |

Part II

Community Building Activities

Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

No

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

18,236,762

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

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

5

84,801,168

6

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

6

110,647,807

7

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

7

-25,846,639

8

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

Section C. Collection Practices

9a

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

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

| (a) Name of entity | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership % | (e) Physicians' profit % or stock ownership % |
|--------------------|-----------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------|
| 1                  |                                               |                                                  |                                                                                    |                                               |
| 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—see instructions)  
How many hospital facilities did the organization operate during the tax year?  
1

Name, address, and primary website address

|   |                                                                                | Licensed hospital | General medical & surgical | Children's hospital | Teaching hospital | Critical access hospital | Research facility | ER-24 hours | ER-other | Other (Describe) | Facility reporting group |
|---|--------------------------------------------------------------------------------|-------------------|----------------------------|---------------------|-------------------|--------------------------|-------------------|-------------|----------|------------------|--------------------------|
| 1 | THE ELLIOT HOSPITAL OF CITY OF MANCHSTR<br>1 ELLIOT WAY<br>MANCHESTER,NH 03103 | X                 | X                          | X                   |                   |                          |                   | X           |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|   |                                                                                |                   |                            |                     |                   |                          |                   |             |          |                  |                          |

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

ELLIOT HOSPITAL OF CITY OF MANCHESTER

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

1

|                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yes | No  |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012) |                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |     |
| 1                                                                                                                       | During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . .<br>If "Yes," indicate what the CHNA report describes (check all that apply)                                                                                                                                                              | 1   | Yes |
| a                                                                                                                       | <input checked="" type="checkbox"/> A definition of the community served by the hospital facility                                                                                                                                                                                                                                                                                                                                  |     |     |
| b                                                                                                                       | <input checked="" type="checkbox"/> Demographics of the community                                                                                                                                                                                                                                                                                                                                                                  |     |     |
| c                                                                                                                       | <input checked="" 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 checked="" type="checkbox"/> How data was obtained                                                                                                                                                                                                                                                                                                                                                                          |     |     |
| e                                                                                                                       | <input checked="" type="checkbox"/> The health needs of the community                                                                                                                                                                                                                                                                                                                                                              |     |     |
| f                                                                                                                       | <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups                                                                                                                                                                                                                                                                        |     |     |
| g                                                                                                                       | <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs                                                                                                                                                                                                                                                                            |     |     |
| h                                                                                                                       | <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests                                                                                                                                                                                                                                                                                                                 |     |     |
| i                                                                                                                       | <input checked="" 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 CHNA 20 <u>12</u>                                                                                                                                                                                                                                                                                                                                                     |     |     |
| 3                                                                                                                       | In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . . | 3   | Yes |
| 4                                                                                                                       | Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .                                                                                                                                                                                                                                                                           | 4   | Yes |
| 5                                                                                                                       | Did the hospital facility make its CHNA report widely available to the public? . . . . .<br>If "Yes," indicate how the CHNA report was made widely available (check all that apply)                                                                                                                                                                                                                                                | 5   | Yes |
| a                                                                                                                       | <input checked="" type="checkbox"/> Hospital facility's website                                                                                                                                                                                                                                                                                                                                                                    |     |     |
| b                                                                                                                       | <input checked="" 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 CHNA, indicate how (check all that apply to date)                                                                                                                                                                                                                                                                                               |     |     |
| a                                                                                                                       | <input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA                                                                                                                                                                                                                                                                                      |     |     |
| b                                                                                                                       | <input type="checkbox"/> Execution of the implementation strategy                                                                                                                                                                                                                                                                                                                                                                  |     |     |
| c                                                                                                                       | <input checked="" type="checkbox"/> Participation in the development of a community-wide plan                                                                                                                                                                                                                                                                                                                                      |     |     |
| d                                                                                                                       | <input type="checkbox"/> Participation in the execution of a community-wide 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 its community                                                                                                                                                                                                                                                                                                                                                           |     |     |
| h                                                                                                                       | <input checked="" 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 CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .                                                                                                                                                                                                      | 7   | No  |
| 8a                                                                                                                      | Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .                                                                                                                                                                                                                                                                      | 8a  | No  |
| b                                                                                                                       | If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .                                                                                                                                                                                                                                                                                                                          | 8b  |     |
| c                                                                                                                       | If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____                                                                                                                                                                                                                                                                        |     |     |

Part V

Facility Information (continued)

| Financial Assistance Policy                                                                                                                                                                                                                                                                                                  |  | Yes       | No  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|-----|
| <b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?                                                                                       |  | <b>9</b>  | Yes |
| <b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . .<br>If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> %<br>If "No," explain in Part VI the criteria the hospital facility used                        |  | <b>10</b> | Yes |
| <b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . .<br>If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 00000000000000</u> %<br>If "No," explain in Part VI the criteria the hospital facility used                                         |  | <b>11</b> | Yes |
| <b>12</b> Explained the basis for calculating amounts charged to patients? . . . . .<br>If "Yes," indicate the factors used in determining such amounts (check all that apply)                                                                                                                                               |  | <b>12</b> | Yes |
| <b>a</b> <input checked="" type="checkbox"/> Income level                                                                                                                                                                                                                                                                    |  |           |     |
| <b>b</b> <input checked="" type="checkbox"/> Asset level                                                                                                                                                                                                                                                                     |  |           |     |
| <b>c</b> <input checked="" type="checkbox"/> Medical indigency                                                                                                                                                                                                                                                               |  |           |     |
| <b>d</b> <input checked="" type="checkbox"/> Insurance status                                                                                                                                                                                                                                                                |  |           |     |
| <b>e</b> <input checked="" type="checkbox"/> Uninsured discount                                                                                                                                                                                                                                                              |  |           |     |
| <b>f</b> <input checked="" type="checkbox"/> Medicaid/Medicare                                                                                                                                                                                                                                                               |  |           |     |
| <b>g</b> <input checked="" type="checkbox"/> State regulation                                                                                                                                                                                                                                                                |  |           |     |
| <b>h</b> <input checked="" type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                     |  |           |     |
| <b>13</b> Explained the method for applying for financial assistance? . . . . .                                                                                                                                                                                                                                              |  | <b>13</b> | Yes |
| <b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . .<br>If "Yes," indicate how the hospital facility publicized the policy (check all that apply)                                                                                                             |  | <b>14</b> | Yes |
| <b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website                                                                                                                                                                                                                        |  |           |     |
| <b>b</b> <input checked="" type="checkbox"/> The policy was attached to billing invoices                                                                                                                                                                                                                                     |  |           |     |
| <b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms                                                                                                                                                                                               |  |           |     |
| <b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices                                                                                                                                                                                                             |  |           |     |
| <b>e</b> <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility                                                                                                                                                                                          |  |           |     |
| <b>f</b> <input checked="" type="checkbox"/> The policy was available upon request                                                                                                                                                                                                                                           |  |           |     |
| <b>g</b> <input type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                                |  |           |     |
| Billing and Collections                                                                                                                                                                                                                                                                                                      |  |           |     |
| <b>15</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>15</b> | Yes |
| <b>16</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP                                                                           |  |           |     |
| <b>a</b> <input type="checkbox"/> Reporting to credit agency                                                                                                                                                                                                                                                                 |  |           |     |
| <b>b</b> <input type="checkbox"/> Lawsuits                                                                                                                                                                                                                                                                                   |  |           |     |
| <b>c</b> <input type="checkbox"/> Liens on residences                                                                                                                                                                                                                                                                        |  |           |     |
| <b>d</b> <input type="checkbox"/> Body attachments                                                                                                                                                                                                                                                                           |  |           |     |
| <b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)                                                                                                                                                                                                                                                |  |           |     |
| <b>17</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? . . . . .<br>If "Yes," check all actions in which the hospital facility or a third party engaged |  | <b>17</b> | No  |
| <b>a</b> <input type="checkbox"/> Reporting to credit agency                                                                                                                                                                                                                                                                 |  |           |     |
| <b>b</b> <input type="checkbox"/> Lawsuits                                                                                                                                                                                                                                                                                   |  |           |     |
| <b>c</b> <input type="checkbox"/> Liens on residences                                                                                                                                                                                                                                                                        |  |           |     |
| <b>d</b> <input type="checkbox"/> Body attachments                                                                                                                                                                                                                                                                           |  |           |     |
| <b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)                                                                                                                                                                                                                                                |  |           |     |

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

|    |                                                                                                                                                                                                                                                                                                                  |  |    |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----|
| 20 | Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care                                                                                                                          |  |    |
| a  | <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged                                                                                                                                                     |  |    |
| b  | <input checked="" type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged                                                                                                                    |  |    |
| c  | <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged                                                                                                                                                                                  |  |    |
| d  | <input type="checkbox"/> Other (describe in Part VI)                                                                                                                                                                                                                                                             |  |    |
| 21 | During the tax year, did the hospital facility charge any FAP-eligible individuals 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? . . . . .<br>If "Yes," explain in Part VI |  | No |
| 22 | During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? . . . . .<br>If "Yes," explain in Part VI                                                                                                    |  | No |

Part V

Facility Information (continued)

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

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

\_\_\_\_\_

| Name and address | Type of Facility (describe) |
|------------------|-----------------------------|
| 1                |                             |
| 2                |                             |
| 3                |                             |
| 4                |                             |
| 5                |                             |
| 6                |                             |
| 7                |                             |
| 8                |                             |
| 9                |                             |
| 10               |                             |

Part VI

Supplemental Information

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, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any 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
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART I, LINE 7 FINANCIAL ASSISTANCE AND MEANS TESTED COSTS USED RCC DERIVED FROM MEDICARE COST REPORT, OTHER BENEFITS COSTS DERIVED FROM ACTUAL COSTS AND INTERNAL COST ACCOUNTING SYSTEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|            |                 | PART III, LINE 4 BAD DEBT FOOTNOTE "NET PATIENT SERVICE REVENUES - THE HOSPITAL RECOGNIZES PATIENT SERVICE REVENUE ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY PAYOR COVERAGE ON THE BASIS OF CONTRACTUAL RATES FOR THE SERVICES RENDERED FOR UNINSURED PATIENTS, THE HOSPITAL PROVIDES A DISCOUNT APPROXIMATELY EQUAL TO THAT OF ITS LARGEST PRIVATE INSURANCE PAYORS ON THE BASIS OF HISTORICAL EXPERIENCE, A SIGNIFICANT PORTION OF THE HOSPITAL'S UNINSURED PATIENTS WILL BE UNABLE OR UNWILLING TO PAY FOR THE SERVICES PROVIDED THUS, THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS RELATED TO UNINSURED PATIENTS IN THE PERIOD THE SERVICES ARE PROVIDED " "ACCOUNTS RECEIVABLE AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS - ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY(FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY) FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                        |
|------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART III, LINE 8 ALLOWABLE COSTS DETERMINED USING CMS METHODOLOGY UTILIZED IN COMPLETING COST REPORT, MEDICARE SHORTFALL TO BE INCLUDED IN COMMUNITY BENEFITS                                                      |
|            |                 | PART III, LINE 9B COLLECTIONS ARE NOT PURSUED ON CHARITY CARE PATIENTS COLLECTIONS AGENCY IS SUPPLIED INFORMATION THAT ALLOWS THEM TO IDENTIFY ONLY THOSE ACCOUNTS UPON WHICH COLLECTION EFFORTS SHOULD BE PURSUED |

| Identifier | ReturnReference  | Explanation                                                                                                                                                                                                                                                                     |
|------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | PART III, LINE 2 | BAD DEBT EXPENSE IS DETERMINED BASED ON ANALYSIS OF HISTORICAL ACTIVITY SELF PAY ACCOUNTS ARE GIVEN AUTOMATIC 25% DISCOUNT OFF CHARGES, SELF PAY ACCOUNTS THAT DO NOT MAKE PAYMENT ARE TRANSFERRED TO BAD DEBT COST OF BAD DEBT IS DERIVED FROM INTERNAL COST ACCOUNTING SYSTEM |
|            | PART III, LINE 3 | ORGANIZATION NOT CURRENTLY DETERMINING BAD DEBT ACCOUNTS THAT MAY HAVE BEEN CHARITABLE CARE                                                                                                                                                                                     |

| Identifier                            | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ELLIOT HOSPITAL OF CITY OF MANCHESTER |                 | PART V, SECTION B, LINE 3 IN CONDUCTING THE CHNA, ELLIOT WORKED WITH ANOTHER HOSPITAL, CATHOLIC MEDICAL CENTER WITH SUPPORT FROM THE MANCHESTER HEALTH DEPARTMENT THE TWO HOSPITALS FORMED A NEEDS ASSESSMENT WORK GROUP WITH THREE REPRESENTATIVES FROM EACH HOSPITAL AND A MANCHESTER HEALTH DEPT STAFF MEMBER A COMMUNITY BENEFIT CONSULTANT WAS CONTRACTED AS PROJECT MANAGER A SUBCOMMITTEE OF THE WORKGROUP WAS FORMED TO GATHER AND REPORT THE SECONDARY DATA ADDITIONALLY, ANOTHER SUBCOMMITTEE OVERSAW IDENTIFYING FOCUS GROUPS AND KEY INFORMANTS THIS COMMITTEE ALSO DISTRIBUTED A SURVEY DURING MARCH, APRIL AND MAY OF 2013, THE HOSPITALS ALSO CONDUCTED SEVEN FOCUS GROUPS WHICH INCLUDED CLERGY, FIRST RESPONDERS, PREGNANT WOMEN, SCHOOL NURSES, BHUTANESE REFUGEES AS WELL AS TWO SENIOR GROUPS DUE TO CONCERNS ON THE PART OF MANY PARTICIPANTS, ANONYMITY WAS GUARANTEED AND HENCE, THEY WILL NOT BE LISTED BY NAME A GROUP DISCUSSION WAS CONDUCTED ON MARCH 25, 2013 WITH MEMBERS OF THE MANCHESTER SUSTAINABLE ACCESS PROJECT WHICH INCLUDED THE PUBLIC HEALTH AND DEPUTY HEALTH DIRECTORS, MANCHESTER HEALTH DEPARTMENT, THE PRESIDENT, MENTAL HEALTH CENTER OF GREATER MANCHESTER, THE CHIEF MEDICAL OFFICER AND DIRECTOR, COMMUNITY HEALTH, CATHOLIC MEDICAL CENTER, VICE PRESIDENT OF PLANNING AND BUSINESS DEVELOPMENT, ELLIOT HEALTH SYSTEM AND THE MEDICAL DIRECTOR, DARTMOUTH-HITCHCOCK MANCHESTER CLINIC (MANCHESTER SUSTAINABLE ACCESS PROJECT (MSAP) GROUP DISCUSSION ATTENDEES JENNIFER DRISCOLL, VP, PLANNING AND BUSINESS DEVELOPMENT, ELLIOT HOSPITAL, RAEF FAHMY, DPM, CMO, CATHOLIC MEDICAL CENTER, PETER JANELLE, PRESIDENT, MENTAL HEALTH CENTER OF GREATER MANCHESTER, PAUL MERTZIC, EXECUTIVE DIRECTOR OF OPERATIONS, PPA, PC & COMMUNITY HEALTHSERVICES, CATHOLIC MEDICAL CENTER, STEVE PARIS, MD, MEDICAL DIRECTOR, DARTMOUTH HITCHCOCK MANCHESTER, TIM SOUCY, PUBLIC HEALTH DIR, MANCHESTER HEALTH DEPT, ANNA THOMAS, DEPUTY PUBLIC HEALTH DIRECTOR, MANCHESTER HEALTH DEPT OTHER KEY INFORMANTS, TED GATSAS, MAYOR OF MANCHESTER, NH, CHRIS PAPPAS, MEMBER EXECUTIVE COUNCIL, STATE OF NH |
| ELLIOT HOSPITAL OF CITY OF MANCHESTER |                 | PART V, SECTION B, LINE 4 CATHOLIC MEDICAL CENTER HOSPITAL OF MANCHESTER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Identifier                            | ReturnReference | Explanation                                                                                                                                                                        |
|---------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ELLIOT HOSPITAL OF CITY OF MANCHESTER |                 | PART V, SECTION B, LINE 7 CHNA WAS COMPLETED IN JUNE FY 2013, END OF THE HOSPITALS FISCAL YEAR THE IMPLEMENTATION STRATEGY TO ADDRESS IDENTIFIED NEEDS WAS ADOPTED IN OCTOBER 2013 |
| ELLIOT HOSPITAL OF CITY OF MANCHESTER |                 | PART V, SECTION B, LINE 12H DECEASED AND HOMELESS PERSONS ARE AUTOMATICALLY CONVERTED TO CHARITABLE CARE CATASTROPHIC LIMIT CAP SET AT \$50,000 FOR SELF-PAY                       |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 3 PATIENT REGISTRATION AREAS HAVE SIGNAGE INDICATING THE AVAILABILITY OF FINANCIAL ASSISTANCE THROUGH THE ORGANIZATION'S CHARITY CARE POLICY PATIENT BILLS AND STATEMENTS HAVE LANGUAGE THAT OFFERS THE OPPORTUNITY TO APPLY FOR CHARITABLE CARE FINANCIAL ASSISTANCE OPTIONS ARE ALSO DESCRIBED ON THE ORGANIZATION'S WEB-SITE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|            |                 | PART VI, LINE 4 THE MANCHESTER HEALTH SERVICE AREA (HSA), A MARKET WHICH IS PRIMARILY SERVED BY CATHOLIC MEDICAL CENTER AND ELLIOT HOSPITAL IS HOME TO APPROXIMATELY 180,000 RESIDENTS AND IS COMPRISED OF THE TOWNS OF AUBURN, BEDFORD, CANDIA, DEERFIELD, GOFFSTOWN, HOOKSETT, NEW BOSTON AS WELL AS THE CITY OF MANCHESTER THESE TOWNS ARE LOCATED IN THREE DIFFERENT COUNTIES (HILLSBOROUGH, ROCKINGHAM AND MERRIMACK) WITHIN THE STATE OF NEW HAMPSHIRE WITH 60% OF THE RESIDENTS OF THE HSA LIVING WITHIN THE CITY OF MANCHESTER THE POPULATION OF THE MANCHESTER HSA IS CHANGING, NOT ONLY IS IT IS AGING, IT IS BECOMING INCREASINGLY MULTICULTURAL WITH RESIDENTS REFLECTING A VARIETY OF NATIONALITIES, LANGUAGES, ETHNIC TRADITIONS, RELIGIOUS BELIEFS AND IDEOLOGIES THE CITY OF MANCHESTER IS HOME TO 60% OF THE RESIDENTS OF THE HSA AND, IN ALIGNMENT WITH THE STATE OF NEW HAMPSHIRE, THE POPULATION OF THE MANCHESTER HSA IS AGING THE 65+ POPULATION WITHIN THE HSA IS PROJECTED TO REALIZE AN 18% GROWTH THROUGH 2018 AND MANY OTHER TOWNS WITHIN THE HSA WILL EXPERIENCE OVER 30% GROWTH IN THE 65+ AGE GROUP THIS IS SIGNIFICANT GIVEN A 2012 REPORT FROM THE UNIVERSITY OF NEW HAMPSHIRE CARSEY INSTITUTE WHICH NOTES THAT THE AGING POPULATION WILL INCREASE THE COST OF PROVIDING STATE AND LOCAL SERVICES IN CONTRAST TO THE GROWING 65+ POPULATION, THE PEDIATRIC POPULATION (AGES 0-17) WITHIN THE MANCHESTER HSA (EXCLUDING THE CITY OF MANCHESTER) IS PROJECTED TO REALIZE A SLIGHT DECLINE OVER THE NEXT FIVE YEARS THE CITY OF MANCHESTER'S PEDIATRIC POPULATION IS PROJECTED TO REALIZE AN INCREASE OF ABOUT 2% IN CHILDREN AGES 0-17 ACCORDING TO THE 2010 CENSUS DATA, THE MAJORITY OF RACIAL DIVERSITY WITHIN THE MANCHESTER HSA IS WITHIN THE CITY OF MANCHESTER, AS THE CITY HAS NEARLY 84% OF THE MINORITY POPULATION IN THE MANCHESTER HSA RESIDING WITHIN ITS CITY BOUNDARIES THE CHANGING DIVERSITY OF THE CITY OF MANCHESTER IS PARTLY THE RESULT OF THE CITY BEING A SITE FOR REFUGEE RESETTLEMENT THE MEDIAN HOUSEHOLD INCOME FOR THE CITY OF MANCHESTER IS \$53,278 THIS IS SIGNIFICANTLY LOWER THAN ALL OTHERS TOWNS WITHIN THE MANCHESTER HSA AND IS ALSO LOWER THAN THE MEDIAN HOUSEHOLD INCOME FOR THE STATE, WHICH IS \$64,664 SIMILAR TO THE MEDIAN HOUSEHOLD INCOME STATISTICS, THE CITY OF MANCHESTER HAS A SIGNIFICANTLY HIGHER PERCENT OF INDIVIDUALS AND FAMILIES LIVING BELOW POVERTY, 10 2% AND 13 8%, RESPECTIVELY THIS IS ALSO HIGH COMPARED WITH A STATE AVERAGE OF 5 2% AND 8 0% MANCHESTER RESIDENTS LIVING BELOW THE POVERTY LEVEL IS CONCENTRATED IN THE EAST AND WESTSIDE CENTER CITY SINCE POVERTY IS HIGHLY ASSOCIATED WITH INCREASED HEALTH RISK BEHAVIORS, LOW EDUCATIONAL ATTAINMENT, POOR HEALTH STATUS, UNEMPLOYMENT, AND A LOWER SELF-REPORTED QUALITY OF LIFE, THIS IS A SIGNIFICANT TREND |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | <p>PART VI, LINE 5 EH BELIEVES STRONGLY THAT OUR INVOLVEMENT IN COMMUNITY ORGANIZATIONS SUCH AS CHILD HEALTH SERVICES, MANCHESTER MENTAL HEALTH CENTER, YMCA AND MANY MORE, IS CRITICAL TO OUR EXEMPT PURPOSE WE DEPLOY HUNDREDS OF VOLUNTEERS THROUGHOUT THE STATE TO WORK WITH NON-PROFIT ORGANIZATIONS THAT ARE DOING THEIR PART TO HELP ERADICATE ILLNESSES AND POOR HEALTH CONDITIONS OR IMPROVE THE HEALTH AND WELLNESS OF PEOPLE MANY OF OUR LEADERS SERVE ON THE BOARDS OF THESE ORGANIZATIONS TO SHARE INSIGHT AND TO PARTICIPATE IN HELPING THEM ACHIEVE THEIR MISSION IN ADDITION TO THE VOLUNTEER TIME AND ENERGY, EH ALSO PROVIDES HUNDREDS OF THOUSANDS OF DOLLARS IN FINANCIAL SUPPORT TO ENSURE THAT THE CRITICAL WORK OF THESE ORGANIZATIONS IS ACHIEVED AND PEOPLE ARE HELPED WITH A RANGE OF ISSUES FROM MENTAL HEALTH CARE TO OBTAINING FOOD AND SHELTER ADDITIONALLY, GIVEN OUR HEALTH CARE SYSTEM AND HOW WIDESPREAD EH HAS BECOME IN THE COMMUNITY, WE OPEN OUR DOORS AND PROVIDE THE STAFF AND THE RESOURCES FOR LOCAL ISSUES THAT ARE UNFORESEEN BUT CREATE URGENT SITUATIONS FOR EXAMPLE, WHEN NH RESIDENTS WERE STUCK BY POWER OUTAGES FROM AN ICE STORM LASTING DAYS, EH KEPT PATIENTS (FREE OF CHARGE) IN THE HOSPITAL UNTIL POWER IN THE HOME AS RESTORED SO THAT THEY WOULD NOT SUFFER THE HARDSHIP OF LIVING WITHOUT HEAT AND POWER FOR DAY-TO-DAY STRUGGLES, EITHER WITH HOW TO COPE WITH THE LOSS OF A LOVED ONE OR WITH HOW TO COPE WITH CANCER, EH STAFF AND PROFESSIONALS OFFER FREE COMMUNITY SUPPORT GROUPS AND CLASSES TO REACH PEOPLE WHO ARE IN NEED OF HELP EH PRIDES ITSELF ON THESE ACTS OF HUMANITY BECAUSE IT DOES MEET OUR PURPOSE AND MISSION AND WITHOUT QUESTION, PROMOTES THE HEALTH OF THE COMMUNITY</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|            |                 | <p>PART VI, LINE 6 EHS IS THE UMBRELLA ORGANIZATION UNDER WHICH ELLIOT HOSPITAL (EH), ELLIOT PHYSICIAN NETWORK (EPN), ELLIOT PROFESSIONAL SERVICES (EPS), THE VISITING NURSE ASSOCIATION OF MANCHESTER AND SOUTHERN NH (VNA), AND THE MARY &amp; JOHN ELLIOT CHARITABLE FOUNDATION OPERATE ELLIOT HEALTH SYSTEM IS A HEALTH CARE SYSTEM THAT PROVIDES CARE TO RESIDENTS OF SOUTHERN NH SERVING A REGIONAL POPULATION OF OVER 250,000 RESIDENTS, MAKING IT ONE OF THE LARGEST PROVIDERS OF COMPREHENSIVE HEALTH CARE SERVICES IN SOUTHERN NH EACH OF THESE ORGANIZATIONS PLAYS A CRITICAL ROLE IN THE CONTINUUM OF CARE EHS DELIVERS TO THE COMMUNITY THUS PROMOTING HEALTH THE CORNERSTONE OF EHS IS EH, A PRIVATE, NOT FOR PROFIT HOSPITAL ESTABLISHED IN 1890, AND NOW A 296-BED ACUTE CARE FACILITY LOCATED IN MANCHESTER (NH'S LARGEST CITY) ON EHS'S MAIN CAMPUS EH IS A PREMIER HEALTH CARE PROVIDER IN MANY DISCIPLINES, SERVING AS THE DESIGNATED TRAUMA CENTER FOR THE MANCHESTER HSA, AND DESIGNATED RECEIVING FACILITY FOR PSYCHIATRIC PATIENTS IN THE REGION IN ADDITION EH PROVIDES MATERNITY AND PEDIATRIC SERVICES, NEWBORN INTENSIVE CARE, SURGERY, PAIN MANAGEMENT, WOUND MANAGEMENT, CARDIAC CARE, AND MUCH MORE EHS THROUGH THE EPN AND EPS, BOTH PRIVATE, NOT FOR PROFIT PHYSICIAN GROUPS, PROVIDES PRIMARY CARE AND SPECIALTY CARE VIA OVER 211 EMPLOYED PHYSICIANS AS FAR NORTH AS HOOKSETT, EAST TO RAYMOND, SOUTH TO WINDHAM AND WEST TO NEW BOSTON THE EPN HAS 27 PHYSICIAN PRACTICES IN THE GREATER MANCHESTER AREA PROVIDING ACCESS TO PROVIDERS THROUGHOUT THE LOCAL COMMUNITY IS CRITICAL TO SUPPORTING THE NEED TO HELP INDIVIDUALS BECOME ACTIVE IN THEIR HEALTH CARE AND VIGILANT ABOUT THEIR YEARLY EXAMS, VACCINES, AND MEDICATIONS EHS HAS A ROBUST ELECTRONIC MEDICAL RECORD (EMR) LINKING ALL OF THESE PROVIDERS WITH EH ALLOWING THE PROVIDER A COMPLETE UNDERSTANDING OF ANYTHING THAT MAY HAVE OCCURRED THROUGH THE EMERGENCY DEPARTMENT OR URGENT CARE THROUGHOUT THE YEAR THE EMR IS COMPLETE WITH THE LATEST LABORATORY RESULTS, DIAGNOSTIC IMAGES, AND OTHER TEST RESULTS THAT MAY AFFECT CARE GIVEN IN THE LOCAL PROVIDER'S OFFICE THE VNA IS ONE OF THE REGION'S OLDEST AND MOST COMPREHENSIVE NOT FOR PROFIT HOME HEALTH PROVIDERS, DEDICATED TO IMPROVING THE HEALTH AND WELL-BEING OF OUR COMMUNITY SINCE 1897 THE VNA HAS HELPED INDIVIDUALS AND THEIR FAMILIES FACE THE CHALLENGES OF RECOVERING FROM SURGERY, PHYSICAL DISABILITIES, AND SHORT-TERM, CHRONIC, AND LIFE-LIMITING ILLNESSES THROUGH A TRACE PROGRAM, EHS CAN ENSURE THAT OLDER ADULTS REQUIRING CARE AND WITH COMPLEX HEALTH CARE HISTORIES ARE GIVEN A CARE PLAN FROM THE HOSPITAL TO THE NURSING HOME (IF NECESSARY) AND TO THE HOME ALL OF THIS CARE IS ALSO LINKED THROUGH THE EMR AND THROUGH OUR USE OF TELE-MEDICINE, MANY PATIENTS ARE MONITORED "VIRTUALLY" EACH DAY WHILE IN THEIR HOME TELE-MEDICINE REQUIRES A PATIENT IN THEIR HOME TO CONNECT TO ELECTRONIC DEVICES THAT SEND INFORMATION BACK TO CARE PROVIDERS SHOWING SUCH THINGS AS BLOOD PRESSURE, PULSE, AND RESPIRATORY FUNCTION, SO THAT SHOULD INTERVENTION BE REQUIRED, A HEALTH CARE TEAM CAN BE SENT DIRECTLY TO THE PATIENT'S HOME</p> |

| Identifier                | ReturnReference | Explanation |
|---------------------------|-----------------|-------------|
| REPORTS FILED WITH STATES | PART VI, LINE 7 | NH          |



**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

OMB No 1545-0047

# 2012

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number

02-0232673

## 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. Part II can be duplicated if additional space is needed.

[illegible]

- |          |                                                                                                           |   |
|----------|-----------------------------------------------------------------------------------------------------------|---|
| <b>2</b> | Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . | 3 |
| <b>3</b> | Enter total number of other organizations listed in the line 1 table . . . . .                            | 0 |

**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.  
Part III can be duplicated 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, Part III, column (b), and any other additional information

| Identifier                                 | Return Reference | Explanation                                                                                                                                             |
|--------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| PROCEDURE FOR MONITORING GRANTS IN THE U S | PART I, LINE 2   | SCHEDULE I, PART I, LINE 2 ELLIOT HOSPITAL MAINTAINS MEMBERS ON THE BOARD OF DIRECTORS FOR CHILD HEALTH SERVICES AND MANCHESTER COMMUNITY HEALTH CENTER |

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2012

Open to Public Inspection

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 ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number  
02-0232673

Part I

Questions Regarding Compensation

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Yes | No |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <div>1a</div> <div>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</div> <div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div> |     |    |
| <div>b</div> <div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes |    |
| <div>2</div> <div>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?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yes |    |
| <div>3</div> <div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div> <div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>                                              |     |    |
| <div>4</div> <div>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</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |    |
| <div>a</div> <div>Receive a severance payment or change-of-control payment?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     | No |
| <div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes |    |
| <div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     | No |
| <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     |    |
| <div>5</div> <div>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</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |    |
| <div>a</div> <div>The organization?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     | No |
| <div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |     | No |
| <div>6</div> <div>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</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |     |    |
| <div>a</div> <div>The organization?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     | No |
| <div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |     | No |
| <div>7</div> <div>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</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Yes |    |
| <div>8</div> <div>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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     | No |
| <div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |     |    |

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

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

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

| (A) Name and Title        |  | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                                     | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|---------------------------|--|----------------------------------------------------|-------------------------------------|-------------------------------------|------------------------------------------------|-------------------------|---------------------------------|---------------------------------------------------------|
|                           |  | (i) Base compensation                              | (ii) Bonus & incentive compensation | (iii) Other reportable compensation |                                                |                         |                                 |                                                         |
| See Additional Data Table |  |                                                    |                                     |                                     |                                                |                         |                                 |                                                         |

**Part III** Supplemental Information

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

| Identifier               | Return Reference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | PART I, LINE 4B  | DOUGLAS DEAN - \$108,075, RICK PHELPS - \$64,250, RICHARD ELWELL - \$73,882, WILLIAM BAXTER - \$34,640                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                          | PART I, LINE 7   | THE ORGANIZATION HAS ADOPTED AN INCENTIVE PAY PROGRAM THAT PROVIDES DESIGNATED MANAGEMENT EMPLOYEES AN OPPORTUNITY TO EARN A DESIGNATED PERCENTAGE OF SALARY BASED ON THE ACHIEVEMENT BY THE ORGANIZATION OF A NUMBER OF CRITICAL SUCCESS FACTORS. THE CRITICAL SUCCESS FACTORS ARE ESTABLISHED ANNUALLY BY THE INDEPENDENT EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES WITH ASSISTANCE FROM AN INDEPENDENT NATIONAL COMPENSATION CONSULTING COMPANY. THE MAXIMUM POTENTIAL INCENTIVE PAYMENTS UNDER THE PLAN ARE CONSIDERED BY THE COMPENSATION CONSULTANT IN ENSURING THAT MANAGEMENT COMPENSATION IS REASONABLE. |
| SUPPLEMENTAL INFORMATION | PART III         | THE SALARIES OF DOUGLAS DEAN, RICK PHELPS, AND RICHARD ELWELL REPRESENT SERVICES PROVIDED TO ALL RELATED ENTITIES.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| SUPPLEMENTAL INFORMATION | PART III         | PART II LINE 1 - DURING THE YEAR MR DEAN WITHDREW FUNDS FROM HIS DEFERRED COMPENSATION PLAN (\$1,003,896) AS SUCH THIS AMOUNT IS REPORTED IN COLUMN B(III) AND IN PRIOR YEARS CONTRIBUTIONS TO HIS DEFERRED COMPENSATION PLAN WHICH SUPPORT THE CURRENT DISTRIBUTION WERE REPORTED IN COLUMN C.                                                                                                                                                                                                                                                                                                                                   |

Software ID:

Software Version:

EIN: 02-0232673

Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

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

| (A) Name              |             | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                          | (C) Deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|-----------------------|-------------|----------------------------------------------------|-------------------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|------------------------------------------------------------|
|                       |             | (i) Base Compensation                              | (ii) Bonus & incentive compensation | (iii) Other compensation |                           |                         |                                 |                                                            |
| DOUGLAS F DEAN        | (i)<br>(ii) | 545,926<br>0                                       | 217,625<br>0                        | 1,232,733<br>0           | 140,856<br>0              | 12,139<br>0             | 2,149,279<br>0                  | 1,003,896<br>0                                             |
| RICK PHELPS           | (i)<br>(ii) | 428,404<br>0                                       | 105,001<br>0                        | 45,262<br>0              | 71,750<br>0               | 15,757<br>0             | 666,174<br>0                    | 0<br>0                                                     |
| LAWRENCE M HOEPP MD   | (i)<br>(ii) | 0<br>853,717                                       | 0<br>0                              | 0<br>39,500              | 0<br>7,500                | 0<br>13,364             | 0<br>914,081                    | 0<br>0                                                     |
| ROBERT M LAVERY       | (i)<br>(ii) | 0<br>547,139                                       | 0<br>0                              | 0<br>39,010              | 0<br>7,500                | 0<br>12,312             | 0<br>605,961                    | 0<br>0                                                     |
| JAMES F FITZGERALD MD | (i)<br>(ii) | 0<br>160,528                                       | 0<br>35,070                         | 0<br>17,000              | 0<br>7,456                | 0<br>15,535             | 0<br>235,589                    | 0<br>0                                                     |
| GUS EMMICK MD         | (i)<br>(ii) | 0<br>163,993                                       | 0<br>104,160                        | 0<br>17,000              | 0<br>8,030                | 0<br>15,557             | 0<br>308,740                    | 0<br>0                                                     |
| RICHARD ELWELL        | (i)<br>(ii) | 346,099<br>0                                       | 91,351<br>0                         | 48,077<br>0              | 109,258<br>0              | 11,603<br>0             | 606,388<br>0                    | 0<br>0                                                     |
| JOHN FRIBERG          | (i)<br>(ii) | 300,738<br>0                                       | 45,000<br>0                         | 24,773<br>0              | 7,500<br>0                | 15,448<br>0             | 393,459<br>0                    | 0<br>0                                                     |
| ALEXANDER W PETRON    | (i)<br>(ii) | 271,964<br>0                                       | 46,750<br>0                         | 31,209<br>0              | 7,500<br>0                | 16,098<br>0             | 373,521<br>0                    | 0<br>0                                                     |
| MARC G CULLEROT       | (i)<br>(ii) | 212,834<br>0                                       | 29,490<br>0                         | 22,117<br>0              | 24,919<br>0               | 540<br>0                | 289,900<br>0                    | 0<br>0                                                     |
| ANITA RITENOUR MD     | (i)<br>(ii) | 277,222<br>0                                       | 24,964<br>0                         | 17,000<br>0              | 14,132<br>0               | 16,025<br>0             | 349,343<br>0                    | 0<br>0                                                     |
| DENISE P PURINGTON    | (i)<br>(ii) | 200,122<br>0                                       | 32,130<br>0                         | 30,689<br>0              | 22,344<br>0               | 1,030<br>0              | 286,315<br>0                    | 0<br>0                                                     |
| WILLIAM BAXTER        | (i)<br>(ii) | 306,110<br>0                                       | 25,470<br>0                         | 34,000<br>0              | 7,500<br>0                | 15,894<br>0             | 388,974<br>0                    | 0<br>0                                                     |

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization  
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number  
02-0232673

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 | NH HEALTH & EDUCATION FACILITIES AUTHORITY                          | 02-0279866     | 644614GK9   | 10-21-2003      | 32,245,816      | REFINANCE 1987, 1991, 2001 BONDS                              |              | X  |                         | X  |                    | X  |
| B | BUSINESS FINANCE AUTHORITY OF THE STATE OF NH REVENUE BONDS - 2009A | 02-0279866     | 64468KBQ8   | 12-22-2009      | 130,000,000     | FINANCE/REFINANCE COSTS OF CONSTRUCTION, REFINANCE 2008 BONDS |              | X  |                         | X  |                    | X  |

Part II

Proceeds

|    |                                                                                                        | A          |    | B           |    | C   |    | D   |    |
|----|--------------------------------------------------------------------------------------------------------|------------|----|-------------|----|-----|----|-----|----|
| 1  | Amount of bonds retired                                                                                |            |    |             |    |     |    |     |    |
| 2  | Amount of bonds legally defeased                                                                       |            |    |             |    |     |    |     |    |
| 3  | Total proceeds of issue                                                                                | 32,245,816 |    | 127,806,119 |    |     |    |     |    |
| 4  | Gross proceeds in reserve funds                                                                        | 2,810,960  |    | 11,505,106  |    |     |    |     |    |
| 5  | Capitalized interest from proceeds                                                                     | 6,134,168  |    | 6,134,168   |    |     |    |     |    |
| 6  | Proceeds in refunding escrows                                                                          | 28,988,859 |    | 30,000,000  |    |     |    |     |    |
| 7  | Issuance costs from proceeds                                                                           | 426,666    |    | 1,980,498   |    |     |    |     |    |
| 8  | Credit enhancement from proceeds                                                                       |            |    |             |    |     |    |     |    |
| 9  | Working capital expenditures from proceeds                                                             |            |    |             |    |     |    |     |    |
| 10 | Capital expenditures from proceeds                                                                     | 78,095,644 |    | 78,095,644  |    |     |    |     |    |
| 11 | Other spent proceeds                                                                                   |            |    |             |    |     |    |     |    |
| 12 | Other unspent proceeds                                                                                 |            |    |             |    |     |    |     |    |
| 13 | Year of substantial completion                                                                         |            |    |             |    |     |    |     |    |
|    |                                                                                                        | Yes        | No | Yes         | No | Yes | No | Yes | No |
| 14 | Were the bonds issued as part of a current refunding issue?                                            | X          |    | X           |    |     |    |     |    |
| 15 | Were the bonds issued as part of an advance refunding issue?                                           | X          |    | X           |    |     |    |     |    |
| 16 | Has the final allocation of proceeds been made?                                                        | X          |    | X           |    |     |    |     |    |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X          |    | X           |    |     |    |     |    |

Part III

Private Business Use

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

Part III Private Business Use (Continued)

|    |                                                                                                                                                                                                                                      | A        |    | B        |    | C   |    | D   |    |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----|----------|----|-----|----|-----|----|
|    |                                                                                                                                                                                                                                      | Yes      | No | Yes      | No | Yes | No | Yes | No |
| 3a | Are there any management or service contracts that may result in private business use of bond-financed property?                                                                                                                     |          | X  |          | X  |     |    |     |    |
| b  | If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?                                                   |          |    |          |    |     |    |     |    |
| c  | Are there any research agreements that may result in private business use of bond-financed property?                                                                                                                                 |          | X  |          | X  |     |    |     |    |
| d  | If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?                                                               |          |    |          |    |     |    |     |    |
| 4  | Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government                                                                      | 0 00000% |    | 0 00000% |    | %   |    | %   |    |
| 5  | Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government | 0 00000% |    | 0 00000% |    | %   |    | %   |    |
| 6  | Total of lines 4 and 5                                                                                                                                                                                                               | 0 00000% |    | 0 00000% |    | %   |    | %   |    |
| 7  | Does the bond issue meet the private security or payment test?                                                                                                                                                                       | X        |    | X        |    |     |    |     |    |
| 8a | Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?                                                               |          | X  |          | X  |     |    |     |    |
| b  | If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of                                                                                                                                              | %        |    | %        |    | %   |    | %   |    |
| c  | If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?                                                                                                                            |          |    |          |    |     |    |     |    |
| 9  | Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?                           |          | X  |          | X  |     |    |     |    |

Part IV Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

|   |                                                                                                                                                                                                                                                                  | A   |    | B   |    | C   |    | D   |    |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|
|   |                                                                                                                                                                                                                                                                  | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 | Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations? |     | X  |     | X  |     |    |     |    |

Part VI

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

| Identifier | Return Reference | Explanation                                                                      |
|------------|------------------|----------------------------------------------------------------------------------|
| PART V     |                  | POLICY AND PROCEDURES WERE CREATED, APPROVED BY BOARD AND IMPLEMENTED IN FY 2014 |

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered  
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

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2012

Open to Public Inspection

|                                                                           |                                                  |
|---------------------------------------------------------------------------|--------------------------------------------------|
| Name of the organization<br>THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER | Employer identification number<br><br>02-0232673 |
|---------------------------------------------------------------------------|--------------------------------------------------|

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

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

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

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction                                                                                                                                                                                   | (e) Sharing of organization's revenues? |    |
|-------------------------------|-----------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----|
|                               |                                                                 |                           |                                                                                                                                                                                                                  | Yes                                     | No |
| (1) JAMES C HOOD ESQ          | BOARD MEMBER                                                    | 96,749                    | SEVERAL ATTORNEYS AT NIXON PEABODY, LLP, HAVE BEEN CONSULTED BY ELLIOT HEALTH SYSTEM REGARDING SPECIALIZED CLAIMS AND REGULATORY LEGAL PROJECTS JAMES HOOD IS A PARTNER AT NIXON PEABODY, LLP                    |                                         | No |
| (2) JOHN FRIBERG JR           | EMPLOYEE                                                        |                           | LONG STANDING AND ONGOING ATTORNEY-CLIENT RELATIONSHIP BETWEEN EHS AND WADLEIGH LAW FIRM JOHN FRIBERG JR'S FATHER IS EMPLOYED BY THE WADLEIGH FIRM AND HAS WORKED ON MEDICAL MALPRACTICE CLAIMS FOR THE HOSPITAL |                                         | No |
| (3) DIANNE MERCIER            | BOARD MEMBER                                                    |                           | DIANNE IS PRESIDENT OF PEOPLE'S UNITED BANK, WHICH IS A DEPOSITORY FOR GRANITE SHIELD INSURANCE EXCHANGE OF WHICH EHS IS A MEMBER                                                                                |                                         | No |
| (4) PETER KACHAVOS MD         | ELLIOT BAY MEDICAL ASSOCIATES EMPLOYEE                          | 66,700                    | THROUGH BMA REAL ESTATE (WHICH PETER IS A MEMBER/MANAGER WITH 50% OWNERSHIP), ELLIOT RENTS 4 ELLIOT WAY, SUITE 102, 104, 106 FOR \$66,700 PER YEAR                                                               |                                         | No |
| (5) DR LARRY HOEPP            | ELLIOT GENERAL SURGERY PA EMPLOYEE                              | 547,374                   | WIFE OF DR HOEPP SOLD MEDICAL CONDOMINIUM TO TARRYTOWN REAL ESTATE HOLDINGS (AN ELLIOT HEALTH SYSTEM ENTITY) FOR \$547,374 IN FY 2013                                                                            |                                         | 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 |
|------------|------------------|-------------|
|------------|------------------|-------------|

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.

OMB No 1545-0047

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|                                                                           |                                              |
|---------------------------------------------------------------------------|----------------------------------------------|
| Name of the organization<br>THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER | Employer identification number<br>02-0232673 |
|---------------------------------------------------------------------------|----------------------------------------------|

| Identifier                             | Return Reference                       | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        | FORM 990, PART VI, SECTION A, LINE 6   | ELLIOT HEALTH SYSTEM IS THE SOLE MEMBER OF THE REPORTING ORGANIZATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                        | FORM 990, PART VI, SECTION A, LINE 7A  | ELLIOT HEALTH SYSTEM IS THE SOLE MEMBER OF THE REPORTING ORGANIZATION, AND HAS BOARD MEMBERS WHO ARE ALSO BOARD MEMBERS OF THE REPORTING ORGANIZATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                        | FORM 990, PART VI, SECTION B, LINE 11  | THE COMPLETED 990 IS PRESENTED TO THE BOARD PRIOR TO FILING SPECIFIC KEY SECTIONS OF THE 990 ARE SINGLED OUT FOR ADDITIONAL DISCUSSION AND INPUT FROM BOARD MEMBERS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                        | FORM 990, PART VI, SECTION B, LINE 12C | OFFICERS, DIRECTORS, AND KEY EMPLOYEES ARE REQUIRED ANNUALLY TO SIGN A CONFLICT OF INTEREST FORM WHICH REQUIRES REPORTING ANY POTENTIAL CONFLICT OF INTEREST ARRANGEMENTS WITH THE ORGANIZATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                        | FORM 990, PART VI, SECTION B, LINE 15  | THE COMPENSATION COMMITTEE OF THE BOARD UTILIZES OUTSIDE COMPENSATION CONSULTANTS TO EVALUATE THE SALARIES FOR THE CEO, CFO, AND COO. THE CONSULTANTS UTILIZE THEIR INTERNAL DATA ALONG WITH NATIONAL AND LOCAL BENCHMARK DATA FROM THE INDUSTRY TO DEVELOP SALARY LEVELS. RECOMMENDATIONS OF THE CONSULTANT ARE REVIEWED BY THE COMPENSATION COMMITTEE, WHO RECOMMENDS COMPENSATION LEVELS TO THE FULL BOARD FOR APPROVAL. AN OUTSIDE CONSULTING FIRM IS ALSO USED BY THE ORGANIZATION TO REVIEW THE COMPENSATION OF THE REMAINDER OF THE VPS. AGAIN, NATIONAL AND LOCAL BENCHMARKS FOR SALARIES ARE CONSULTED TO DETERMINE SALARY LEVELS FOR THESE VPS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                        | FORM 990, PART VI, SECTION C, LINE 19  | EACH OF THESE DOCUMENTS IS FILED WITH THE NEW HAMPSHIRE SECRETARY OF STATE AND IS AVAILABLE UPON REQUEST.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| ALL OTHER FUNCTIONAL EXPENSES          | FORM 990, PART IX, LINE 24E            | IMPLANTS & PROTHESIS PROGRAM SERVICE EXPENSES 10,110,506<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 10,110,506<br>MAINTENANCE & SERVICE CONTRACTS<br>PROGRAM SERVICE EXPENSES 7,182,904<br>MANAGEMENT AND GENERAL EXPENSES 2,394,300<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 9,577,204<br>OTHER PROFESSIONAL FEES<br>PROGRAM SERVICE EXPENSES 5,013,925<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 5,013,925<br>UTILITIES PROGRAM SERVICE EXPENSES 3,361,497<br>MANAGEMENT AND GENERAL EXPENSES 1,120,499<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 4,481,996<br>MANAGEMENT FEES PROGRAM SERVICE EXPENSES 0<br>MANAGEMENT AND GENERAL EXPENSES 4,160,594<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 4,160,594<br>EQUIPMENT RENTAL PROGRAM SERVICE EXPENSES 2,909,800<br>MANAGEMENT AND GENERAL EXPENSES 969,933<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 3,879,733<br>PHYSICIAN FEES PROGRAM SERVICE EXPENSES 3,745,723<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 3,745,723<br>SOFTWARE LICENSE FEES PROGRAM SERVICE EXPENSES 3,572,883<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 3,572,883<br>CONSULTING FEES PROGRAM SERVICE EXPENSES 2,789,945<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 2,789,945<br>MINOR EQUIPMENT PURCHASES PROGRAM SERVICE EXPENSES 2,004,178<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 2,004,178<br>FOOD & DIETARY PROGRAM SERVICE EXPENSES 1,865,528<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 1,865,528<br>OTHER OPERATING COSTS PROGRAM SERVICE EXPENSES 0<br>MANAGEMENT AND GENERAL EXPENSES 1,218,156<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 1,218,156<br>LAUNDRY & LINENS PROGRAM SERVICE EXPENSES 1,152,260<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 1,152,260<br>RECRUITMENT & RELOCATION FEES PROGRAM SERVICE EXPENSES 1,079,955<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 1,079,955<br>TELEPHONE PROGRAM SERVICE EXPENSES 720,851<br>MANAGEMENT AND GENERAL EXPENSES 240,283<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 961,134<br>MEDICAL SERVICES FEES PROGRAM SERVICE EXPENSES 925,781<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 925,781<br>PURCHASED LABOR PROGRAM SERVICE EXPENSES 833,173<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 833,173<br>ICD 10 PROJECT PROGRAM SERVICE EXPENSES 0<br>MANAGEMENT AND GENERAL EXPENSES 733,467<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 733,467<br>COLLECTION FEES PROGRAM SERVICE EXPENSES 0<br>MANAGEMENT AND GENERAL EXPENSES 512,096<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 512,096<br>PRINTING & PUBLICATIONS PROGRAM SERVICE EXPENSES 0<br>MANAGEMENT AND GENERAL EXPENSES 498,331<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 498,331<br>TRUST FUND FEES PROGRAM SERVICE EXPENSES 0<br>MANAGEMENT AND GENERAL EXPENSES 478,534<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 478,534<br>PERMITS & FEES PROGRAM SERVICE EXPENSES 403,681<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 403,681<br>POSTAGE & SHIPPING PROGRAM SERVICE EXPENSES 0<br>MANAGEMENT AND GENERAL EXPENSES 376,889<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 376,889<br>DUES & MEMBERSHIPS PROGRAM SERVICE EXPENSES 341,318<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 341,318<br>BANK & CREDIT CARD FEES PROGRAM SERVICE EXPENSES 0<br>MANAGEMENT AND GENERAL EXPENSES 310,499<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 310,499<br>EDUCATION & TRAINING PROGRAM SERVICE EXPENSES 200,822<br>MANAGEMENT AND GENERAL EXPENSES 66,939<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 267,761<br>VEHICLE EXPENSE PROGRAM SERVICE EXPENSES 179,544<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 179,544<br>VALET PARKING PROGRAM SERVICE EXPENSES 92,554<br>MANAGEMENT AND GENERAL EXPENSES 0<br>FUNDRAISING EXPENSES 0<br>TOTAL EXPENSES 92,554 |
| CHANGES IN NET ASSETS OR FUND BALANCES | FORM 990, PART XI, LINE 9              | PENSION ADJUSTMENT 30,210,142<br>UNREALIZED GAIN/LOSS - TEMPORARILY RESTRICTED FUNDS 105,141<br>UNREALIZED GAIN/LOSS - PERMANENTLY RESTRICTED FUNDS 367,763<br>GRANT PROCEEDS RECEIVED FOR CAPITAL PURCHASE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization  
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number  
02-0232673

| Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.) |                         |                                                  |                     |                           |                                  |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------|---------------------|---------------------------|----------------------------------|
| (a)<br>Name, address, and EIN (if applicable) of disregarded entity                                                        | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|                                                                                                                            |                         |                                                  |                     |                           |                                  |
|                                                                                                                            |                         |                                                  |                     |                           |                                  |
|                                                                                                                            |                         |                                                  |                     |                           |                                  |
|                                                                                                                            |                         |                                                  |                     |                           |                                  |
|                                                                                                                            |                         |                                                  |                     |                           |                                  |
|                                                                                                                            |                         |                                                  |                     |                           |                                  |

| Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.) |                         |                                                  |                            |                                                     |                                  |                                              |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------|----------------------------------------------|----|
| (a)<br>Name, address, and EIN of related organization                                                                                                                                                                   | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |    |
|                                                                                                                                                                                                                         |                         |                                                  |                            |                                                     |                                  | Yes                                          | No |
| See Additional Data Table                                                                                                                                                                                               |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                         |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                         |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                         |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                         |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                         |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                         |                         |                                                  |                            |                                                     |                                  |                                              |    |

Part III

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

| (a)<br>Name, address, and EIN of<br>related organization                                   | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct<br>controlling<br>entity | (e)<br>Predominant<br>income(related,<br>unrelated,<br>excluded from<br>tax under<br>sections 512-<br>514) | (f)<br>Share of total<br>income | (g)<br>Share of end-<br>of-year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V—UBI<br>amount in<br>box 20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|--------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------|-----------------------------------------|----|----------------------------------------------------------------------------|-------------------------------------------|----|--------------------------------|
|                                                                                            |                         |                                                              |                                        |                                                                                                            |                                 |                                           | Yes                                     | No |                                                                            | Yes                                       | No |                                |
| (1) ELLIOT COMMON TRUST FUND LLC<br><br>1 ELLIOT WAY<br>MANCHESTER, NH 03103<br>20-3653624 | INVESTMENTS             | NH                                                           |                                        | N/A                                                                                                        | 3,249,060                       | 71,977,206                                |                                         | No |                                                                            |                                           | No |                                |
|                                                                                            |                         |                                                              |                                        |                                                                                                            |                                 |                                           |                                         |    |                                                                            |                                           |    |                                |
|                                                                                            |                         |                                                              |                                        |                                                                                                            |                                 |                                           |                                         |    |                                                                            |                                           |    |                                |
|                                                                                            |                         |                                                              |                                        |                                                                                                            |                                 |                                           |                                         |    |                                                                            |                                           |    |                                |
|                                                                                            |                         |                                                              |                                        |                                                                                                            |                                 |                                           |                                         |    |                                                                            |                                           |    |                                |
|                                                                                            |                         |                                                              |                                        |                                                                                                            |                                 |                                           |                                         |    |                                                                            |                                           |    |                                |
|                                                                                            |                         |                                                              |                                        |                                                                                                            |                                 |                                           |                                         |    |                                                                            |                                           |    |                                |

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to 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)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S<br>corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of end-<br>of-year<br>assets | (h)<br>Percentage<br>ownership | (i)<br>Section 512<br>(b)(13)<br>controlled<br>entity? |    |
|----------------------------------------------------------|-------------------------|-----------------------------------------------------------|-------------------------------------|-----------------------------------------------------------|---------------------------------|-------------------------------------------|--------------------------------|--------------------------------------------------------|----|
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                | Yes                                                    | No |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |
|                                                          |                         |                                                           |                                     |                                                           |                                 |                                           |                                |                                                        |    |

Part V

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

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

1 During the tax year, did the 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 or (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 Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

No

No

No

No

No

No

Yes

No

No

No

Yes

Yes

No

No

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

| (a)<br>Name of other organization | (b)<br>Transaction<br>type (a-s) | (c)<br>Amount involved | (d)<br>Method of determining amount involved |
|-----------------------------------|----------------------------------|------------------------|----------------------------------------------|
| (1) ELLIOT PROFESSIONAL SERVICES  | P                                | 5,019,419              | CASH                                         |
| (2) ELLIOT PHYSICIAN NETWORK      | P                                | 297,147                | CASH                                         |
| (3) ELLIOT PROFESSIONAL SERVICES  | Q                                | 10,490,073             | CASH                                         |
| (4) ELLIOT PHYSICIAN NETWORK      | Q                                | 14,958,241             | CASH                                         |
| (5) ELLIOT PROFESSIONAL SERVICES  | K                                | 216,527                | CASH                                         |
|                                   |                                  |                        |                                              |

Schedule R (Form 990) 2012

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.

[illegible]

**Software ID:**  
**Software Version:**  
**EIN:** 02-0232673  
**Name:** THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

**Part VII** Supplemental Information

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

| Identifier | Return Reference | Explanation |  |
|------------|------------------|-------------|--|
|------------|------------------|-------------|--|

-->

TY 2012 Affiliated Group Schedule

**Name:** THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER  
**EIN:** 02-0232673

|                                              |                                                         |
|----------------------------------------------|---------------------------------------------------------|
| <b>Affiliated Group Business Name:</b>       | ELLIOT HEALTH SYSTEM                                    |
| <b>Address. Either US or Foreign Type:</b>   | 1070 HOLT AVE UNIT 1 SUITE 2100<br>MANCHESTER, NH 03109 |
| <b>EIN:</b>                                  | 02-0509911                                              |
| <b>Electing Organization Checkbox:</b>       | <input type="checkbox"/>                                |
| <b>Total Grassroots Lobbying:</b>            | 0                                                       |
| <b>Total Direct Lobbying:</b>                | 0                                                       |
| <b>Total Lobbying Expenditures:</b>          | 0                                                       |
| <b>Other Exempt Purpose Expenditures:</b>    | 0                                                       |
| <b>Total Exempt Purpose Expenditures:</b>    | 0                                                       |
| <b>Lobbying Nontaxable Amount:</b>           | 0                                                       |
| <b>Grassroots Nontaxable Amount:</b>         | 0                                                       |
| <b>Tot Lobbying Grassroot Minus Non Tx:</b>  | 0                                                       |
| <b>Tot Lobby Expend Mns Lobbying Non Tx:</b> | 0                                                       |
| <b>Share Of Excess Lobbying:</b>             | 0                                                       |

|                                              |                                                          |
|----------------------------------------------|----------------------------------------------------------|
| <b>Affiliated Group Business Name:</b>       | VNA OF MANCHESTER AND SOUTHERN NH INC & SUBSIDIARIES     |
| <b>Address. Either US or Foreign Type:</b>   | 33 SOUTH COMMERCIAL ST SUITE 401<br>MANCHESTER, NH 03101 |
| <b>EIN:</b>                                  | 02-0395296                                               |
| <b>Electing Organization Checkbox:</b>       | <input type="checkbox"/>                                 |
| <b>Total Grassroots Lobbying:</b>            | 0                                                        |
| <b>Total Direct Lobbying:</b>                | 0                                                        |
| <b>Total Lobbying Expenditures:</b>          | 0                                                        |
| <b>Other Exempt Purpose Expenditures:</b>    | 0                                                        |
| <b>Total Exempt Purpose Expenditures:</b>    | 0                                                        |
| <b>Lobbying Nontaxable Amount:</b>           | 0                                                        |
| <b>Grassroots Nontaxable Amount:</b>         | 0                                                        |
| <b>Tot Lobbying Grassroot Minus Non Tx:</b>  | 0                                                        |
| <b>Tot Lobby Expend Mns Lobbying Non Tx:</b> | 0                                                        |
| <b>Share Of Excess Lobbying:</b>             | 0                                                        |

|                                              |         |                                      |
|----------------------------------------------|---------|--------------------------------------|
| <b>Affiliated Group Business Name:</b>       |         | ELLIOT HOSPITAL                      |
| <b>Address. Either US or Foreign Type:</b>   |         | 1 ELLIOT WAY<br>MANCHESTER, NH 03103 |
| <b>EIN:</b>                                  |         | 02-0232673                           |
| <b>Electing Organization Checkbox:</b>       |         | <input checked="" type="checkbox"/>  |
| <b>Total Grassroots Lobbying:</b>            | 156,539 |                                      |
| <b>Total Direct Lobbying:</b>                | 0       |                                      |
| <b>Total Lobbying Expenditures:</b>          | 156,539 |                                      |
| <b>Other Exempt Purpose Expenditures:</b>    | 0       |                                      |
| <b>Total Exempt Purpose Expenditures:</b>    | 156,539 |                                      |
| <b>Lobbying Nontaxable Amount:</b>           | 31,308  |                                      |
| <b>Grassroots Nontaxable Amount:</b>         | 7,827   |                                      |
| <b>Tot Lobbying Grassroot Minus Non Tx:</b>  | 148,712 |                                      |
| <b>Tot Lobby Expend Mns Lobbying Non Tx:</b> | 125,231 |                                      |
| <b>Share Of Excess Lobbying:</b>             | 0       |                                      |

|                                              |   |                                                         |
|----------------------------------------------|---|---------------------------------------------------------|
| <b>Affiliated Group Business Name:</b>       |   | ELLIOT PROFESSIONAL SERVICES                            |
| <b>Address. Either US or Foreign Type:</b>   |   | 1070 HOLT AVE UNIT 1 SUITE 2100<br>MANCHESTER, NH 03109 |
| <b>EIN:</b>                                  |   | 33-1003630                                              |
| <b>Electing Organization Checkbox:</b>       |   | <input type="checkbox"/>                                |
| <b>Total Grassroots Lobbying:</b>            | 0 |                                                         |
| <b>Total Direct Lobbying:</b>                | 0 |                                                         |
| <b>Total Lobbying Expenditures:</b>          | 0 |                                                         |
| <b>Other Exempt Purpose Expenditures:</b>    | 0 |                                                         |
| <b>Total Exempt Purpose Expenditures:</b>    | 0 |                                                         |
| <b>Lobbying Nontaxable Amount:</b>           | 0 |                                                         |
| <b>Grassroots Nontaxable Amount:</b>         | 0 |                                                         |
| <b>Tot Lobbying Grassroot Minus Non Tx:</b>  | 0 |                                                         |
| <b>Tot Lobby Expend Mns Lobbying Non Tx:</b> | 0 |                                                         |
| <b>Share Of Excess Lobbying:</b>             | 0 |                                                         |

|                                              |   |                                                         |
|----------------------------------------------|---|---------------------------------------------------------|
| <b>Affiliated Group Business Name:</b>       |   | ELLIOT PHYSICIAN NETWORK                                |
| <b>Address. Either US or Foreign Type:</b>   |   | 1070 HOLT AVE UNIT 1 SUITE 2100<br>MANCHESTER, NH 03109 |
| <b>EIN:</b>                                  |   | 02-0509589                                              |
| <b>Electing Organization Checkbox:</b>       |   | <input type="checkbox"/>                                |
| <b>Total Grassroots Lobbying:</b>            | 0 |                                                         |
| <b>Total Direct Lobbying:</b>                | 0 |                                                         |
| <b>Total Lobbying Expenditures:</b>          | 0 |                                                         |
| <b>Other Exempt Purpose Expenditures:</b>    | 0 |                                                         |
| <b>Total Exempt Purpose Expenditures:</b>    | 0 |                                                         |
| <b>Lobbying Nontaxable Amount:</b>           | 0 |                                                         |
| <b>Grassroots Nontaxable Amount:</b>         | 0 |                                                         |
| <b>Tot Lobbying Grassroot Minus Non Tx:</b>  | 0 |                                                         |
| <b>Tot Lobby Expend Mns Lobbying Non Tx:</b> | 0 |                                                         |
| <b>Share Of Excess Lobbying:</b>             | 0 |                                                         |

|                                              |   |                                                         |
|----------------------------------------------|---|---------------------------------------------------------|
| <b>Affiliated Group Business Name:</b>       |   | ELLIOT HEALTH SYSTEM HOLDINGS INC & SUBSIDIARIES        |
| <b>Address. Either US or Foreign Type:</b>   |   | 1070 HOLT AVE UNIT 1 SUITE 2100<br>MANCHESTER, NH 03109 |
| <b>EIN:</b>                                  |   | 02-0512224                                              |
| <b>Electing Organization Checkbox:</b>       |   | <input type="checkbox"/>                                |
| <b>Total Grassroots Lobbying:</b>            | 0 |                                                         |
| <b>Total Direct Lobbying:</b>                | 0 |                                                         |
| <b>Total Lobbying Expenditures:</b>          | 0 |                                                         |
| <b>Other Exempt Purpose Expenditures:</b>    | 0 |                                                         |
| <b>Total Exempt Purpose Expenditures:</b>    | 0 |                                                         |
| <b>Lobbying Nontaxable Amount:</b>           | 0 |                                                         |
| <b>Grassroots Nontaxable Amount:</b>         | 0 |                                                         |
| <b>Tot Lobbying Grassroot Minus Non Tx:</b>  | 0 |                                                         |
| <b>Tot Lobby Expend Mns Lobbying Non Tx:</b> | 0 |                                                         |
| <b>Share Of Excess Lobbying:</b>             | 0 |                                                         |

|                                              |   |                                                         |
|----------------------------------------------|---|---------------------------------------------------------|
| <b>Affiliated Group Business Name:</b>       |   | JOHN & MARY ELLIOT CHARITABLE FOUNDATION                |
| <b>Address. Either US or Foreign Type:</b>   |   | 1070 HOLT AVE UNIT 1 SUITE 2100<br>MANCHESTER, NH 03109 |
| <b>EIN:</b>                                  |   | 02-0512229                                              |
| <b>Electing Organization Checkbox:</b>       |   | <input type="checkbox"/>                                |
| <b>Total Grassroots Lobbying:</b>            | 0 |                                                         |
| <b>Total Direct Lobbying:</b>                | 0 |                                                         |
| <b>Total Lobbying Expenditures:</b>          | 0 |                                                         |
| <b>Other Exempt Purpose Expenditures:</b>    | 0 |                                                         |
| <b>Total Exempt Purpose Expenditures:</b>    | 0 |                                                         |
| <b>Lobbying Nontaxable Amount:</b>           | 0 |                                                         |
| <b>Grassroots Nontaxable Amount:</b>         | 0 |                                                         |
| <b>Tot Lobbying Grassroot Minus Non Tx:</b>  | 0 |                                                         |
| <b>Tot Lobby Expend Mns Lobbying Non Tx:</b> | 0 |                                                         |
| <b>Share Of Excess Lobbying:</b>             | 0 |                                                         |

|                                              |   |                                      |
|----------------------------------------------|---|--------------------------------------|
| <b>Affiliated Group Business Name:</b>       |   | ELLIOT COMMON TRUST FUND LLC         |
| <b>Address. Either US or Foreign Type:</b>   |   | 1 ELLIOT WAY<br>MANCHESTER, NH 03103 |
| <b>EIN:</b>                                  |   | 02-3653624                           |
| <b>Electing Organization Checkbox:</b>       |   | <input type="checkbox"/>             |
| <b>Total Grassroots Lobbying:</b>            | 0 |                                      |
| <b>Total Direct Lobbying:</b>                | 0 |                                      |
| <b>Total Lobbying Expenditures:</b>          | 0 |                                      |
| <b>Other Exempt Purpose Expenditures:</b>    | 0 |                                      |
| <b>Total Exempt Purpose Expenditures:</b>    | 0 |                                      |
| <b>Lobbying Nontaxable Amount:</b>           | 0 |                                      |
| <b>Grassroots Nontaxable Amount:</b>         | 0 |                                      |
| <b>Tot Lobbying Grassroot Minus Non Tx:</b>  | 0 |                                      |
| <b>Tot Lobby Expend Mns Lobbying Non Tx:</b> | 0 |                                      |
| <b>Share Of Excess Lobbying:</b>             | 0 |                                      |

**Affiliated Group Business Name:** ELLIOT HEALTH SYSTEM PROFESSIONAL & GENERAL LIABILITY  
INSURANCE TRUST

**Address. Either US or Foreign** 1 ELLIOT WAY  
**Type:** MANCHESTER, NH 03101

**EIN:** 01-6217452

**Electing Organization Checkbox:** ☐

**Total Grassroots Lobbying:** 0

**Total Direct Lobbying:** 0

**Total Lobbying Expenditures:** 0

**Other Exempt Purpose** 0  
**Expenditures:**

**Total Exempt Purpose** 0  
**Expenditures:**

**Lobbying Nontaxable Amount:** 0

**Grassroots Nontaxable Amount:** 0

**Tot Lobbying Grassroot Minus Non** 0  
**Tx:**

**Tot Lobby Expend Mns Lobbying** 0  
**Non Tx:**

**Share Of Excess Lobbying:** 0

# **Elliot Hospital and Affiliates**

**Audited Consolidated Financial Statements  
and Other Financial Information**

*Years Ended June 30, 2013 and 2012  
With Independent Auditors' Report*

# ELLIOT HOSPITAL AND AFFILIATES

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

June 30, 2013 and 2012

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# BAKER | NEWMAN | NOYES

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Elliot Hospital and Affiliates

We have audited the accompanying consolidated financial statements of Elliot Hospital and Affiliates (the Hospital), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of June 30, 2013 and 2012, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Limited Liability Company

Manchester, New Hampshire  
September 19, 2013

Baker Newman & Noyes, LLC

**ELLIOT HOSPITAL AND AFFILIATES****CONSOLIDATED BALANCE SHEETS**

June 30, 2013 and 2012

ASSETS

|                                                                                                                                | <u>2013</u>          | <u>2012</u>          |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Current assets:                                                                                                                |                      |                      |
| Cash and cash equivalents                                                                                                      | \$ 34,171,904        | \$ 28,283,098        |
| Accounts receivable, less allowance for doubtful accounts of<br>\$22,432,096 in 2013 and \$25,473,851 in 2012 (notes 2 and 11) | 49,060,492           | 39,496,103           |
| Inventories                                                                                                                    | 2,405,426            | 2,143,884            |
| Other current assets                                                                                                           | <u>8,239,348</u>     | <u>7,484,315</u>     |
| Total current assets                                                                                                           | 93,877,170           | 77,407,400           |
| Property, plant and equipment, less accumulated<br>depreciation (notes 4, 5 and 12)                                            | 160,069,629          | 170,739,806          |
| Other assets:                                                                                                                  |                      |                      |
| Unamortized bond issuance costs, net (note 2)                                                                                  | 1,953,547            | 2,042,022            |
| Other (note 2)                                                                                                                 | <u>9,144,460</u>     | <u>6,613,120</u>     |
|                                                                                                                                | 11,098,007           | 8,655,142            |
| Assets whose use is limited (notes 6 and 13):                                                                                  |                      |                      |
| Board designated and donor restricted investments                                                                              | 78,258,767           | 74,471,406           |
| Held by trustee under revenue bond and note agreements (note 5)                                                                | 17,257,143           | 17,667,799           |
| Employee benefit plans and other (note 2)                                                                                      | 7,555,005            | 6,473,051            |
| Beneficial interest in perpetual trusts                                                                                        | <u>5,975,135</u>     | <u>5,607,376</u>     |
|                                                                                                                                | <u>109,046,050</u>   | <u>104,219,632</u>   |
| Total assets                                                                                                                   | <u>\$374,090,856</u> | <u>\$361,021,980</u> |

# LIABILITIES AND NET ASSETS

|                                                        | <u>2013</u>           | <u>2012</u>           |
|--------------------------------------------------------|-----------------------|-----------------------|
| Current liabilities:                                   |                       |                       |
| Accounts payable and accrued expenses                  | \$ 14,681,600         | \$ 18,303,727         |
| Accrued salaries, wages and related accounts           | 23,643,135            | 18,956,459            |
| Accrued interest                                       | 2,274,308             | 2,295,750             |
| Amounts payable to third-party payors (note 3)         | 6,884,814             | 7,985,294             |
| Amounts due to affiliates                              | 139,811               | 64,756                |
| Current portion of long-term debt (note 5)             | <u>2,601,652</u>      | <u>1,784,935</u>      |
| Total current liabilities                              | 50,225,320            | 49,390,921            |
| Accrued pension (note 7)                               | 46,928,774            | 72,651,170            |
| Self-insurance reserves and other liabilities (note 2) | 20,423,834            | 17,437,419            |
| Long-term debt, less current portion (note 5)          | <u>149,143,505</u>    | <u>151,598,046</u>    |
| Total liabilities                                      | 266,721,433           | 291,077,556           |
| Net assets:                                            |                       |                       |
| Unrestricted                                           | 93,303,068            | 56,352,616            |
| Temporarily restricted                                 | 1,801,521             | 1,696,380             |
| Permanently restricted                                 | <u>12,264,834</u>     | <u>11,895,428</u>     |
|                                                        | 107,369,423           | 69,944,424            |
|                                                        | <hr/>                 | <hr/>                 |
| Total liabilities and net assets                       | <u>\$ 374,090,856</u> | <u>\$ 361,021,980</u> |

See accompanying notes.

# ELLIOT HOSPITAL AND AFFILIATES

## CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2013 and 2012

|                                                                                               | <u>2013</u>          | <u>2012</u>            |
|-----------------------------------------------------------------------------------------------|----------------------|------------------------|
| Net patient service revenues (net of contractual allowances and discounts) (notes 2, 3 and 9) | \$445,600,695        | \$427,330,423          |
| Provision for bad debts (note 2)                                                              | <u>(49,773,757)</u>  | <u>(49,712,603)</u>    |
| Net patient service revenues less provision for bad debts                                     | 395,826,938          | 377,617,820            |
| Investment income (note 6)                                                                    | 1,849,878            | 2,000,337              |
| Other revenues (note 3)                                                                       | <u>16,991,404</u>    | <u>13,856,541</u>      |
| Total revenues                                                                                | 414,668,220          | 393,474,698            |
| Expenses (note 10):                                                                           |                      |                        |
| Salaries, wages and fringe benefits (note 7)                                                  | 259,598,082          | 245,349,664            |
| Supplies and other expenses                                                                   | 118,102,194          | 109,686,161            |
| Depreciation and amortization                                                                 | 16,481,438           | 17,972,055             |
| New Hampshire Medicaid Enhancement Tax (note 14)                                              | 11,674,727           | 16,107,100             |
| Interest                                                                                      | 9,210,750            | 9,350,165              |
| Restructuring costs (note 3)                                                                  | <u>—</u>             | <u>2,328,331</u>       |
| Total expenses                                                                                | <u>415,067,191</u>   | <u>400,793,476</u>     |
| Loss from operations                                                                          | (398,971)            | (7,318,778)            |
| Nonoperating gains (losses), net:                                                             |                      |                        |
| Investment return, net (notes 2 and 6)                                                        | 3,303,909            | (27,112)               |
| Other (notes 2, 8 and 9)                                                                      | <u>2,646,697</u>     | <u>4,400,318</u>       |
| Nonoperating gains (losses), net                                                              | <u>5,950,606</u>     | <u>4,373,206</u>       |
| Excess (deficiency) of revenues and nonoperating gains (losses) over expenses                 | 5,551,635            | (2,945,572)            |
| Pension adjustment (note 7)                                                                   | 31,948,644           | (45,608,918)           |
| Net transfers to (from) affiliates (note 8)                                                   | <u>(549,827)</u>     | <u>4,353,377</u>       |
| Increase (decrease) in unrestricted net assets                                                | <u>\$ 36,950,452</u> | <u>\$ (44,201,113)</u> |

See accompanying notes.

# ELLIOT HOSPITAL AND AFFILIATES

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2013 and 2012

|                                                                           | Unrestricted<br><u>Net Assets</u> | Temporarily<br>Restricted<br><u>Net Assets</u> | Permanently<br>Restricted<br><u>Net Assets</u> | <u>Total</u>         |
|---------------------------------------------------------------------------|-----------------------------------|------------------------------------------------|------------------------------------------------|----------------------|
| Balances at July 1, 2011                                                  | \$100,553,729                     | \$1,722,984                                    | \$12,137,507                                   | \$114,414,220        |
| Deficiency of revenues and non-<br>operating gains (losses) over expenses | (2,945,572)                       | —                                              | —                                              | (2,945,572)          |
| Investment income and net gain<br>on investments, net (note 6)            | —                                 | —                                              | 29,921                                         | 29,921               |
| Net unrealized loss on<br>investments (notes 2 and 6)                     | —                                 | (26,604)                                       | (272,000)                                      | (298,604)            |
| Pension adjustment (note 7)                                               | (45,608,918)                      | —                                              | —                                              | (45,608,918)         |
| Net transfers from affiliates (note 8)                                    | <u>4,353,377</u>                  | <u>—</u>                                       | <u>—</u>                                       | <u>4,353,377</u>     |
| Decrease in net assets                                                    | <u>(44,201,113)</u>               | <u>(26,604)</u>                                | <u>(242,079)</u>                               | <u>(44,469,796)</u>  |
| Balances at June 30, 2012                                                 | 56,352,616                        | 1,696,380                                      | 11,895,428                                     | 69,944,424           |
| Excess of revenues and nonoperating<br>gains (losses) over expenses       | 5,551,635                         | —                                              | —                                              | 5,551,635            |
| Restricted gifts and bequests                                             | —                                 | —                                              | 4,621                                          | 4,621                |
| Investment income and net loss<br>on investments, net (note 6)            | —                                 | —                                              | (2,978)                                        | (2,978)              |
| Net unrealized gain on<br>investments (notes 2 and 6)                     | —                                 | 105,141                                        | 367,763                                        | 472,904              |
| Pension adjustment (note 7)                                               | 31,948,644                        | —                                              | —                                              | 31,948,644           |
| Net transfers to affiliates (note 8)                                      | <u>(549,827)</u>                  | <u>—</u>                                       | <u>—</u>                                       | <u>(549,827)</u>     |
| Increase in net assets                                                    | <u>36,950,452</u>                 | <u>105,141</u>                                 | <u>369,406</u>                                 | <u>37,424,999</u>    |
| Balances at June 30, 2013                                                 | <u>\$ 93,303,068</u>              | <u>\$1,801,521</u>                             | <u>\$12,264,834</u>                            | <u>\$107,369,423</u> |

See accompanying notes.

# ELLIOT HOSPITAL AND AFFILIATES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2013 and 2012

|                                                                                                                        | <u>2013</u>          | <u>2012</u>          |
|------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Operating activities and net gains:                                                                                    |                      |                      |
| Increase (decrease) in net assets                                                                                      | \$ 37,424,999        | \$ (44,469,796)      |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities and net gains: |                      |                      |
| Depreciation and amortization                                                                                          | 16,481,438           | 17,972,055           |
| Loss on disposal of fixed assets                                                                                       | 18,881               | 35,801               |
| Restricted investment income and net loss (gain) on investments                                                        | 2,978                | (29,921)             |
| Restricted gifts and bequests                                                                                          | (4,621)              | —                    |
| Net transfers to (from) affiliates                                                                                     | 549,827              | (4,353,377)          |
| Pension adjustment                                                                                                     | (31,948,644)         | 45,608,918           |
| Net realized and unrealized (gains) losses on investments                                                              | (3,400,572)          | 694,819              |
| Changes in operating assets and liabilities:                                                                           |                      |                      |
| Accounts receivable, net                                                                                               | (9,564,389)          | (4,210,705)          |
| Inventories                                                                                                            | (261,542)            | 40,278               |
| Other current and noncurrent assets                                                                                    | (3,363,450)          | (991,158)            |
| Accounts payable and accrued expenses                                                                                  | (3,475,165)          | 2,863,288            |
| Accrued salaries, wages and related accounts                                                                           | 4,686,676            | (934,505)            |
| Accrued interest                                                                                                       | (21,442)             | 14,158               |
| Amounts due from affiliates                                                                                            | 75,055               | (679,042)            |
| Accrued pension                                                                                                        | 6,226,248            | (276,427)            |
| Self-insurance reserves and other liabilities                                                                          | 2,986,415            | (1,290,014)          |
| Amounts payable to third-party payors                                                                                  | <u>(1,100,480)</u>   | <u>942,444</u>       |
| Net cash provided by operating activities and net gains                                                                | 15,312,212           | 10,936,816           |
| Investing activities:                                                                                                  |                      |                      |
| Acquisition of property, plant and equipment, net of disposals                                                         | (5,656,599)          | (11,437,324)         |
| Change in assets whose use is limited                                                                                  | <u>(1,425,846)</u>   | <u>806,249</u>       |
| Net cash used by investing activities                                                                                  | (7,082,445)          | (10,631,075)         |
| Financing activities:                                                                                                  |                      |                      |
| Repayment of notes payable, debt and capital lease obligations                                                         | (1,792,777)          | (2,101,282)          |
| Net cash transfers (to) from affiliates                                                                                | (549,827)            | 4,353,377            |
| Restricted investment income and net (loss) gain on investments                                                        | (2,978)              | 29,921               |
| Restricted gifts and bequests                                                                                          | <u>4,621</u>         | <u>—</u>             |
| Net cash (used) provided by financing activities                                                                       | <u>(2,340,961)</u>   | <u>2,282,016</u>     |
| Increase in cash and cash equivalents                                                                                  | 5,888,806            | 2,587,757            |
| Cash and cash equivalents at beginning of year                                                                         | <u>28,283,098</u>    | <u>25,695,341</u>    |
| Cash and cash equivalents at end of year                                                                               | \$ <u>34,171,904</u> | \$ <u>28,283,098</u> |
| Noncash investing and financing activities:                                                                            |                      |                      |
| Assets acquired under capital lease agreements                                                                         | \$ <u>68,446</u>     | \$ <u>207,019</u>    |

See accompanying notes.

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 1. **Organization**

Elliot Hospital is a not-for-profit acute care hospital which serves residents of Southern New Hampshire. Elliot Health System (the System) is the sole member of Elliot Hospital.

The sole corporate member for Elliot Physician Network (EPN), a not-for-profit network of primary care physicians, and Elliot Professional Services (EPS), a not-for-profit network of specialty care physicians, is Elliot Hospital. These consolidated financial statements reflect the combined financial position, results of operations and cash flows of EPN, EPS and Elliot Hospital. These entities are collectively referred to as "the Hospital" in these consolidated financial statements.

Elliot Hospital (excluding EPN and EPS) and the System comprise the Obligated Group as defined under a Master Trust Indenture dated October 1, 2003 (as amended) under the 2003 and 2009 bond offerings. See note 5.

### 2. **Significant Accounting Policies**

#### *Principles of Consolidation*

The consolidated financial statements include the accounts of Elliot Hospital, EPN and EPS. All significant intercompany balances and transactions have been eliminated in the consolidation.

#### *Charity Care*

The Hospital has a formal charity care policy under which patient care is provided without charge or at amounts less than its established rates to patients who meet certain criteria. The Hospital does not pursue collection of amounts determined to qualify as charity care, and therefore they are not reported as revenue. See note 9 with respect to costs of charity care.

#### *Cash and Cash Equivalents*

Cash and cash equivalents include short-term investments and secured repurchase agreements which have an original maturity of three months or less when purchased.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

#### *Net Patient Service Revenues*

The Hospital has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 2. **Significant Accounting Policies (Continued)**

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

##### Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospitals' allowance for doubtful accounts for self-pay patients decreased from 84% of self-pay accounts receivable at June 30, 2012 to 83% of self-pay accounts receivable at June 30, 2013. The Hospital's self-pay bad debt writeoffs increased \$6,119,254 from \$51,369,434 in 2012 to \$57,488,688 in 2013. The net change in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends.

##### Income Taxes

Elliot Hospital, EPN and EPS 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. Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated financial statements. With few exceptions, the Hospital is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2010.

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 2. **Significant Accounting Policies (Continued)**

##### *Performance Indicator*

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral transactions are reported as nonoperating gains or losses.

The consolidated statements of operations also include excess (deficiency) of revenues and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenues and nonoperating gains (losses) over expenses, consistent with industry practice, include net assets released from restrictions for capital purchases, pension adjustments, and transfers to or from affiliates.

##### *Classification of Net Assets*

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

##### *Investments and Investment Income*

Investments, including funds held by trustee under revenue bond agreements, are measured at fair value in the consolidated balance sheets. Interest and dividend income on unlimited use investments and operating cash is reported within operating revenues. Investment income or loss on assets whose use is limited (including realized and unrealized gains and losses on investments, and interest and dividends) is included in the excess (deficiency) of revenues and nonoperating gains (losses) over expenses as the Hospital has elected to reflect changes in the fair value of investments and assets whose use is limited, including both increases and decreases in value whether realized or unrealized in nonoperating gains or losses unless the income or loss is restricted by donor or law, in which case it is reported as an increase in temporarily or permanently restricted net assets.

##### *Beneficial Interest in Perpetual Trusts*

The Hospital has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the Hospital are restricted by the donor for use in nursing education and women's and children's services. The Hospital's interest in the fair value of the trust assets is included in assets whose use is limited. Changes in the market value of beneficial trust assets are reported as increases or decreases to permanently restricted net assets.

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 2. **Significant Accounting Policies (Continued)**

##### *Investment Policies*

The Hospital's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Temporarily restricted funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation, and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4.5%, over a long-term time horizon (greater than 7 to 10 years).

The Hospital targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

##### *Spending Policy for Appropriation of Assets for Expenditure*

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the Hospital, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Hospital currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal, including its appreciation, intact.

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 2. **Significant Accounting Policies (Continued)**

##### Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost, determined on a weighted-average method, or market.

##### Bond Issuance Costs/Original Issue Discount

The bond issuance costs incurred to obtain financing for construction and renovation programs and the original issue discount are being amortized by the straight-line method over the life of the bonds. The original issue discount is presented as a reduction of the face amount of bonds payable.

##### Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair market value at time of donation, less reductions in carrying value based upon impairment and less accumulated depreciation. The Hospital's policy is to capitalize expenditures for major improvements and charge maintenance and repairs as expenditures which do not extend the lives of the related assets. The provision for depreciation is computed on the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

##### Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the related expenditure is incurred.

##### Advertising Expense

Advertising costs are expensed as incurred and totaled approximately \$1,407,000 and \$1,419,000 in 2013 and 2012, respectively.

##### Retirement Benefits

The Hospital participates in a defined benefit pension plan for certain of its employees, the Elliot Health System Pension Plan (the Plan), which is sponsored by the System.

Effective July 1, 2006, the Plan was amended to close the Plan to employees hired after June 30, 2006. Eligible employees hired prior to July 1, 2006 are grandfathered under the Plan and will continue to accrue benefits as long as they remain at a participating System entity and in an eligible status.

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 2. Significant Accounting Policies (Continued)

The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the *Employee Retirement Income Security Act of 1974*, plus such additional amounts as might be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

The System provides, and the Hospital participates in, a defined contribution program for all eligible employees hired on or after July 1, 2006. Under this program, eligible employees may receive annual employer contributions to a System sponsored tax sheltered annuity plan or 401(k) plan up to 3% of annual base pay.

The System also provides discretionary matching contributions to a tax sheltered annuity plan or 401(k) plan equal to up to one-half of the employee's contribution to a maximum of 4% of their annual base pay. Total expense incurred by the Hospital was \$2,971,061 and \$2,641,597 under these defined contribution plans for the years ended June 30, 2013 and 2012, respectively.

The System sponsors deferred compensation plans for certain qualifying employees. The amounts ultimately due to employees are to be paid upon the employees attaining certain criteria, including age. At June 30, 2013 and 2012, \$7,555,005 and \$6,473,051, respectively, is reflected in assets whose use is limited and \$7,454,997 and \$6,323,039, respectively, in other long-term liabilities related to such agreements.

#### Workers' Compensation

The Hospital participates in a self-insured irrevocable workers' compensation trust, sponsored by the System, to fund anticipated losses for workers' compensation claims. The System maintains an excess insurance policy to limit its exposure on claims to \$550,000 (\$500,000 in 2012) per occurrence. Reserves for claims made and potential unreported claims have been established to provide for incurred but unpaid claims. The amount of the reserve has been determined by an actuarial consultant.

#### Employee Health and Dental Insurance

The Hospital participates in a self-insurance plan for employee health and dental, sponsored by the System. Under the terms of the plan, employees meeting certain eligibility requirements and their dependents are eligible for participation and, as such, the System is responsible for the administration of the plan and any resultant liability incurred. The System maintains individual stop-loss insurance coverage.

#### Employee Fringe Benefits

The Hospital has an earned time plan. Under this plan, each qualifying employee earns paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee and are paid to the employee upon termination subject to certain limits. The Hospital accrues a liability for such paid leave as it is earned.

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 2. **Significant Accounting Policies (Continued)**

##### *Malpractice Loss Contingencies*

Prior to February 1, 2011, the System, including the Hospital, was insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintained excess professional and general liability insurance policies to cover claims in excess of liability retention levels. Effective February 1, 2011, the System, including the Hospital, insures its medical malpractice risks through a multiprovider captive insurance company. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At June 30, 2013, there were no known malpractice claims outstanding for the Hospital which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The Hospital's interest in the captive at June 30, 2013 represents approximately 50% of the captive, although control of the captive is equally shared by participating hospitals. The Hospital has recorded its interest in the captive's equity, totaling approximately \$1,863,000 and \$2,716,000 at June 30, 2013 and 2012, respectively, in other assets on the accompanying consolidated balance sheets. Changes in the Hospital's interest are included in nonoperating gains (losses) on the accompanying consolidated statements of operations. The Hospital has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospital.

In accordance with Accounting Standards Update (ASU) No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), at June 30, 2013 and 2012, the Hospital recorded a liability of \$5,626,851 and \$2,047,309, respectively, related to estimated professional liability losses covered under the captive. At June 30, 2013 and 2012, the Hospital also recorded a receivable of \$5,626,851 and \$2,047,309, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in self-insurance reserves and other liabilities, and other assets, respectively, on the consolidated balance sheets.

##### *Litigation*

The Hospital is involved in litigation and regulatory reviews arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's financial position, results of operations or cash flows.

##### *Fair Value of Financial Instruments*

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Financial instruments consist of cash and cash equivalents, investments, accounts receivable, assets whose use is limited or restricted, accounts payable, estimated third-party payor settlements and long-term debt.

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 2. Significant Accounting Policies (Continued)

The fair value of all financial instruments other than long-term debt approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value as disclosed in note 13. The fair value of the Hospital's long-term debt is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements, and is disclosed in note 5 to the consolidated financial statements.

#### 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for the allowance for uncollectible accounts, long-lived assets, insurance costs, employee benefit plans, contractual allowances, third-party payor settlements and contingencies. It is reasonably possible that actual results could differ from those estimates. Adjustments made with respect to the use of estimates often relate to improved information not previously available.

#### Reclassifications

Certain 2012 amounts have been reclassified to permit comparison with the 2013 consolidated financial statements presentation format.

#### Subsequent Events

Management of the Hospital evaluated events occurring between the end of its fiscal year and September 19, 2013, the date the consolidated financial statements were available to be issued.

### 3. Patient Service and Other Revenues

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for bad debts recognized in 2013 and 2012 from major payor sources, is as follows:

|                                                          | Gross<br>Patient Service<br>Revenues | Contractual<br>Allowances<br>and Discounts | Provision<br>for<br>Bad Debts | Net Patient<br>Service<br>Revenues Less<br>Provision for<br>Bad Debts |
|----------------------------------------------------------|--------------------------------------|--------------------------------------------|-------------------------------|-----------------------------------------------------------------------|
| <b>2013</b>                                              |                                      |                                            |                               |                                                                       |
| Private payors (includes<br>coinsurance and deductibles) | \$419,407,932                        | \$131,232,667                              | \$19,342,700                  | \$268,832,565                                                         |
| Medicaid                                                 | 99,171,019                           | 78,773,848                                 | 1,733,501                     | 18,663,670                                                            |
| Medicare                                                 | 309,422,341                          | 207,187,189                                | 2,494,945                     | 99,740,207                                                            |
| Self-pay                                                 | <u>43,083,346</u>                    | <u>8,290,239</u>                           | <u>26,202,611</u>             | <u>8,590,496</u>                                                      |
|                                                          | <u>\$871,084,638</u>                 | <u>\$425,483,943</u>                       | <u>\$49,773,757</u>           | <u>\$395,826,938</u>                                                  |

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 3. Patient Service and Other Revenues (Continued)

|                                                          | Gross<br>Patient Service<br>Revenues | Contractual<br>Allowances<br>and Discounts | Provision<br>for<br>Bad Debts | Net Patient<br>Service<br>Revenues Less<br>Provision for<br>Bad Debts |
|----------------------------------------------------------|--------------------------------------|--------------------------------------------|-------------------------------|-----------------------------------------------------------------------|
| <b>2012</b>                                              |                                      |                                            |                               |                                                                       |
| Private payors (includes<br>coinsurance and deductibles) | \$ 402,425,229                       | \$ 123,506,708                             | \$ 25,835,827                 | \$ 253,082,694                                                        |
| Medicaid                                                 | 89,679,031                           | 70,968,589                                 | —                             | 18,710,442                                                            |
| Medicare                                                 | 289,598,913                          | 184,478,756                                | 2,132,671                     | 102,987,486                                                           |
| Self-pay                                                 | <u>32,126,873</u>                    | <u>7,545,570</u>                           | <u>21,744,105</u>             | <u>2,837,198</u>                                                      |
|                                                          | <u>\$ 813,830,046</u>                | <u>\$ 386,499,623</u>                      | <u>\$ 49,712,603</u>          | <u>\$ 377,617,820</u>                                                 |

The Hospital maintains contracts with the Social Security Administration (Medicare) and the State of New Hampshire Department of Health and Human Services (Medicaid). The Hospital is paid a prospectively determined fixed price for Medicare and Medicaid inpatient acute care services depending on the type of illness or the patient's diagnostic related group classification. Reimbursement for Medicare for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed rate. The Hospital receives payment for other Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. The percentage of net patient service revenue earned from the Medicare and Medicaid programs was 27% and 6%, respectively, in 2013 and 27% and 5%, respectively, in 2012.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Hospital believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payors increased net patient service revenues by approximately \$3,100,000 and \$2,200,000 in 2013 and 2012, respectively.

The Hospital also maintains contracts with Anthem Blue Cross, Cigna, Harvard Pilgrim Health Care, certain commercial carriers, managed care plans and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee schedules.

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 3. Patient Service and Other Revenues (Continued)

#### Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The Hospital filed its Stage I Year 2 meaningful use attestations with CMS. Revenue totaling \$2,225,853 and \$1,176,750 associated with these meaningful use attestations was recorded as other revenue for the years ended June 30, 2013 and 2012, respectively. In addition, receivable amounts of \$1,215,707 and \$1,176,750 were recorded in other assets at June 30, 2013 and 2012, respectively.

### 4. Property, Plant and Equipment

The major categories of property, plant and equipment at June 30, 2013 and 2012 are as follows:

|                                       | <u>2013</u>           | <u>2012</u>           |
|---------------------------------------|-----------------------|-----------------------|
| Operating properties:                 |                       |                       |
| Land and land improvements            | \$ 11,281,127         | \$ 11,281,127         |
| Buildings and fixed equipment         | 192,033,047           | 192,879,592           |
| Major movable equipment               | 134,474,005           | 130,420,743           |
| Construction and projects in progress | <u>6,700,833</u>      | <u>6,187,650</u>      |
|                                       | 344,489,012           | 340,769,112           |
| Less accumulated depreciation         | <u>(194,782,454)</u>  | <u>(180,136,670)</u>  |
|                                       | 149,706,558           | 160,632,442           |
| Rental properties:                    |                       |                       |
| Major movable equipment               | 123,244               | 53,741                |
| Buildings and fixed equipment         | <u>11,781,838</u>     | <u>10,384,612</u>     |
|                                       | 11,905,082            | 10,438,353            |
| Less accumulated depreciation         | <u>(1,542,010)</u>    | <u>(330,989)</u>      |
|                                       | <u>10,363,071</u>     | <u>10,107,364</u>     |
| Net property, plant and equipment     | \$ <u>160,069,629</u> | \$ <u>170,739,806</u> |

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 5. Debt

Long-term debt of the Hospital at June 30, 2013 and 2012 consists of the following:

|                                                                                                                                                                                                                                                                                                                         | <u>2013</u>          | <u>2012</u>          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Business Finance Authority of the State of New Hampshire -<br>Revenue Bonds:                                                                                                                                                                                                                                            |                      |                      |
| Elliot Hospital Obligated Group Series 2009A Bonds with<br>interest ranging from 4.0% to 6.125% per year and<br>required sinking fund installments of amounts ranging<br>from \$735,000 to \$10,840,000 through October 1, 2039.<br>The bonds may be redeemed in whole or in part on or<br>after October 1, 2019 at par | \$130,000,000        | \$130,000,000        |
| Less unamortized original issue discount                                                                                                                                                                                                                                                                                | <u>(1,931,834)</u>   | <u>(2,004,964)</u>   |
|                                                                                                                                                                                                                                                                                                                         | 128,068,166          | 127,995,036          |
| <br>New Hampshire Health and Education Facilities Authority -<br>Revenue Bonds:                                                                                                                                                                                                                                         |                      |                      |
| Elliot Hospital Obligated Group Series 2003B bonds with<br>interest ranging from 4.25% to 5.6% per year and<br>required sinking fund installments of amounts ranging<br>from \$1,630,000 to \$2,660,000 through October 1, 2022.<br>The bonds may be redeemed in whole or in part on or<br>after October 1, 2013 at par | 21,075,000           | 22,615,000           |
| Less unamortized original issue discount                                                                                                                                                                                                                                                                                | <u>(124,863)</u>     | <u>(138,240)</u>     |
|                                                                                                                                                                                                                                                                                                                         | 20,950,137           | 22,476,760           |
| Notes payable – see below                                                                                                                                                                                                                                                                                               | 2,500,000            | 2,500,000            |
| Capital lease obligations – see note 12                                                                                                                                                                                                                                                                                 | <u>226,854</u>       | <u>411,185</u>       |
|                                                                                                                                                                                                                                                                                                                         | 151,745,157          | 153,382,981          |
| Less current portion                                                                                                                                                                                                                                                                                                    | <u>(2,601,652)</u>   | <u>(1,784,935)</u>   |
|                                                                                                                                                                                                                                                                                                                         | <u>\$149,143,505</u> | <u>\$151,598,046</u> |

Under the terms of the Series 2009A bonds payable to the Business Finance Authority of the State of New Hampshire and Series 2003B bonds payable to the New Hampshire Health and Education Facilities Authority (collectively, the Authorities) at June 30, 2013, debt service reserve funds are required to provide for payment of principal and interest if the Obligated Group fails to make required payments. The funds are held by a trustee and can be returned to the Obligated Group as the requirements of the fund (which are equal to the maximum amount of principal and interest due in any one future year) are decreased. The Obligated Group's agreement with the Authorities for the Series 2009A and 2003B bonds grants the Authorities a security interest in the Hospital's gross receipts and a mortgage on the Hospital's existing and future facilities and equipment. In addition, under the terms of the master indenture, the Obligated Group is required to meet certain covenant requirements. At June 30, 2013 and 2012, the Obligated Group was in compliance with these requirements.

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 5. Debt (Continued)

The funds held by the trustee under the revenue bond and note agreements at June 30 are comprised of the following:

|                            | <u>2013</u>         | <u>2012</u>         |
|----------------------------|---------------------|---------------------|
| Debt service interest fund | \$ 3,323,566        | \$ 2,729,058        |
| Debt service reserve fund  | 13,841,827          | 14,847,002          |
| Other expense fund         | <u>91,750</u>       | <u>91,739</u>       |
|                            | <u>\$17,257,143</u> | <u>\$17,667,799</u> |

Interest paid totaled \$9,232,192 and \$9,333,536 for the years ended June 30, 2013 and 2012, respectively. There was no interest capitalized for the years ended June 30, 2013 and 2012.

In 2011, the Hospital entered into a \$2.5 million note payable to finance a land purchase. Interest is payable annually at the rate of 4.75%. The outstanding principal balance is due and payable on the earlier of March 16, 2016 or ten days after the issuance of a building permit for construction of a structure on the purchased property.

Aggregate annual principal payments required under the bond, note and capital lease agreements for each of the five years ending June 30, 2018 are approximately \$2,602,000, \$2,671,000, \$5,304,000, \$2,920,000 and \$3,044,000, respectively.

The fair value, based on current market rates, of the Hospital's notes payable and long-term debt was approximately \$160,864,000 and \$168,409,000 as of June 30, 2013 and 2012, respectively.

During 2012, the Hospital entered into a \$15,000,000 unsecured line of credit agreement with a bank which is due on demand. The line of credit agreement bears interest at LIBOR plus 1.15% (1.35% at June 30, 2013). At June 30, 2013 and 2012, there were no borrowings outstanding under this agreement.

### 6. Assets Whose Use is Limited

Assets whose use is limited at June 30, 2013 and 2012 are comprised of the following:

|                                                 | <u>2013</u>          |                      | <u>2012</u>          |                      |
|-------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                 | <u>Cost</u>          | <u>Fair Value</u>    | <u>Cost</u>          | <u>Fair Value</u>    |
| Cash and equivalents                            | \$ 7,550,964         | \$ 7,550,964         | \$16,693,031         | \$ 16,693,031        |
| Marketable equity securities                    | 35,820,225           | 41,292,147           | 32,384,468           | 35,625,837           |
| U.S. Government obligations and corporate bonds | 47,104,988           | 44,597,838           | 37,313,323           | 37,009,811           |
| Employee benefit plans and other                | 7,555,005            | 7,555,005            | 6,473,051            | 6,473,051            |
| Beneficial interest in perpetual trusts         | 5,034,144            | 5,975,135            | 5,032,369            | 5,607,376            |
| Limited partnership interest in hedge funds     | <u>2,074,961</u>     | <u>2,074,961</u>     | <u>2,810,526</u>     | <u>2,810,526</u>     |
|                                                 | <u>\$105,140,287</u> | <u>\$109,046,050</u> | <u>\$100,706,768</u> | <u>\$104,219,632</u> |

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 6. Assets Whose Use is Limited (Continued)

Board designated and donor restricted investments of the Hospital are pooled with other System entities into the Elliot Common Trust Fund LLC. The Hospital's allocation of this pool, along with self-insured trust funds, at June 30, 2013 and 2012 is comprised of the following:

|                                                | <u>2013</u>         | <u>2012</u>         |
|------------------------------------------------|---------------------|---------------------|
| Board designated:                              |                     |                     |
| Capital, working capital and community service | \$62,697,065        | \$58,182,895        |
| Self-insurance                                 | <u>6,288,934</u>    | <u>7,541,904</u>    |
|                                                | 68,985,999          | 65,724,799          |
| Donor restricted and other                     | <u>9,272,768</u>    | <u>8,746,607</u>    |
|                                                | <u>\$78,258,767</u> | <u>\$74,471,406</u> |

Investment income, and realized and unrealized gains (losses) on investments for the years ending June 30, 2013 and 2012 are summarized as follows:

|                                                                                                    | <u>2013</u>        | <u>2012</u>         |
|----------------------------------------------------------------------------------------------------|--------------------|---------------------|
| Unrestricted investment income and net gains (losses)<br>on investments are summarized as follows: |                    |                     |
| Investment income                                                                                  | \$1,849,878        | \$ 2,000,337        |
| Nonoperating investment income                                                                     | 376,241            | 369,103             |
| Realized gain on sale of investments                                                               | 2,032,506          | 1,328,582           |
| Change in net unrealized gain (loss) on investments                                                | <u>895,162</u>     | <u>(1,724,797)</u>  |
|                                                                                                    | 5,153,787          | 1,973,225           |
| Restricted investment income and net gains (losses)<br>on investments are summarized as follows:   |                    |                     |
| Investment income and net (loss) gain on investments                                               | (2,978)            | 29,921              |
| Net unrealized gain (loss) on investments                                                          | <u>472,904</u>     | <u>(298,604)</u>    |
|                                                                                                    | <u>469,926</u>     | <u>(268,683)</u>    |
| Total restricted and unrestricted                                                                  | <u>\$5,623,713</u> | <u>\$ 1,704,542</u> |

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 7. Retirement Benefits (Continued)

Amounts recognized in unrestricted net assets at June 30, 2013 and 2012 consist of:

|                                       | <u>2013</u>         | <u>2012</u>         |
|---------------------------------------|---------------------|---------------------|
| Net actuarial loss                    | \$49,223,435        | \$82,458,061        |
| Prior service cost (credit)           | <u>60,913</u>       | <u>22,322</u>       |
| Total amount recognized by the System | <u>\$49,284,348</u> | <u>\$82,480,383</u> |
| Amounts recognized by the Hospital    | <u>\$47,404,502</u> | <u>\$79,353,148</u> |

#### Pension Plan Assets

The fair values of the System's pension plan assets and target allocations as of June 30, 2013, by asset category are as follows (see note 13 for level definitions):

|                                           | Target<br>Allocation<br><u>2013</u> | <u>Total</u>         | Quoted<br>Prices in<br>Active<br>Markets<br>for Identical<br>Assets<br><u>(Level 1)</u> | Signif-<br>icant<br>Observ-<br>able<br>Inputs<br><u>(Level 2)</u> | Signif-<br>icant<br>Unob-<br>servable<br>Inputs<br><u>(Level 3)</u> |
|-------------------------------------------|-------------------------------------|----------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|
| Short-term investments:                   | 6%                                  |                      |                                                                                         |                                                                   |                                                                     |
| Money market fund                         |                                     | \$ 2,512,844         | \$ 2,512,844                                                                            | \$ —                                                              | \$ —                                                                |
| Equity securities:                        | 44%                                 |                      |                                                                                         |                                                                   |                                                                     |
| Common stocks                             |                                     | 55,249,505           | 55,249,505                                                                              | —                                                                 | —                                                                   |
| Mutual funds                              |                                     | 12,140,236           | 12,140,236                                                                              | —                                                                 | —                                                                   |
| Other equities                            |                                     | 31,098,404           | 31,098,404                                                                              | —                                                                 | —                                                                   |
| Fixed income securities:                  | 50%                                 |                      |                                                                                         |                                                                   |                                                                     |
| U.S. Government and<br>agency obligations |                                     | 25,995,734           | 24,010,188                                                                              | 1,985,546                                                         | —                                                                   |
| Municipal bonds                           |                                     | 7,398,757            | —                                                                                       | 7,398,757                                                         | —                                                                   |
| Mutual funds                              |                                     | 3,764,794            | 3,764,794                                                                               | —                                                                 | —                                                                   |
| Corporate and foreign bonds               |                                     | 68,502,875           | 68,502,875                                                                              | —                                                                 | —                                                                   |
| Collateralized mortgage<br>obligations    |                                     | 5,367                | —                                                                                       | 5,367                                                             | —                                                                   |
| Unallocated insurance contract            |                                     | <u>1,266,104</u>     | <u>—</u>                                                                                | <u>—</u>                                                          | <u>1,266,104</u>                                                    |
|                                           |                                     | <u>\$207,934,620</u> | <u>\$197,278,846</u>                                                                    | <u>\$ 9,389,670</u>                                               | <u>\$1,266,104</u>                                                  |

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 7. Retirement Benefits (Continued)

The fair values of the System's pension plan assets and target allocations as of June 30, 2012, by asset category are as follows (see note 13 for level definitions):

|                                           | Target<br>Allo-<br>cation<br><u>2012</u> | Total                | Quoted<br>Prices in<br>Active<br>Markets<br>for Identical<br>Assets<br><u>(Level 1)</u> | Signif-<br>icant<br>Observ-<br>able<br>Inputs<br><u>(Level 2)</u> | Signif-<br>icant<br>Unob-<br>servable<br>Inputs<br><u>(Level 3)</u> |
|-------------------------------------------|------------------------------------------|----------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|
| Short-term investments:                   | 6%                                       |                      |                                                                                         |                                                                   |                                                                     |
| Money market fund                         |                                          | \$ 6,139,589         | \$ 6,139,589                                                                            | \$ —                                                              | \$ —                                                                |
| Equity securities:                        | 44%                                      |                      |                                                                                         |                                                                   |                                                                     |
| Common stocks                             |                                          | 59,170,505           | 59,170,505                                                                              | —                                                                 | —                                                                   |
| Mutual funds                              |                                          | 11,283,952           | 11,283,952                                                                              | —                                                                 | —                                                                   |
| Other equities                            |                                          | 14,937,679           | 14,937,679                                                                              | —                                                                 | —                                                                   |
| Fixed income securities:                  | 50%                                      |                      |                                                                                         |                                                                   |                                                                     |
| U.S. Government and<br>agency obligations |                                          | 23,360,167           | 20,493,253                                                                              | 2,866,914                                                         | —                                                                   |
| Municipal bonds                           |                                          | 7,667,162            | —                                                                                       | 7,667,162                                                         | —                                                                   |
| Mutual funds                              |                                          | 3,891,983            | 3,891,983                                                                               | —                                                                 | —                                                                   |
| Corporate and foreign bonds               |                                          | 63,676,084           | 63,676,084                                                                              | —                                                                 | —                                                                   |
| Collateralized mortgage<br>obligations    |                                          | 4,496                | —                                                                                       | 4,496                                                             | —                                                                   |
| Unallocated insurance contract            |                                          | <u>1,284,073</u>     | <u>—</u>                                                                                | <u>—</u>                                                          | <u>1,284,073</u>                                                    |
|                                           |                                          | <u>\$191,415,690</u> | <u>\$179,593,045</u>                                                                    | <u>\$10,538,572</u>                                               | <u>\$1,284,073</u>                                                  |

The table below sets forth a summary of changes in plan assets using unobservable inputs (Level 3):

|                                                                             | <u>2013</u>        | <u>2012</u>        |
|-----------------------------------------------------------------------------|--------------------|--------------------|
| Balance, beginning of year                                                  | \$1,284,073        | \$1,401,813        |
| Unrealized gains related to instruments<br>still held at the reporting date | 75,181             | 80,785             |
| Purchases, sales, issuances and settlements, net                            | <u>(93,150)</u>    | <u>(198,525)</u>   |
| Balance, end of year                                                        | <u>\$1,266,104</u> | <u>\$1,284,073</u> |

Management of the assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation, and providing liquidity as needed for plan benefits. The objective is to provide a rate of return that meets inflation, plus 5.5%, over a long-term horizon.

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 7. Retirement Benefits (Continued)

In addition to the total return goal, the portfolio is constructed to hedge a portion of the interest rate risk of the Plan's liability. The portion of the interest rate risk hedged is the percent of assets allocated to fixed income investments multiplied by the Plan's funded status. The fixed income asset class is structured to reduce the volatility of the funded status by matching the duration of the Plan's liability which is currently approximately 18 years. The current strategic asset allocation target for the fixed income portfolio is 50% of total plan assets, which is designed to hedge approximately 35% of the plan liability.

These funds are managed as permanent funds with disciplined longer term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Net periodic pension cost includes the following components at June 30, 2013 and 2012:

|                                    | <u>2013</u>          | <u>2012</u>          |
|------------------------------------|----------------------|----------------------|
| Service cost                       | \$ 9,221,232         | \$ 7,624,990         |
| Interest cost                      | 11,521,273           | 11,050,143           |
| Expected return on plan assets     | (13,280,360)         | (11,808,762)         |
| Amortization:                      |                      |                      |
| Actuarial loss                     | 10,319,626           | 3,378,220            |
| Prior service credit               | <u>(38,591)</u>      | <u>(38,591)</u>      |
| Net periodic pension cost - System | <u>\$ 17,743,180</u> | <u>\$ 10,206,000</u> |
| Amount recognized by the Hospital  | <u>\$ 17,212,086</u> | <u>\$ 9,933,028</u>  |

The weighted-average assumptions used to develop net periodic pension cost for the years ended June 30, 2013 and 2012 were as follows:

|                                | <u>2013</u> | <u>2012</u> |
|--------------------------------|-------------|-------------|
| Discount rate                  | 4.31%       | 5.85%       |
| Expected return on plan assets | 7.50        | 7.50        |
| Rate of compensation           | 3.75        | 3.75        |

In selecting the long-term rate of return on assets, the System considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plan. This included considering the trust's asset allocation and the expected returns likely to be earned over the life of the plan, as well as the historical returns on the types of assets held and the current economic environment

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2014 are as follows:

|                      |                    |
|----------------------|--------------------|
| Actuarial loss       | \$4,845,193        |
| Prior service credit | <u>(38,591)</u>    |
|                      | <u>\$4,806,602</u> |

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 7. Retirement Benefits (Continued)

#### Contributions

The System expects to contribute \$10 million to its pension plan in 2014.

#### Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

| <u>Fiscal Year</u> | <u>Pension Benefits</u> |
|--------------------|-------------------------|
| 2014               | \$ 4,960,700            |
| 2015               | 5,974,700               |
| 2016               | 6,984,000               |
| 2017               | 8,091,000               |
| 2018               | 9,366,400               |
| Years 2019 – 2023  | 66,336,100              |

### 8. Related Party Transactions

#### Elliot Health System

The Hospital transferred cash and certain assets to and received certain assets from Elliot Health System and its affiliates during the years ended June 30, 2013 and 2012 for the following purposes:

|                                                                   | <u>2013</u>        | <u>2012</u>        |
|-------------------------------------------------------------------|--------------------|--------------------|
| Mary and John Elliot Charitable Foundation – cash and investments | \$ 78,173          | \$ 671,877         |
| 40 Buttrick Road                                                  | (628,000)          | 1,332,000          |
| Carrots & Company Health Care Services, Inc.                      | –                  | 2,350,000          |
| Elliot Health System                                              | –                  | (500)              |
| Net transfers (to) from Elliot Health System and affiliates       | <u>\$(549,827)</u> | <u>\$4,353,377</u> |

#### Leases

The Hospital leases various spaces that they own under operating lease arrangements primarily to related parties. Rental income for the years ended June 30, 2013 and 2012 was \$2,025,385 and \$1,926,563, respectively. These amounts are included in other nonoperating gains (losses) in the accompanying consolidated statements of operations.

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 9. Community Benefits

The Hospital provided charity care to eligible patients. Estimated costs incurred to provide charity care were approximately \$8,006,000 and \$8,743,000 for the years ended June 30, 2013 and 2012, respectively. Other community benefits provided by the Hospital included various community service programs such as prenatal and educational programs, health screenings, health publications and other health information services, the cost of which amounted to \$1,035,270 and \$705,848 for the years ended June 30, 2013 and 2012, respectively. The estimated cost of providing community benefits for the years ended June 30, 2013 and 2012 are summarized below:

|                                                                       | <u>2013</u>        | <u>2012</u>         |
|-----------------------------------------------------------------------|--------------------|---------------------|
| Charity care                                                          | \$ 8,006,000       | \$ 8,743,000        |
| Community service programs and<br>contributions to community agencies | <u>1,035,270</u>   | <u>705,848</u>      |
|                                                                       | <u>\$9,041,270</u> | <u>\$ 9,448,848</u> |

### 10. Functional Expenses

The Hospital provides general health care services to residents within its geographic location including inpatient, outpatient, physician and emergency care. Expenses related to providing these services are as follows:

|                            | <u>2013</u>          | <u>2012</u>          |
|----------------------------|----------------------|----------------------|
| Health care services       | \$269,136,809        | \$260,899,704        |
| General and administrative | <u>145,930,382</u>   | <u>139,893,772</u>   |
|                            | <u>\$415,067,191</u> | <u>\$400,793,476</u> |

### 11. Concentration of Credit Risk

The Hospital grants credit without requiring collateral from its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

|                        | <u>2013</u> | <u>2012</u> |
|------------------------|-------------|-------------|
| Medicare               | 31%         | 30%         |
| Medicaid               | 11          | 6           |
| Managed care and other | 23          | 21          |
| Patients (self pay)    | 25          | 31          |
| Anthem Blue Cross      | <u>10</u>   | <u>12</u>   |
|                        | <u>100%</u> | <u>100%</u> |

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 12. Leases

The Hospital leases various office facilities and equipment from unrelated parties under noncancelable operating leases. Total rental expense for the years ended June 30, 2013 and 2012 was \$8,283,568 and \$8,953,559, respectively. The Hospital also leases equipment under lease agreements that are classified as capital leases.

The cost of equipment under capital leases was \$3,124,429 and \$3,055,982 at June 30, 2013 and 2012, respectively. Accumulated amortization of the leased equipment at June 30, 2013 and 2012 was \$2,823,735 and \$2,356,926, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

Future minimum lease payments required under operating and capital leases and the present value of the net minimum lease payments as of June 30, 2013 is as follows:

|                                                      | Operating<br><u>Leases</u> | Capital<br><u>Leases</u> | <u>Total</u>        |
|------------------------------------------------------|----------------------------|--------------------------|---------------------|
| Year Ending June 30:                                 |                            |                          |                     |
| 2014                                                 | \$ 5,284,403               | \$ 85,186                | \$ 5,369,589        |
| 2015                                                 | 4,109,844                  | 61,758                   | 4,171,602           |
| 2016                                                 | 2,975,093                  | 61,758                   | 3,036,851           |
| 2017                                                 | 1,611,499                  | 30,816                   | 1,642,315           |
| 2018                                                 | 1,466,045                  | 5,624                    | 1,471,669           |
| Thereafter                                           | <u>1,308,919</u>           | <u>—</u>                 | <u>1,308,919</u>    |
| Total minimum lease payments                         | <u>\$16,755,803</u>        | 245,142                  | <u>\$17,000,945</u> |
| Less amount representing interest                    |                            | <u>(18,288)</u>          |                     |
| Present value of net minimum lease payments          |                            | 226,854                  |                     |
| Less current maturities of capital lease obligations |                            | <u>(85,186)</u>          |                     |
| Long-term capital lease obligations                  |                            | <u>\$141,668</u>         |                     |

### 13. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Hospital uses various methods including market, income and cost approaches. Based on these approaches, the Hospital often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Hospital is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 13. **Fair Value Measurements (Continued)**

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the fiscal years ended June 30, 2013 and 2012, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

#### Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the Hospital at year end, which generally results in classification as Level 1 within the fair value hierarchy.

#### Fixed Income Securities

The fair value for debt instruments is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The Hospital holds U.S. governmental and federal agency debt instruments, municipal bonds, corporate bonds and foreign bonds, which are primarily classified as Level 1 within the fair value hierarchy.

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 13. **Fair Value Measurements (Continued)**

##### *Limited Partnership Interests in Hedge Funds*

The Hospital invests in certain alternative investments that consist of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the Hospital values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified as Level 3.

Hospital management is responsible for the fair value measurements of alternative investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

##### *Beneficial Interests in Perpetual Trusts*

The Hospital is the beneficiary of two perpetual trusts held by a third party. Under the terms of the trusts, the Hospital has the irrevocable right to receive the income earned on the assets of the trusts in perpetuity, but never receives the assets held in the trusts. The Hospital has transparency into the holdings of the trusts. These investments are generally classified as Level 1 within the fair value hierarchy.

##### *Employee Benefit Plan and Other*

Underlying plan investments within these funds are stated at quoted market prices. These investments are generally classified as Level 1 within the fair value hierarchy.

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 13. Fair Value Measurements (Continued)

#### *Fair Value on a Recurring Basis*

The following presents the balances of assets measured at fair value on a recurring basis at June 30, 2013 and 2012:

|                                                 | <u>Total</u>         | <u>Level 1</u>       | <u>Level 2</u>  | <u>Level 3</u>     |
|-------------------------------------------------|----------------------|----------------------|-----------------|--------------------|
| 2013:                                           |                      |                      |                 |                    |
| Assets whose use is limited:                    |                      |                      |                 |                    |
| Cash and equivalents                            | \$ 7,550,964         | \$ 7,550,964         | \$ —            | \$ —               |
| Marketable equity securities:                   |                      |                      |                 |                    |
| Common stocks                                   | 41,292,147           | 41,292,147           | —               | —                  |
| Fixed income securities:                        |                      |                      |                 |                    |
| U.S. Government obligations                     | 15,325,911           | 15,325,911           | —               | —                  |
| Municipal bonds                                 | 1,015,758            | 1,015,758            | —               | —                  |
| Corporate bonds                                 | 23,813,626           | 23,813,626           | —               | —                  |
| Foreign bonds                                   | 4,442,543            | 4,442,543            | —               | —                  |
| Limited partnership interests<br>in hedge funds | 2,074,961            | —                    | —               | 2,074,961          |
| Beneficial interest in perpetual trusts         | 5,975,135            | 5,975,135            | —               | —                  |
| Employee benefit plans and other                | <u>7,555,005</u>     | <u>7,555,005</u>     | <u>—</u>        | <u>—</u>           |
| Assets whose use is limited                     | <u>\$109,046,050</u> | <u>\$106,971,089</u> | <u>\$ —</u>     | <u>\$2,074,961</u> |
| 2012:                                           |                      |                      |                 |                    |
| Assets whose use is limited:                    |                      |                      |                 |                    |
| Cash and equivalents                            | \$ 16,693,031        | \$ 16,693,031        | \$ —            | \$ —               |
| Marketable equity securities:                   |                      |                      |                 |                    |
| Common stocks                                   | 35,625,837           | 35,625,837           | —               | —                  |
| Fixed income securities:                        |                      |                      |                 |                    |
| U.S. Government obligations                     | 13,018,541           | 13,018,541           | —               | —                  |
| Municipal bonds                                 | 1,697,494            | 1,697,494            | —               | —                  |
| Corporate bonds                                 | 17,821,814           | 17,775,501           | 46,313          | —                  |
| Foreign bonds                                   | 4,471,962            | 4,471,962            | —               | —                  |
| Limited partnership interests<br>in hedge funds | 2,810,526            | —                    | —               | 2,810,526          |
| Beneficial interest in perpetual trusts         | 5,607,376            | 5,607,376            | —               | —                  |
| Employee benefit plans and other                | <u>6,473,051</u>     | <u>6,473,051</u>     | <u>—</u>        | <u>—</u>           |
| Assets whose use is limited                     | <u>\$104,219,632</u> | <u>\$101,362,793</u> | <u>\$46,313</u> | <u>\$2,810,526</u> |

# ELLIOT HOSPITAL AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

### 13. Fair Value Measurements (Continued)

The Hospital's Level 3 investments consist of so called alternative investments, which total approximately \$2,075,000 and \$2,811,000 at June 30, 2013 and 2012, respectively. The alternative investments consist of interests in three funds that are not actively traded. One of the funds, which consists of a private equity fund, is invested with Lehman Brothers, which has seen certain divisions declare bankruptcy in September 2008 and is undergoing liquidation. For this fund, which has a carrying value of \$324,184 at June 30, 2013, risk exists as the assets are held in a division of Lehman Brothers that has filed for bankruptcy protection. While insurance coverage exists to protect assets in the event of a bankruptcy, recoverability cannot be assured since eventual losses at Lehman Brothers may exceed the insurer's ability to pay claims.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated balance sheets and statements of operations.

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for the years ended June 30:

|                                                | <u>2013</u>        | <u>2012</u>        |
|------------------------------------------------|--------------------|--------------------|
| Balance, beginning of year                     | \$2,810,526        | \$3,974,410        |
| Additional purchases and capital contributions | 14,613             | 86,945             |
| Capital distributions and investments sold     | (719,937)          | (351,007)          |
| Unrealized losses on investments held          | <u>(30,241)</u>    | <u>(899,822)</u>   |
| Balance, end of year                           | <u>\$2,074,961</u> | <u>\$2,810,526</u> |

#### Investment Strategies

##### Fixed Income Securities (Debt Instruments)

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

##### Marketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The Hospital may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

## ELLIOT HOSPITAL AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

#### 13. **Fair Value Measurements (Continued)**

##### Limited Partnership Interests in Hedge Funds

The primary purpose of alternative investments is to provide further portfolio diversification and to reduce overall portfolio volatility by investing in strategies that are less correlated with traditional equity and fixed income investments. Alternative investments may provide access to strategies otherwise not accessible through traditional equities and fixed income such as derivative instruments, real estate, distressed debt and private equity and debt.

##### Fair Value of Other Financial Instruments

The following methods and assumptions were used by the Hospital in estimating the "fair value" of other financial instruments in the accompanying consolidated financial statements and notes thereto:

*Cash and cash equivalents:* The carrying amounts reported in the accompanying consolidated balance sheets for these financial instruments approximate their fair values.

*Accounts receivable, accounts payable and accrued expenses:* The carrying amounts reported in the accompanying consolidated balance sheets approximate their respective fair values due to the short maturities of these instruments.

*Long-term debt* The fair value of the notes payable and long-term debt, as disclosed in note 5, was calculated based upon discounted cash flows through maturity based on market rates currently available for borrowings with similar maturities.

#### 14. **Medicaid Enhancement Tax**

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospital for fiscal 2013 and 2012 was \$11,674,727 and \$16,107,100, respectively.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In addition, as part of the State of New Hampshire's biennial budget process for the two-year period ended June 30, 2013, the State eliminated disproportionate share payments to certain New Hampshire hospitals, including Elliot Hospital. As a result, during the fiscal years ended June 30, 2013 and 2012, the Hospital paid the State of New Hampshire's MET based on 5.5% of net patient service revenues, with certain exclusions but did not receive disproportionate share payments.

In response to the State's actions, the Hospital reorganized its structure and implemented other cost reducing initiatives. Costs associated with this reorganization included in 2012 operations totaled approximately \$2,328,000.

**INDEPENDENT AUDITORS' REPORT  
ON OTHER FINANCIAL INFORMATION**

Board of Trustees  
Elliot Hospital and Affiliates

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Manchester, New Hampshire  
September 19, 2013



Limited Liability Company

# ELLIOT HOSPITAL AND AFFILIATES

## CONSOLIDATING BALANCE SHEET

June 30, 2013

### ASSETS

|                                                        | <u>Elliot<br/>Hospital</u> | <u>Elliot<br/>Physician<br/>Network</u> | <u>Elliot<br/>Professional<br/>Services</u> | <u>Elimi-<br/>nations</u> | <u>Consol-<br/>idated</u> |
|--------------------------------------------------------|----------------------------|-----------------------------------------|---------------------------------------------|---------------------------|---------------------------|
| Current assets:                                        |                            |                                         |                                             |                           |                           |
| Cash and cash equivalents                              | \$ 31,851,260              | \$ 946,133                              | \$ 1,374,511                                | \$ —                      | \$ 34,171,904             |
| Accounts receivable, net                               | 41,132,456                 | 2,561,406                               | 5,366,630                                   | —                         | 49,060,492                |
| Inventories                                            | 2,405,426                  | —                                       | —                                           | —                         | 2,405,426                 |
| Amounts due from affiliates                            | 1,974,954                  | —                                       | —                                           | (1,974,954)               | —                         |
| Other current assets                                   | <u>7,140,138</u>           | <u>560,722</u>                          | <u>538,488</u>                              | <u>—</u>                  | <u>8,239,348</u>          |
| Total current assets                                   | 84,504,234                 | 4,068,261                               | 7,279,629                                   | (1,974,954)               | 93,877,170                |
| Property, plant and equipment, net                     | 159,910,124                | 741                                     | 158,764                                     | —                         | 160,069,629               |
| Other assets:                                          |                            |                                         |                                             |                           |                           |
| Unamortized bond issuance costs, net                   | 1,953,547                  | —                                       | —                                           | —                         | 1,953,547                 |
| Other                                                  | <u>9,144,460</u>           | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>9,144,460</u>          |
|                                                        | 11,098,007                 | —                                       | —                                           | —                         | 11,098,007                |
| Assets whose use is limited:                           |                            |                                         |                                             |                           |                           |
| Board designated and donor restricted investments      | 78,258,767                 | —                                       | —                                           | —                         | 78,258,767                |
| Held by trustee under revenue bond and note agreements | 17,257,143                 | —                                       | —                                           | —                         | 17,257,143                |
| Employee benefit plans and other                       | 7,555,005                  | —                                       | —                                           | —                         | 7,555,005                 |
| Beneficial interest in perpetual trusts                | <u>5,975,135</u>           | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>5,975,135</u>          |
|                                                        | <u>109,046,050</u>         | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>109,046,050</u>        |
| Total assets                                           | <u>\$364,558,415</u>       | <u>\$ 4,069,002</u>                     | <u>\$7,438,393</u>                          | <u>\$ (1,974,954)</u>     | <u>\$374,090,856</u>      |

## LIABILITIES AND NET ASSETS

|                                               | <u>Elliot<br/>Hospital</u> | <u>Elliot<br/>Physician<br/>Network</u> | <u>Elliot<br/>Professional<br/>Services</u> | <u>Elimi-<br/>nations</u> | <u>Consol-<br/>idated</u> |
|-----------------------------------------------|----------------------------|-----------------------------------------|---------------------------------------------|---------------------------|---------------------------|
| Current liabilities:                          |                            |                                         |                                             |                           |                           |
| Accounts payable and accrued expenses         | \$ 14,463,905              | \$ 29,450                               | \$ 188,245                                  | \$ —                      | \$ 14,681,600             |
| Accrued salaries, wages and related accounts  | 18,804,992                 | 1,027,826                               | 3,810,317                                   | —                         | 23,643,135                |
| Accrued interest                              | 2,274,308                  | —                                       | —                                           | —                         | 2,274,308                 |
| Amounts payable to third-party payors         | 6,789,469                  | 48,276                                  | 47,069                                      | —                         | 6,884,814                 |
| Amounts due to affiliates                     | —                          | 1,752,526                               | 362,239                                     | (1,974,954)               | 139,811                   |
| Current portion of long-term debt             | <u>2,601,652</u>           | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>2,601,652</u>          |
| Total current liabilities                     | 44,934,326                 | 2,858,078                               | 4,407,870                                   | (1,974,954)               | 50,225,320                |
| Accrued pension                               | 43,591,648                 | 2,307,472                               | 1,029,654                                   | —                         | 46,928,774                |
| Self-insurance reserves and other liabilities | 20,207,870                 | —                                       | 215,964                                     | —                         | 20,423,834                |
| Long-term debt, less current portion          | <u>149,143,505</u>         | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>149,143,505</u>        |
| Total liabilities                             | 257,877,349                | 5,165,550                               | 5,653,488                                   | (1,974,954)               | 266,721,433               |
| Net assets:                                   |                            |                                         |                                             |                           |                           |
| Unrestricted                                  | 92,614,711                 | (1,096,548)                             | 1,784,905                                   | —                         | 93,303,068                |
| Temporarily restricted                        | 1,801,521                  | —                                       | —                                           | —                         | 1,801,521                 |
| Permanently restricted                        | <u>12,264,834</u>          | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>12,264,834</u>         |
|                                               | <u>106,681,066</u>         | <u>(1,096,548)</u>                      | <u>1,784,905</u>                            | <u>—</u>                  | <u>107,369,423</u>        |
| Total liabilities and net assets              | <u>\$364,558,415</u>       | <u>\$ 4,069,002</u>                     | <u>\$7,438,393</u>                          | <u>\$ (1,974,954)</u>     | <u>\$374,090,856</u>      |

# ELLIOT HOSPITAL AND AFFILIATES

## CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2013

|                                                                               | <u>Elliot<br/>Hospital</u> | <u>Elliot<br/>Physician<br/>Network</u> | <u>Elliot<br/>Professional<br/>Services</u> | <u>Elimi-<br/>nations</u> | <u>Consol-<br/>idated</u> |
|-------------------------------------------------------------------------------|----------------------------|-----------------------------------------|---------------------------------------------|---------------------------|---------------------------|
| Net patient service revenues (net of contractual allowances and discounts)    | \$363,540,062              | \$31,598,536                            | \$ 50,462,097                               | \$ —                      | \$ 445,600,695            |
| Provision for bad debts                                                       | <u>(41,175,801)</u>        | <u>(1,459,087)</u>                      | <u>(7,138,869)</u>                          | <u>—</u>                  | <u>(49,773,757)</u>       |
| Net patient service revenues, less provision for bad debts                    | 322,364,261                | 30,139,449                              | 43,323,228                                  | —                         | 395,826,938               |
| Investment income                                                             | 1,844,146                  | 307                                     | 5,425                                       | —                         | 1,849,878                 |
| Other revenues                                                                | <u>16,455,481</u>          | <u>1,155,410</u>                        | <u>4,708,820</u>                            | <u>(5,328,307)</u>        | <u>16,991,404</u>         |
| Total revenues                                                                | 340,663,888                | 31,295,166                              | 48,037,473                                  | (5,328,307)               | 414,668,220               |
| Expenses:                                                                     |                            |                                         |                                             |                           |                           |
| Salaries, wages and fringe benefits                                           | 174,161,306                | 26,275,790                              | 59,160,986                                  | —                         | 259,598,082               |
| Supplies and other expenses                                                   | 110,333,897                | 7,380,325                               | 5,932,513                                   | (5,544,541)               | 118,102,194               |
| Depreciation and amortization                                                 | 16,073,286                 | 178,040                                 | 230,112                                     | —                         | 16,481,438                |
| New Hampshire Medicaid Enhancement Tax                                        | 11,674,727                 | —                                       | —                                           | —                         | 11,674,727                |
| Interest                                                                      | <u>9,210,813</u>           | <u>—</u>                                | <u>(63)</u>                                 | <u>—</u>                  | <u>9,210,750</u>          |
| Total expenses                                                                | <u>321,454,029</u>         | <u>33,834,155</u>                       | <u>65,323,548</u>                           | <u>(5,544,541)</u>        | <u>415,067,191</u>        |
| Income (loss) from operations                                                 | 19,209,859                 | (2,538,989)                             | (17,286,075)                                | 216,234                   | (398,971)                 |
| Nonoperating gains (losses):                                                  |                            |                                         |                                             |                           |                           |
| Investment return, net                                                        | 3,303,909                  | —                                       | —                                           | —                         | 3,303,909                 |
| Other                                                                         | <u>2,858,999</u>           | <u>(6,638)</u>                          | <u>10,570</u>                               | <u>(216,234)</u>          | <u>2,646,697</u>          |
| Nonoperating gains (losses), net                                              | <u>6,162,908</u>           | <u>(6,638)</u>                          | <u>10,570</u>                               | <u>(216,234)</u>          | <u>5,950,606</u>          |
| Excess (deficiency) of revenues and nonoperating gains (losses) over expenses | 25,372,767                 | (2,545,627)                             | (17,275,505)                                | —                         | 5,551,635                 |
| Pension adjustment                                                            | 30,210,142                 | 1,169,149                               | 569,353                                     | —                         | 31,948,644                |
| Net transfers from (to) affiliates                                            | <u>(23,309,827)</u>        | <u>3,755,000</u>                        | <u>19,005,000</u>                           | <u>—</u>                  | <u>(549,827)</u>          |
| Increase in unrestricted net assets                                           | \$ <u>32,273,082</u>       | \$ <u>2,378,522</u>                     | \$ <u>2,298,848</u>                         | \$ <u>—</u>               | \$ <u>36,950,452</u>      |

# ELLIOT HOSPITAL AND AFFILIATES

## CONSOLIDATING BALANCE SHEET

June 30, 2012

### ASSETS

|                                                        | <u>Elliot<br/>Hospital</u> | <u>Elliot<br/>Physician<br/>Network</u> | <u>Elliot<br/>Professional<br/>Services</u> | <u>Elimi-<br/>nations</u> | <u>Consol-<br/>idated</u> |
|--------------------------------------------------------|----------------------------|-----------------------------------------|---------------------------------------------|---------------------------|---------------------------|
| Current assets:                                        |                            |                                         |                                             |                           |                           |
| Cash and cash equivalents                              | \$ 27,683,935              | \$ 269,501                              | \$ 329,662                                  | \$ --                     | \$ 28,283,098             |
| Accounts receivable, net                               | 34,959,893                 | 1,443,723                               | 3,092,487                                   | --                        | 39,496,103                |
| Inventories                                            | 2,143,884                  | --                                      | --                                          | --                        | 2,143,884                 |
| Amounts due to affiliates                              | 1,732,601                  | --                                      | --                                          | (1,732,601)               | --                        |
| Other current assets                                   | <u>6,551,566</u>           | <u>535,341</u>                          | <u>397,408</u>                              | <u>--</u>                 | <u>7,484,315</u>          |
| Total current assets                                   | 73,071,879                 | 2,248,565                               | 3,819,557                                   | (1,732,601)               | 77,407,400                |
| Property, plant and equipment, net                     | 170,552,056                | --                                      | 187,750                                     | --                        | 170,739,806               |
| Other assets:                                          |                            |                                         |                                             |                           |                           |
| Unamortized bond issuance costs, net                   | 2,042,022                  | --                                      | --                                          | --                        | 2,042,022                 |
| Other                                                  | <u>6,536,043</u>           | <u>77,077</u>                           | <u>--</u>                                   | <u>--</u>                 | <u>6,613,120</u>          |
|                                                        | 8,578,065                  | 77,077                                  | --                                          | --                        | 8,655,142                 |
| Assets whose use is limited:                           |                            |                                         |                                             |                           |                           |
| Board designated and donor restricted investments      | 74,471,406                 | --                                      | --                                          | --                        | 74,471,406                |
| Held by trustee under revenue bond and note agreements | 17,667,799                 | --                                      | --                                          | --                        | 17,667,799                |
| Employee benefit plans and other                       | 6,473,051                  | --                                      | --                                          | --                        | 6,473,051                 |
| Beneficial interest in perpetual trusts                | <u>5,607,376</u>           | <u>--</u>                               | <u>--</u>                                   | <u>--</u>                 | <u>5,607,376</u>          |
|                                                        | <u>104,219,632</u>         | <u>--</u>                               | <u>--</u>                                   | <u>--</u>                 | <u>104,219,632</u>        |
| Total assets                                           | <u>\$356,421,632</u>       | <u>\$ 2,325,642</u>                     | <u>\$4,007,307</u>                          | <u>\$ (1,732,601)</u>     | <u>\$361,021,980</u>      |

# LIABILITIES AND NET ASSETS

|                                               | <u>Elliot<br/>Hospital</u> | <u>Elliot<br/>Physician<br/>Network</u> | <u>Elliot<br/>Professional<br/>Services</u> | <u>Elimi-<br/>nations</u> | <u>Consol-<br/>idated</u> |
|-----------------------------------------------|----------------------------|-----------------------------------------|---------------------------------------------|---------------------------|---------------------------|
| Current liabilities:                          |                            |                                         |                                             |                           |                           |
| Accounts payable and accrued expenses         | \$ 17,902,250              | \$ 14,073                               | \$ 387,404                                  | \$ —                      | \$ 18,303,727             |
| Accrued salaries, wages and related accounts  | 15,984,868                 | 927,021                                 | 2,044,570                                   | —                         | 18,956,459                |
| Accrued interest                              | 2,295,750                  | —                                       | —                                           | —                         | 2,295,750                 |
| Amounts payable to third-party payors         | 7,885,294                  | 50,000                                  | 50,000                                      | —                         | 7,985,294                 |
| Amounts due to affiliates                     | —                          | 1,616,305                               | 181,052                                     | (1,732,601)               | 64,756                    |
| Current portion of long-term debt             | <u>1,784,935</u>           | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>1,784,935</u>          |
| Total current liabilities                     | 45,853,097                 | 2,607,399                               | 2,663,026                                   | (1,732,601)               | 49,390,921                |
| Accrued pension                               | 67,958,763                 | 3,193,313                               | 1,499,094                                   | —                         | 72,651,170                |
| Self-insurance reserves and other liabilities | 17,078,289                 | —                                       | 359,130                                     | —                         | 17,437,419                |
| Long-term debt, less current portion          | <u>151,598,046</u>         | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>151,598,046</u>        |
| Total liabilities                             | 282,488,195                | 5,800,712                               | 4,521,250                                   | (1,732,601)               | 291,077,556               |
| Net assets:                                   |                            |                                         |                                             |                           |                           |
| Unrestricted                                  | 60,341,629                 | (3,475,070)                             | (513,943)                                   | —                         | 56,352,616                |
| Temporarily restricted                        | 1,696,380                  | —                                       | —                                           | —                         | 1,696,380                 |
| Permanently restricted                        | <u>11,895,428</u>          | <u>—</u>                                | <u>—</u>                                    | <u>—</u>                  | <u>11,895,428</u>         |
|                                               | <u>73,933,437</u>          | <u>(3,475,070)</u>                      | <u>(513,943)</u>                            | <u>—</u>                  | <u>69,944,424</u>         |
| Total liabilities and net assets              | <u>\$356,421,632</u>       | <u>\$ 2,325,642</u>                     | <u>\$4,007,307</u>                          | <u>\$ (1,732,601)</u>     | <u>\$361,021,980</u>      |

**ELLIOT HOSPITAL AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF OPERATIONS**

Year Ended June 30, 2012

|                                                                               | <u>Elliot<br/>Hospital</u> | <u>Elliot<br/>Physician<br/>Network</u> | <u>Elliot<br/>Professional<br/>Services</u> | <u>Elimi-<br/>nations</u> | <u>Consol-<br/>idated</u> |
|-------------------------------------------------------------------------------|----------------------------|-----------------------------------------|---------------------------------------------|---------------------------|---------------------------|
| Net patient service revenues (net of contractual allowances and discounts)    | \$353,569,211              | \$30,141,315                            | \$ 43,619,897                               | \$ —                      | \$ 427,330,423            |
| Provision for bad debts                                                       | <u>(41,009,950)</u>        | <u>(1,618,447)</u>                      | <u>(7,084,206)</u>                          | <u>—</u>                  | <u>(49,712,603)</u>       |
| Net patient service revenues, less provision for bad debts                    | 312,559,261                | 28,522,868                              | 36,535,691                                  | —                         | 377,617,820               |
| Investment income                                                             | 1,990,297                  | 422                                     | 9,618                                       | —                         | 2,000,337                 |
| Other revenues                                                                | <u>14,308,802</u>          | <u>761,995</u>                          | <u>2,499,218</u>                            | <u>(3,713,474)</u>        | <u>13,856,541</u>         |
| Total revenues                                                                | 328,858,360                | 29,285,285                              | 39,044,527                                  | (3,713,474)               | 393,474,698               |
| Expenses:                                                                     |                            |                                         |                                             |                           |                           |
| Salaries, wages and fringe benefits                                           | 165,516,256                | 25,473,159                              | 54,360,249                                  | —                         | 245,349,664               |
| Supplies and other expenses                                                   | 101,234,473                | 7,354,919                               | 5,026,889                                   | (3,930,120)               | 109,686,161               |
| Depreciation and amortization                                                 | 17,514,473                 | 220,484                                 | 237,098                                     | —                         | 17,972,055                |
| New Hampshire Medicaid Enhancement Tax                                        | 16,107,100                 | —                                       | —                                           | —                         | 16,107,100                |
| Interest                                                                      | 9,347,694                  | —                                       | 2,471                                       | —                         | 9,350,165                 |
| Restructuring costs                                                           | <u>2,281,880</u>           | <u>—</u>                                | <u>46,451</u>                               | <u>—</u>                  | <u>2,328,331</u>          |
| Total expenses                                                                | <u>312,001,876</u>         | <u>33,048,562</u>                       | <u>59,673,158</u>                           | <u>(3,930,120)</u>        | <u>400,793,476</u>        |
| Income (loss) from operations                                                 | 16,856,484                 | (3,763,277)                             | (20,628,631)                                | 216,646                   | (7,318,778)               |
| Nonoperating gains (losses):                                                  |                            |                                         |                                             |                           |                           |
| Investment return                                                             | (27,112)                   | —                                       | —                                           | —                         | (27,112)                  |
| Other                                                                         | <u>4,591,476</u>           | <u>253</u>                              | <u>25,235</u>                               | <u>(216,646)</u>          | <u>4,400,318</u>          |
| Nonoperating gains (losses), net                                              | <u>4,564,364</u>           | <u>253</u>                              | <u>25,235</u>                               | <u>(216,646)</u>          | <u>4,373,206</u>          |
| Excess (deficiency) of revenues and nonoperating gains (losses) over expenses | 21,420,848                 | (3,763,024)                             | (20,603,396)                                | —                         | (2,945,572)               |
| Pension adjustment                                                            | (42,588,266)               | (2,046,992)                             | (973,660)                                   | —                         | (45,608,918)              |
| Net transfers from (to) affiliates                                            | <u>(19,466,623)</u>        | <u>3,445,000</u>                        | <u>20,375,000</u>                           | <u>—</u>                  | <u>4,353,377</u>          |
| Decrease in unrestricted net assets                                           | \$(40,634,041)             | \$(2,365,016)                           | \$(1,202,056)                               | \$ —                      | \$(44,201,113)            |