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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 2012 Open to Public Inspection
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013

B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization Danbury Hospital		D Employer identification number 06-0646597
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 24 Hospital Avenue	Room/suite	E Telephone number (203) 739-8110
	City or town, state or country, and ZIP + 4 Danbury, CT 06810		G Gross receipts \$ 547,276,911
	F Name and address of principal officer John M MurphyMD 24 Hospital Avenue Danbury, CT 068106099		H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☒ No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (Insert no) ☐ 4947(a)(1) or ☐ 527			
J Website: ▶ www.danburyhospital.org			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities To enhance through medical care, education and research the health and well being of individuals in Danbury, Connecticut and surrounding communities in partnership with those we serve		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	10
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	3,387	
6 Total number of volunteers (estimate if necessary)	6	245	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	6,601,598	
b Net unrelated business taxable income from Form 990-T, line 34	7b	-3,024,300	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	11,526,659	13,368,627
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	507,944,594	505,701,187
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,050,540	4,962,417
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,459,961	2,959,530
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	531,981,754	526,991,761
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	258,113,598	239,739,538
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ☐ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	238,779,630	247,006,658
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	496,893,228	486,746,196
	19 Revenue less expenses Subtract line 18 from line 12	35,088,526	40,245,565
	Net Assets or Fund Balances		Beginning of Current Year
20 Total assets (Part X, line 16)		773,883,884	829,018,642
21 Total liabilities (Part X, line 26)		329,262,785	342,371,531
22 Net assets or fund balances Subtract line 21 from line 20		444,621,099	486,647,111

Part II Signature Block

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

Sign Here	***** Signature of officer			2014-07-31 Date	
	Steven H Rosenberg SVP & CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Jennifer Lynch		Preparer's signature		Date
	Check ☐ if self-employed			PTIN P01255855	
	Firm's name ▶ ERNST & YOUNG US LLP			Firm's EIN ▶	
	Firm's address ▶ 111 MONUMENT CIRCLE STE 4000 INDIANAPOLIS, IN 46204			Phone no	

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

Part IIISTatement 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

To improve the health and well being of those we serve

2

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

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?

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 \$ 396,289,592 including grants of \$) (Revenue \$ 501,187,182)
	Clinical CareDuring FYE2013, approximately 19,000 discharges and 70,000 Emergency Room visits occurred Below are some of the accolades, accreditations and designations that we have been recognized with Hospital Accreditation, Joint Commission, 2011-2013Chest Pain Center Accreditation, Society of Chest Paint Centers, 2011Primary Stroke Center Recertification, Joint Commission, 2012Nuclear Medicine Laboratory Accreditation, Intersocietal Commission for the Accreditation of Laboratories, 2011Stroke Center Designation, CT Department of Public Health, 2011-2013Center for Weight Loss Surgery Accreditation, 2012Recognized for Exemplary Surgical Outcomes, American College of Surgeons National Surgical Quality Improvement Program, 2011Beacon Award for Excellence in Critical Care, American Association of Critical Care Nurses, 2011Gold Standard Accreditation for Breast Ultrasound, American College of Radiology, 2012Granted two-year certification for Joint and Spine (Orthopedics), Joint Commission Specialty Certification, 2012Awarded Disease Specific Certification (two year) for Hip, Knee and Spine Surgery Programs, Joint Commission Gold Seal of Approval, 2012Heart-Safe Community, CT Department of Public Health, 2012Crmson Award, The Advisory Board, 2011Sleep Center Accreditation, American Academy of Sleep Medicine, 2011Recognized for "Decreasing Inadvertent Perioperative Hypothermia", Institute for Healthcare Improvement, 2011In 2012, Becker's Hospital Review, ranked Danbury Hospital as a top 100 great community hospital Also in 2012, Cleverly and Associates awarded Danbury Hospital with Community Value Leadership Awards for providing high-quality, high-value services at an appropriate cost

4b	(Code) (Expenses \$ 15,112,253 including grants of \$) (Revenue \$ 4,514,005)
	TeachingDanbury Hospital provides a dynamic environment for teaching and research for our graduate medical education programs The hospital received Accreditation with Commendation from the Joint Commission on Accreditation of Healthcare Organizations, and is approved to sponsor residency programs by the Accreditation Council for Graduate Medical Education of the American Medical Association As a leading university teaching institution, Danbury Hospital during 2012 established a partnership with the University of Vermont College of Medicine to develop a global clinical health elective for future physicians As part of a global health certification, first-year medical students conduct research abroad for up to six weeks Program participants work with their counterparts in other countries to address major health care challenges, sharing techniques and practices and coming home with new skills learned from colleagues across the globe During the year 1,370 persons participated

4c	(Code) (Expenses \$ 2,381,269 including grants of \$) (Revenue \$)
	ResearchThe Danbury Hospital's Research Institute heralds a new era of personalized medicine that holds great promise for the development of targeted therapies as we gain a deeper understanding of the genetic basis of disease The Institute will enable us to stay on the forefront of the evolving world of molecular medicine and to deliver the benefits of this work to patients at the bedside In 2013, Danbury Hospital's two year-old Biomedical Research Institute (BRI) continued to push the frontiers of medical science in ways that are meaningful both to the care of our patients and to medicine as a whole Danbury Hospital has made significant inroads toward personalized cancer treatments tailored to a cancers specific genetic makeup-especially womens cancers Reinforcing the Hospitals emerging leadership position in this arena, in September 2013, Danbury Hospital launched Connecticuts first Annual OB/GYN Residents Research Day symposium The integration of research and medical education for obstetricians and gynecologists helps ensure they remain on the cutting edge of medicine

4d	Other program services (Describe in Schedule O)
	(Expenses \$ including grants of \$) (Revenue \$)

4e	Total program service expenses	413,783,114
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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 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 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	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d 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	No
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 Yes	
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 Yes	
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		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <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	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <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		No
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		No
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	Yes	
36	Section 501(c)(3) organizations. 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? Note. 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.	575	
b	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?	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.	3,387	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
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)?	Yes	
b	If "Yes," enter the name of the foreign country: CJ 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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8822?		No
d	If "Yes," indicate the number of Forms 8822 filed during the year.	0	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		No
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?		No
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?		No
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		No
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
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? Note. See the instructions for additional information the organization must report on Schedule O.		No
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.		
c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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	10	
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	7	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	Yes
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	Yes
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
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☒ Own website ☐ Another's website ☒ Upon request ☐ 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 Mary Jo Pawlak 24 Hospital Avenue Danbury, CT (203) 739-8110

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) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) James Kennedy	3 00	X		X				0	0	0
Chairman	6 00									
(2) Brian C White	1 00	X						0	0	0
Director	2 00									
(3) John Patrick To 115	1 00	X						0	0	0
Director	2 00									
(4) Spencer Houldin	1 00	X						0	0	0
Director	3 00									
(5) Joseph D Skrzypczak	1 00	X		X				0	0	0
Secretary	2 00									
(6) Anthea Disney	1 00	X						0	0	0
Director	2 00									
(7) Richard G Jabara	1 00	X						0	0	0
Director	3 00									
(8) A Altorelli to 911	1 00	X						0	0	0
Director	2 00									
(9) David Cyganowski	1 00	X		X				0	0	0
Treasurer	2 00									
(10) David Kramer MD	1 00	X						0	0	0
Director	2 00									
(11) Neil Culligan MD	1 00	X						0	0	0
Director	2 00									
(12) John M MurphyMD	40 00	X		X				1,183,850	0	52,091
President & CEO	9 00									
(13) Donna Kaplanis	40 00			X				237,652	0	58,293
Ass't Secretary	10 00									
(14) Steven H Rosenberg	40 00			X				687,331	0	44,257
SVP & CFO	8 00									
(15) Kathleen A Dematteo	40 00				X			403,035	0	36,415
Chief Information Officer	0 00									
(16) Morris Gross	40 00				X			294,671	28,560	48,217
VP of Facilities	2 00									
(17) Joseph Campbell	40 00				X			262,056	0	60,137
Chief Risk Compl Officer	0 00									

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Michael Daglio Chief Operating Officer	40 00 0 00				X			456,300	0	43,159
(19) Moreen O Donahue Sr VP/Chief Nurse Exec	40 00 1 00				X			376,521	0	68,362
(20) Phyllis F Zappala Sr VP Human Resources	40 00 0 00				X			737,318	0	38,530
(21) Matthew A Miller MD Chief Medical Officer	40 00 4 00				X			0	616,440	44,146
(22) Carolyn L McKenna General Counsel	40 00 0 00					X		388,170	0	41,305
(23) Dawn Myles VP,Qual & Pat Sfty	40 00 0 00					X		272,721	0	26,306
(24) Sally Herlihy VP of Planning	40 00 0 00					X		298,942	0	54,347
(25) William Delaney MD Physician	40 00 0 00					X		267,185	0	52,398
(26) Ramin Ahmadi MD Dir of Educ /Res	40 00 0 00					X		295,287	0	42,920
(27) John Borruso MD WCMG Physician	0 00 50 00						X	0	473,263	27,165
(28) Ruth Gregory Director of Purchasing	0 00 0 00						X	150,409	0	29,620
(29) Judith Ward VP, Marketing (Former)	0 00 0 00						X	269,443	0	30,353
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								6,580,891	1,118,263	798,021

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▶488

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

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year		
(A) Name and business address		(B) Description of services	(C) Compensation
TOWERS WATSON PENNSLYVANIA INC PO BOX 8500 PHILADELPHIA PA 19178		INVEST CONSULTANTS	1,078,583
SLAM COLLABORATIVE PO BOX 12 BRATTLEBOR VT 053020012		ARCHITECTS	2,103,548
ROBINSON & COLE LLP 280 TRUMBULL STREET HARTFORD CT 06103		ATTORNEYS	1,808,700
PRICE WATERHOUSE COOPERS LLC PO BOX 7247 PHILADELPHIA PA 19170		CONSULTANTS	688,773
DANBURY RADIOLOGICAL ASSOCIATES PO BOX 417407 BOSTON MA 02241		RADIOLOGY SERVICES	1,121,059
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 ▶41		

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d	10,129,901			
	e	Government grants (contributions) 1e	2,700,964			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	537,762			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	13,368,627			
Program Service Revenue	Business Code					
	2a	Routine Patient	621990	33,632,537	33,632,537	
	b	Rental Inc -Affl Exempt	532000	2,005,889	1,834,891	170,998
	c	Medicare/Medicaid Pay'ts	621990	200,661,614	200,661,614	
	d	Contract Lab	621500	5,906,818	5,906,818	
	e	Ancillary Service	621400	261,662,270	261,662,270	
	f	All other program service revenue	1,832,059	1,832,059		
	g	Total. Add lines 2a-2f	505,701,187			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	3,153,021			3,153,021
	4	Income from investment of tax-exempt bond proceeds	75,227			75,227
	5	Royalties	0			
	6a	(i) Real				
		881,706				
		(ii) Personal				
		186,926				
	b	Less rental expenses				
	c	Rental income or (loss)	694,780			
	d	Net rental income or (loss)	694,780		694,780	
	7a	(i) Securities				
		21,395,791				
		(ii) Other	87,500			
		365,290				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)	2,011,959			
	d	Net gain or (loss)	1,734,169			1,734,169
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18				
	a					
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events	0			
	9a	Gross income from gaming activities See Part IV, line 19				
	a					
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities	0			
	10a	Gross sales of inventory, less returns and allowances				
	a		329,548			
	b	Less cost of goods sold b	349,102			
	c	Net income or (loss) from sales of inventory	-19,554			-19,554
	Miscellaneous Revenue		Business Code			
	11a	St George Income	900099	1,463,878		1,463,878
	b	Research Clin Trial Inc	900099	207,264		207,264
	c	Administrative Services	561000	212,228		212,228
	d	All other revenue		400,934		400,934
	e	Total. Add lines 11a-11d	2,284,304			
	12	Total revenue. See Instructions	526,991,761	499,623,371	6,601,598	7,398,165

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) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	0			
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	5,189,495	1,872,303	3,317,192	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	186,329,133	155,454,396	30,874,737	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	7,095,080	5,919,425	1,175,655	
9	Other employee benefits.	27,344,598	22,813,598	4,531,000	
10	Payroll taxes.	13,781,232	11,497,682	2,283,550	
11	Fees for services (non-employees):				
a	Management.	808,280		808,280	
b	Legal.	1,628,696		1,628,696	
c	Accounting.	573,077		573,077	
d	Lobbying.	84,745	70,703	14,042	
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	570,498		570,498	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	83,275,892	69,477,076	13,798,816	
12	Advertising and promotion.	514,414	429,176	85,238	
13	Office expenses.	6,847,908	5,713,210	1,134,698	
14	Information technology.	11,797,958	9,843,036	1,954,922	
15	Royalties.	0			
16	Occupancy.	10,924,848	9,114,601	1,810,247	
17	Travel.	380,404	317,371	63,033	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	383,002	319,539	63,463	
20	Interest.	4,059,358	3,386,722	672,636	
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	30,005,652	25,033,715	4,971,937	
23	Insurance.	6,364,735	5,581,123	783,612	
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	Professional Membership	2,534,353	2,114,411	419,942	
b	Equipment Rent and Maint	8,616,845	7,189,034	1,427,811	
c	Medical Supplies	77,635,993	77,635,993		
d					
e	All other expenses	0			
25	Total functional expenses. Add lines 1 through 24e.	486,746,196	413,783,114	72,963,082	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ 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		3,243	1	45,152
	2	Savings and temporary cash investments		53,639,526	2	58,648,181
	3	Pledges and grants receivable, net			3	0
	4	Accounts receivable, net		60,038,935	4	57,504,970
	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	0
	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	0
	7	Notes and loans receivable, net		5,793,756	7	3,884,061
	8	Inventories for sale or use		9,333,372	8	9,521,995
	9	Prepaid expenses and deferred charges		4,130,837	9	3,019,935
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a631,888,505			
	b	Less accumulated depreciation	10b328,300,919	242,235,095	10c	303,587,586
	11	Investments—publicly traded securities		274,027,038	11	244,739,925
	12	Investments—other securities See Part IV, line 11			12	0
	13	Investments—program-related See Part IV, line 11			13	0
	14	Intangible assets			14	0
	15	Other assets See Part IV, line 11		124,682,082	15	148,066,837
	16	Total assets. Add lines 1 through 15 (must equal line 34)		773,883,884	16	829,018,642
Liabilities	17	Accounts payable and accrued expenses		48,879,428	17	64,629,230
	18	Grants payable			18	
	19	Deferred revenue		3,549,882	19	3,011,210
	20	Tax-exempt bond liabilities		251,135,000	20	249,580,000
	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			23	
	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		25,698,475	25	25,151,091
	26	Total liabilities. Add lines 17 through 25		329,262,785	26	342,371,531
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		386,002,265	27	400,930,008
	28	Temporarily restricted net assets		29,794,088	28	56,603,735
	29	Permanently restricted net assets		28,824,746	29	29,113,368
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		444,621,099	33	486,647,111
	34	Total liabilities and net assets/fund balances		773,883,884	34	829,018,642

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	526,991,761
2	Total expenses (must equal Part IX, column (A), line 25)	2	486,746,196
3	Revenue less expenses Subtract line 2 from line 1	3	40,245,565
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	444,621,099
5	Net unrealized gains (losses) on investments	5	5,199,125
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	-3,418,678
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	486,647,111

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 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? 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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? 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 ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	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?	Yes	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

Additional Data

Software ID: 12000229
Software Version: 2012v2.0
EIN: 06-0646597
Name: Danbury Hospital

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
James Kennedy Chairman	3 00 6 00	X		X				0	0	0
Brian C White Director	1 00 2 00	X						0	0	0
John Patrick To 115 Director	1 00 2 00	X						0	0	0
Spencer Houldin Director	1 00 3 00	X						0	0	0
Joseph D Skrzypczak Secretary	1 00 2 00	X		X				0	0	0
Anthea Disney Director	1 00 2 00	X						0	0	0
Richard G Jabara Director	1 00 3 00	X						0	0	0
A Altorelli to 911 Director	1 00 2 00	X						0	0	0
David Cyganowski Treasurer	1 00 2 00	X		X				0	0	0
David Kramer MD Director	1 00 2 00	X						0	0	0
Neil Culligan MD Director	1 00 2 00	X						0	0	0
John M MurphyMD President & CEO	40 00 9 00	X		X				1,183,850	0	52,091
Donna Kaplanis Ass't Secretary	40 00 10 00			X				237,652	0	58,293
Steven H Rosenberg SVP & CFO	40 00 8 00			X				687,331	0	44,257
Kathleen A Dematteo Chief Information Officer	40 00 0 00				X			403,035	0	36,415
Morris Gross VP of Facilities	40 00 2 00				X			294,671	28,560	48,217
Joseph Campbell Chief Risk Compl Officer	40 00 0 00				X			262,056	0	60,137
Michael Daglio Chief Operating Officer	40 00 0 00				X			456,300	0	43,159
Moreen O Donahue Sr VP/Chief Nurse Exec	40 00 1 00				X			376,521	0	68,362
Phyllis F Zappala Sr VP Human Resources	40 00 0 00				X			737,318	0	38,530
Matthew A Miller MD Chief Medical Officer	40 00 4 00				X			0	616,440	44,146
Carolyn L McKenna General Counsel	40 00 0 00					X		388,170	0	41,305
Dawn Myles VP,Qual & Pat Sfty	40 00 0 00					X		272,721	0	26,306
Sally Herlihy VP of Planning	40 00 0 00					X		298,942	0	54,347
William Delaney MD Physician	40 00 0 00					X		267,185	0	52,398

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Ramin Ahmadi MD Dir of Educ /Res	40 00 0 00					X		295,287	0	42,920
John Borruso MD WCMG Physician	0 00 50 00						X	0	473,263	27,165
Ruth Gregory Director of Purchasing	0 00 0 00						X	150,409	0	29,620
Judith Ward VP, Marketing (Former)	0 00 0 00						X	269,443	0	30,353

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 Danbury Hospital	Employer identification number 06-0646597
--	--

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 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

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 Danbury Hospital	Employer identification number 06-0646597
--	--

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

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

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

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

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

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

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

Part II-A

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

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</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>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ Yes ☐ No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

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				
	Yes			
	Yes			
		No		
	Yes			22
		No		
	Yes			34,894
	Yes			108,083
	Yes			1,050
	Yes			2,565
				146,614
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b If "Yes," enter the amount of any tax incurred under section 4912				
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No		

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).	2a	
a	Current year.		
b	Carryover from last year.		
c	Total.		
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
Part II-B, Line 1i	Part II-B, Line 1i - Other Activities Description	Dues were paid to CHA in the amount of \$365,760, of which 95.4% of this amount were expended on lobbying. Only state and local officials were lobbied during 2013. As part of this miscellaneous office expense such as phone, computer supplies, refreshment, etc., were incurred and were reflected on line #1i accordingly. Direct contact with legislators and state leaders to redesign care delivery, improve access to care and create an environment where reform could thrive.

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 Danbury Hospital	Employer identification number 06-0646597
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Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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? ☐ Yes☐ No	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or 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

▶\$ _____

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	
- 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	1				
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1				

- 2

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

a

Board designated or quasi-endowment

☐

b

Permanent endowment

☐

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

(ii) related organizations

3a(i)

Yes

No

3a(ii)

Yes

3b

Yes

b

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

☐

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		3,846,356		3,846,356
b Buildings		290,816,065	162,404,245	128,411,820
c Leasehold improvements		8,554,914	2,757,815	5,797,099
d Equipment		222,804,494	163,138,859	59,665,635
e Other		105,866,676		105,866,676
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				303,587,586

Schedule D (Form 990) 2012

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

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

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

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

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
Part V, Line 4	Part V, Line 4 Intended uses of the endowment fund	The intended use of the endowment funds are to provide supplemental/sole financial support for a variety of Danbury Hospital programs and services

Additional Data

Software ID: 12000229
Software Version: 2012v2.0
EIN: 06-0646597
Name: Danbury Hospital

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

(a) Description	(b) Book value
(1) Other Receivables	4,959,144
(2) Morrison Deposit	96,418
(3) Investment in WCHIC, LTD	21,618,216
(4) Interest in WCHN Foundation, Inc	106,193,031
(5) Due From Related Parties	8,991,050
(6) Bulk Accounts Net of Reserve	652,622
(7) Bond Issuance Cost	4,366,529
(8) Bond Escrow Fund	1,189,827

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
Danbury Hospital

Employer identification number
06-0646597

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. 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 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
CENTRAL AMER /CARIBBEAN	1	1	Operating Expenses	Malpractice Ins	15,948,386
CENTRAL AMER /CARIBBEAN	1	1	Investment	Malpractice Ins	21,618,215
CENTRAL AMER /CARIBBEAN	1	1	Revenue	Malpractice Ins	0
3a Sub-total	3	3			37,566,601
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	3	3			37,566,601

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶
- 3 Enter total number of other organizations or entities ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

[illegible]

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☒ Yes

☐ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes

☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☒ Yes

☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐ Yes

☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes

☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes

☒ No

Supplemental Information
Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

[illegible]

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2012

Open to Public Inspection

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

Name of the organization
Danbury Hospital

Employer identification number
06-0646597

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 ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ 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 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 ☐ 100% ☐ 150% ☐ 200% ☒ Other <u>40000 0000000 %</u> 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 ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☒ Other <u>60000 0000000 %</u> 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 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		No
	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)			10,697,159	4,058,590	6,638,569	1 360 %
b Medicaid (from Worksheet 3, column a)			77,354,405	48,611,673	28,742,732	5 910 %
c Costs of other means-tested government programs (from Worksheet 3, column b) .						
d Total Financial Assistance and Means-Tested Government Programs .			88,051,564	52,670,263	35,381,301	7 270 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			227,938		227,938	0 050 %
f Health professions education (from Worksheet 5)			15,112,253	4,514,005	10,598,248	2 180 %
g Subsidized health services (from Worksheet 6)			1,254,298	718,854	535,444	0 110 %
h Research (from Worksheet 7)			2,381,269		2,381,269	0 490 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			32,551		32,551	0 010 %
j Total. Other Benefits			19,008,309	5,232,859	13,775,450	2 840 %
k Total. Add lines 7d and 7j .			107,059,873	57,903,122	49,156,751	10 110 %

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

Yes

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

17,114,070

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

1,084,843

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

165,830,458

6

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

6

209,901,588

7

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

7

-44,071,130

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

No

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

No

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	Danbury Hospital 24 Hospital Avenue Danbury, CT 06810 www.danburyhospital.org	X	X		X			X		Diagnostic & Dialysis	

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)

Danbury Hospital

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 If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes
a	☒ A definition of the community served by the hospital facility		
b	☒ Demographics of the community		
c	☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	☒ How data was obtained		
e	☒ The health needs of the community		
f	☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	☒ The process for consulting with persons representing the community's interests		
i	☒ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	☐ Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a 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? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes
a	☒ Hospital facility's website		
b	☒ Available upon request from the hospital facility		
c	☐ 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	☒ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	☐ Execution of the implementation strategy		
c	☒ Participation in the development of a community-wide plan		
d	☒ Participation in the execution of a community-wide plan		
e	☐ Inclusion of a community benefit section in operational plans		
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	☐ Prioritization of health needs in its community		
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	☐ 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	Yes
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	No
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
9 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?		9 Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>400 0000</u> % If "No," explain in Part VI the criteria the hospital facility used		10 Yes	
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>600 0000</u> % If "No," explain in Part VI the criteria the hospital facility used		11 Yes	
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12 Yes	
a ☒ Income level			
b ☒ Asset level			
c ☒ Medical indigency			
d ☒ Insurance status			
e ☒ Uninsured discount			
f ☒ Medicaid/Medicare			
g ☒ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13 Yes	
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14 Yes	
a ☒ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☒ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☒ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☒ The policy was available upon request			
g ☒ Other (describe in Part VI)			
Billing and Collections			
15 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?		15 Yes	
16 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			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 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?		17	No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ 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? If "No," indicate why	Yes	
a	☐ The hospital facility did not provide care for any emergency medical conditions		
b	☐ The hospital facility's policy was not in writing		
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	☐ Other (describe in Part VI)		

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

22

Name and address	Type of Facility (describe)
1 See Additional Data Table	
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 VI - Additional Information	Schedule H, OtherOver 50% of the Board Members are independent and do not get paid by Danbury Hospital Danbury Hospital has an open medical staff Surplus funds are used to provide innovative technology to clinical care in addition to expanding our service area See details in how we "furthered our exempt purposes"
	Part V - Explanation of Number of Facility Type	14 Diagnostic Centers5 Outpatient Physician Clinics1 Outpatient Surgical Center1 Rehabilitation Center1 Education Center

Identifier	ReturnReference	Explanation
	Part VI - States Where Community Benefit Report Filed	CT
	Part VI - Affiliated Health Care System Roles and Promotion	Western Connecticut Health Network, Inc (parent)Western Connecticut Health Network's mission is to improve the health and well being of those we serve, which helps to further the hospital's exempt purpose Danbury HospitalDanbury Hospital provides medical services to the community regardless of the individual's ability to pay Services include routine inpatient ancillary and outpatient care in support of the hospital's mission statement,to improve the health and well being of those we serve For 2013, Danbury Hospital provided \$4,954,000 in charity care New Milford HospitalNew Milford Hospital's mission is to provide outstanding health care to the communities they serve through an uncompromising focus on clinical quality, compassionate service, and the creation of a medical"safe haven" for their patients and their families For 2013, New Milford Hospital provided \$670,900 in charity care Western Connecticut Medical GroupThe mission at Western Connecticut Medical Group is to provide safe, innovative, convenient and coordinated primary and specialty health care in the communities they serve and strive to be aware of and respond to their patients needs They support a commitment to advance the health and well-being of individuals in their community by delivering quality care, participating in medical research and medical residency programs and the provision of medical services to patients For 2013, Western Connecticut Medical Group provided \$1,794,739 in charity care Western Connecticut Health Network Foundation, Inc Western Connecticut Health Network Foundation Inc 's mission is to raise funds, reinvest and administer these funds and make distributions to Danbury Hospital and other not-for-profit health care affiliates Western Connecticut Health Network AffiliatesWestern Connecticut Health Network Affiliates principal purpose is to provide outpatient health care services in various locations and also provide ambulance services to Danbury and surrounding towns, while serving those that cannot afford the care Approximately \$11,000 in charity care was provided during 2013 Business Systems, Inc Business Systems, Inc, is a taxable corporation whose main business is the operation of Danbury Pharmacy, a retail pharmacy The Pharmacy's revenue is comprised of prescription sales, over the counter sales, and wholesale sales (medical and surgical supplies) sold to office practices and clinicians that are not covered by insurance programs At the end of 2013 the Danbury Pharmacy was sold to Walgreen's Pharmacy Western Connecticut Home Care, Inc Western Connecticut Home Care, Inc (WCHC) provides state of the art clinical services ranging from pediatric patients to the elderly utilizing best practice in home care to meet the needs of their patients For 2013, WCHC provided \$587,777 for charity care Eastern New York Medical ServicesEastern New York Medical Services (ENYMS) was formed in April, 2013 The mission at ENYMS is to provide safe, innovative, convenient and coordinated primary and gastro health care in the communities we serve and strive to be aware of and respond to our patients needs For 2013, ENYMS provided approximately \$1,000 for charity care

Identifier	ReturnReference	Explanation
	Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	The values and attitudes shared by our staff - from our receptionists to our physician and how we express them day-to-day create that experience, and form our Networks brand of care At Western Connecticut Health Network (WCHN) we expect all staff to embody a set of common values that guide behavior and decision-making in every interaction with patients, visitors or callers In 2013, we recommitted to these values TEAMWORKTrimming Treatment TimeWhen a heart attack strikes, every moment until intervention matters In 2013, the CHA recognized WCHNs successful efforts to substantially reduce this critical time period with its John D. Thompson Award, a prestigious honor given for excellence in the delivery of healthcare through the use of data The Award recognized the culmination of seven years of collaborative work of a multi-functional team Personal Side of Cancer CareOur Networks team of cancer care professionals extends beyond our outstanding oncologists and clinicians who oversee treatment We take a personalized, more holistic approach to care, providing additional services that ease the patients journey, removing or mitigating the practical barriers to successful treatment The most recent addition to the WCHN cancer care team is the Oncology Financial Navigator staff members dedicated to helping uninsured, underinsured, and simply concerned patients understand their insurance benefits and how they can pay for their cancer treatment drugs INNOVATIONBariatrics and BeyondComputer-assisted robotic surgery is successfully used for hundreds of surgeries at Danbury Hospital each year In 2013, minimally invasive robotic surgery was applied to both general and weight loss surgeries The option to use robotic surgery, where appropriate, can amplify the surgeon's skills and improve the patient's outcome Opening a New DoorWCHN opened a new 6,000-square-foot Breast Imaging Center in 2013, making preventative and diagnostic breast care more convenient and comfortable for every patient, every day The center is equipped with the latest in imaging technology, as it provides a spa-like atmosphere Perhaps the biggest improvement is that all aspects of breast care are offered under a single roof Saving the BrainA partnership formed in 2013 between Danbury Hospital and Westchester Medical Center giving Danbury Hospital stroke patients who meet certain medical criteria the option of a new treatment that may help to reduce the effects of a stroke and improve outcomes The new option is interventional stroke therapy and FDA approved technology that uses X-ray guidance and a catheter Simulation Saves LivesThe ability to quickly diagnose a patient with cardiovascular disease can often mean the difference between life and death, saving time means saving heat muscle Patient simulators are a safe and convenient tool for training medical staff Thats why in 2013, Danbury Hospital used a grant for \$71,800 from the Connecticut Health and Education Facilities Authority (CHEFA), as part of its Client Grant Program, to purchase Ultrasonography/Transthoracic Echocardiography Simulator equipment for its simulation laboratory Spotlight on Inpatient PediatricsA lifetime of health and wellness begins in childhood, which is why Danbury Hospital continues to invest in the care of our pediatric population In 2013, we made a number of improvements to ensure that our communities children of all ages have access to high quality emergency and acute care, with staff specifically trained and dedicated to pediatrics The Hub for Community Health CareThe Emergency Department at Danbury Hospital serves as a hub for the health care needs of the community, as both the source of acute care and a link for patient follow up with community physicians Expansion of the Danbury Hospital Emergency Department is well underway and scheduled for completion in Spring 2014, in conjunction with Hospitals patient Tower addition The new ED can accommodate up to 90,000 visits per year double the capacity of the existing ED It will provide comfortable, private rooms for patients, with upgrades that will improve safety and expediency of treatment A state-of-the-art heliport atop the ED roof will be ready to receive or transport the most urgent cases A strong, local hospital is central to the overall health of the community - serving as a crucial medical resource to patients and also a business partner in the region Danbury Hospital is committed to being both for many years to come UNDERSTANDINGSeeing the Bigger, Global PictureIn 2012, the Western Connecticut Health Networks Global Health Education Program was established, with a very big vision to improve the worlds health care, by advancing disease research, sharing knowledge and fostering humanitarianism through international collaboration, even if its one physician at a time The opportunity for medical students and residents to gain global health experience strengthens our medical education and research program and distinguishes from most others A New Forum for Cancer FindingsWCHN has made significant inroads toward personalized cancer treatments tailored to a cancers specific genetic makeup-especially womens cancers The integration of research and medical education for obstetricians and gynecologists helps ensure they remain on the cutting edge of medicine Nurses in the KnowThe WCHN Nurse Education Department fosters life-long learning and development for nurses In 2013, the Cora Spratt Center for Nursing Education and Research Center at Danbury Hospital continued to advocate for the advancement of the nursing profession by offering numerous educational opportunities for our network nurses as well as nurses from other health care organizations Helping the Community Help ItselfTo create a "new picture of health," we've used the strength of our network to help our community members better navigate an evolving, often complex, health care system Through education, interaction and outreach, we keep residents informed about changes in the health care environment and the local resources available to help them manage their own health We direct them to the right care in the right place and at the right time Examples of our efforts included the following -WCHN clinicians from our behavioral health staff, primary care clinic and affiliated Visiting Nurses Association, helped serve more than 200 homeless people in a single day at Project Homeless Connect, a one-day, comprehensive "health fair" for the needy or homeless Patients were given flu shots and physical and dental exams - an example of how we help our community's less fortunate residents avoid emergency room visits -The network's Lyme Disease Registry continues to collect data to study ways to prevent, diagnose and potentially treat those with Lyme and lingering symptoms -Our network took a leadership role to ensure a behavioral health safety net for the Sandy Hook community following the tragic shooting We provided a grant to fund a behavior health navigator for Newtown's schools to support the mental health and well-being of the community's families Our work on a Community Health Needs Assessment, that involved collaboration with local educators, community agencies, faith groups and other health care organizations, progressed in 2013 into a finalized Community Health Improvement Plan The plan will address four priority community needs chronic disease prevention, substance abuse and related mental health issues, seniors' health and housing, and awareness and access to health care services Initiatives are underway to improve the health of our region's residents by providing information and expanding access through creative strategies and partnerships The Physician PipelineAs health care reform unfolds and the country's population ages, we are preparing to meet the needs of a growing patient population That's why the recruitment of physicians and group practices to our Network is a priority - so we can offer more patients with easier, more convenient access to primary and specialty care Residents in our communities do not need to travel far to receive high quality care Bigger, Stronger, Better - TogetherCreating a new picture of health is what our affiliation with Norwalk Hospital is all about As a result of this affiliation, over time our patients will experience easier, more convenient access to the high quality care of a regional healthcare system, including more primary care and sub-specialty physicians within the same network We will be able to provide patients even better quality care and an improved overall experience throughout our network, by integrating care and treatment approaches across the system And we'll have the capacity and efficiencies to manage the growing patient volume Exceptional Donors, Exceptional DreamsAs hospitals and the healthcare industry face unprecedented financial challenges, advancements in patient care depend more than ever upon p
	Part VI - Community Information	The Hospital's primary service area is the City of Danbury and surrounding suburban towns that make up northern Fairfield county The region is very diverse requiring diverse programming and education Constituents are predominantly employed and are fairly well-educated Poverty levels are below other areas in CT The exception to this generalization is the City of Danbury as the urban core that is the most diverse community with a large undocumented population not captured on census

Identifier	ReturnReference	Explanation
	Part VI - Patient Education of Eligibility for Assistance	One barrier to health care outlined in the Community Needs Assessment was that so many people were uninsured or underinsured To help eliminate this barrier to needed care, in 2013 WCHN actively advocated for Access Health CT, the states new health insurance marketplace, using grass roots communication to encourage enrollment in Access Health CT WCHN held in-service trainings for our staff, participated in community educational forums and enrollment fairs, and distributed promotional materials throughout the Network and region Our hospitals are now considered by the state a model hospital for promoting the significant benefits of insurance enrollment Danbury Hospital has messages on all statements providing information regarding how the patient can get assistance with their hospital bill Also signs are posted throughout the hospital and counselors are available to provide further assistance All uninsured inpatients are interviewed by financial counselors and assessed for eligibility for assistance programs The hospital provides informational handouts to all uninsured patients at the time of registration which refers them to financial counseling if they would like assistance with their bills Further, the hospital mails notices to all self-pay accounts referring them to financial counseling if they need assistance The collection department will also refer patients to financial counseling when a patient indicates that they cannot afford their balances, and finally, schedulers refer uninsured patients to financial counseling prior to their test or procedure
	Part VI - Needs Assessment	Effective strategies to improve community health involve active collaboration and commitment among health providers, public and community health agencies, educators, worksites, community and faith-based organizations and groups, and the public they serve The organization collaborates with community partners for assessment of community health needs and action planning Danbury Hospital, and its affiliate partner, New Milford Hospital, participated in the development of a Community Report Card for the Housatonic Valley Region, a 10-district municipality that includes Danbury and New Milford, CT The other eight towns are Bridgewater, Brookfield, New Fairfield, Newtown, Redding, Ridgefield and Sherman, CT, all towns within the primary service area of both hospitals Developing a plan for health improvement in our region involves collective action by and sharing of expertise and resources across agencies and organizations in both the public and private sectors Activities 1 Community Report Card (CRC) for Western Connecticut produced with indicators, including community population and demographic data, economic stability, education, health status, health and lifestyle behaviors and risk factors, chronic and communicable diseases, and older adult health survey and focus group findings Additional data from the CT Association of Directors of Healths Health Equity Index related to social determinants of health and health outcomes and United Way of CTs Infoline 2-1-1 database of health-related programs and services was included 2 CRC Steering Committee developed - including leads from the City of Danbury Department of Health and Human Services, Western CT Health Network/Danbury Hospital-New Milford Hospital, United Way of Western Connecticut, New Milford Health Department, and the Regional YMCA of Western CT 3 EDUCATION CONNECTIONs Center for Healthy Schools & Communities met with the CRC Steering Committee to review the objectives and desired outcomes for these facilitated discussions 4 Two Community Health Conversations with key community stakeholders in October 2012 - held in two locations (Danbury and New Milford, CT) to ensure accessibility by key stakeholders throughout the region Attendees included a total of 52 representatives from hospitals, community health centers, school-based health centers, Visiting Nurse Associations/Services, municipal health, education, social service, senior centers and fire departments, non-profit organizations, and a legislators office Geographically, all 10 HVR municipalities were represented either directly or through regional agencies and organizations During the Conversations, the need for collective commitment and responsibility in the prioritization of health issues and development of an action plan for health improvement were emphasized 5 Priority Health areas identified - Participants in Conversations universally agreed that the Priority Health Issues (PHI) most representative of needs in the region were 1) prevention/reduction of most prevalent chronic diseases/health conditions (specifically obesity, hypertension, and type II diabetes), by addressing underlying risk factors, 2) substance use/abuse and co-related mental health issues, 3) older adult health, housing and social support needs, and 4) improved awareness and utilization of existing health and social programs and services Each of these areas also recognizes that disparities in health care access and outcomes need to be addressed Upon reaching consensus on the priority health issues, participants self-selected a workgroup to join based on their interests and expertise Overall, data obtained from the Conversations provided high quality information needed to begin the community health improvement action planning process in the region A broad diversity of community stakeholders attended both sessions, conversations were dynamic, and stakeholders were actively engaged in the process and expressed commitment to working together in the future to address the identified priority health issues 6 Health Improvement Action Planning - Throughout 2013, the CRC Steering Committee and PHI workgroups continued to meet to further develop and refine their action plans Consistent with each teams vision and mission, and informed by the CRC and Community Conversation findings, a Community Health Improvement Action Plan for Western CT by PHI has been developed The plan addresses four priority community needs substance abuse and related mental health issues, seniors health and housing, chronic disease prevention, and health care access It is important to note that Action Plans are dynamic documents and are influenced by emerging needs With this in mind, the workgroups will continue to meet at least quarterly to expand upon, modify, and refine their PHI objectives, strategies, and action steps and to collectively evaluate progress towards achieving health improvement in the region 7 Board Endorsement The Community Report Card and Health Improvement Action Plan have been endorsed by the BOD and documents are available on the organizations website and available upon request 8 To create a new picture of health, our community members must be more engaged in order to best navigate an evolving health care system Weve used the strength of our network, through education, interaction and outreach, to keep our residents informed about the changing health care environment, and how available local resources can help them manage their own health while directing them to the right care in the right place and at the right time 9 We survey our consumers on a regular and ongoing basis for their opinions and concerns We continued to promote a healthy lifestyle within the community, emphasizing the individuals responsibility as a partner in wellness The Networks partnership with the Spirit of Women program, has engaged many women, typically the primary caregivers in their households, with special events, publications and online information Our 2013 Day of Dance and Girls Night Out, social and informational events focused on primary and preventative care, screenings and early cancer detection, and healthy habits, drew capacity crowds

Identifier	ReturnReference	Explanation
Number of Hospital Faciltiy - 1	Part V, Line 14g - Other Means Hospital Facility Publicized the Policy	Danbury Hospital has messages on all statements providing information regarding how the patient can get assistance with their hospital bill. Counselors are also available to provide further assistance.
Number of Hospital Faciltiy - 1	Part V, Line 4 - List Other Hospital Facilities that Jointly Conducted Needs Assessment	New Milford Hospital

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 1	Part V, Line 3 - Account Input from Person Who Represent the Community	Effective strategies to improve community health involve active collaboration and commitment among health providers, public and community health agencies, educators, worksites, community and faith-based organizations and groups, and the public they serve. The organization collaborates with community partners for assessment of community health needs and action planning. Danbury Hospital, and its affiliate partner, New Milford Hospital, participated in the development of a Community Report Card for the Housatonic Valley Region, a 10-district municipality that includes Danbury and New Milford, CT. The other eight towns are Bridgewater, Brookfield, New Fairfield, Newtown, Redding, Ridgefield and Sherman, CT, all towns within the primary service area of both hospitals. Developing a plan for health improvement in our region involves collective action by and sharing of expertise and resources across agencies and organizations in both the public and private sectors.
	Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	It is the policy of Danbury Hospital to provide "Financial Assistance" (either free care or reduced patient obligations) to persons or families where (i) there is limited or no health insurance available, (ii) the patient fails to qualify for governmental assistance (for example Medicare or Medicaid), (iii) the patient cooperates with the Hospital in providing the requested information, (iv) the patient demonstrates financial need, and (v) Danbury Hospital makes an administrative determination that Financial Assistance is appropriate. After the Hospital determines that a patient is eligible for Financial Assistance, the Hospital will determine the amount of Financial Assistance available to the patient by utilizing the Charitable Assistance Guidelines, which are based upon the most recent federal poverty guidelines. Danbury Hospital shall regularly review this Financial Assistance Policy to ensure that at all times it (i) reflects the philosophy and mission of the Hospital, (ii) explains the decision processes of who may be eligible for Financial Assistance and in what amounts, and (iii) complies with all applicable state and federal laws, rules, and regulations concerning the provision of financial assistance to indigent patients. Consistent with this mission, Danbury Hospital recognizes its obligation to the community it serves to provide financial assistance to indigent persons within the community. In furtherance of its charitable mission, Danbury Hospital will provide both (i) emergency treatment to any person requiring such care, and (ii) essential, non-emergent care to patients who are permanent residents of its primary service area who meet the conditions and criteria set forth in this Policy, without regard to the patients' ability to pay for such care. Elective procedures generally will not be considered essential, non-emergent care and usually will not be eligible for Financial Assistance. Danbury Hospital will collect from individuals on financial assistance if they received a partial charitable discount. All patients can apply for charitable care on balances they feel that they cannot afford.

Identifier	ReturnReference	Explanation
	Part III, Line 8 - Explanation Of Shortfall As Community Benefit	Danbury Hospital's Medicare shortfall should be treated as a community benefit as the organization strives to provide 24/7 coverage, improved patient access, highest clinical quality as well as addressing the needs of the community by offering critical services to our geographic area. As a result, the organization must balance the cost of these programs against the continued decreasing government reimbursement levels, uninsured population and community needs. A cost accounting system is used to calculate the shortfall, which is Medicare Net Patient Revenue less applicable costs.
	Part III, Line 4 - Bad Debt Expense	The Hospital's estimation of the allowance for uncollectible accounts is based primarily upon the type and age of the patient accounts receivable and the effectiveness of the Hospital's collection efforts. The Hospital's policy is to reserve a portion of all self-pay receivables, including amounts due from the uninsured and amounts related to co-payments and deductibles, as these charges are recorded. On a monthly basis, the Hospital reviews its accounts receivable balances and various analytics to support the basis for its estimates. These efforts primarily consist of reviewing the following: Historical write-off and collection experience using a hindsight or look-back approach, Revenue and volume trends by payor, particularly the self-pay components, Changes in the aging and payor mix of accounts receivable, including increased focus on accounts due from the uninsured and accounts that represent co-payments and deductibles due from patients, Cash collections as a percentage of net patient revenue less the provision for bad debt, and Trending of days revenue in accounts receivable. The Hospital regularly performs hindsight procedures to evaluate historical write-off and collection experience throughout the year to assist in determining the reasonableness of its process for estimating the allowance for uncollectible accounts. The Hospital's primary concentration of credit risk is patient accounts receivable, which consists of amounts owed by various governmental agencies, insurance companies and private patients. The Hospital manages the receivables by regularly reviewing its patient accounts and contracts, and by providing appropriate allowances for uncollectible amounts. Significant concentrations of gross patient accounts receivable include 32% and 13%, and 30% and 14%, for Medicare and Medicaid, respectively, at September 30, 2013 and 2012, respectively.

Identifier	ReturnReference	Explanation
	Part III, Line 3 - Methodology of Estimated Amount & Rationale for Including in Community Benefit	It is the policy of the Hospital to provide necessary care to all persons seeking treatment without discrimination on the grounds of age, race, creed, national origin or any other grounds unrelated to an individual's need for the service or the availability of the needed service at the Hospital. A patient is classified as a charity care patient by reference to established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines, but also includes certain cases where incurred charges are significant when compared to a responsible party's income and their countable assets. Those charges are not included in net patient service revenue for financial reporting purposes. When private pay patients are sent to the collection agency their account is considered to be a bad debt. Subsequently, Medicaid may be granted for some of those patients. At that time those accounts would become charity care or a community benefit.
	Part III, Line 2 - Methodology Used To Estimate Bad Debt Expense	Bad Debt expense is per the audited financial statements

Identifier	ReturnReference	Explanation
	Part I, Line 7g - Costs Associated With Physicans Clinics	There are no physician clinics included in this amount
	Part I, Line 7 - Explanation of Costing Methodology	Charity Care At Cost Percentage Total Gross Patient charges written off to charity (Income Statement) * Patient Cost to Charge % (see below) = Total Community Benefit Expense Total Community Benefit Expenses - Revenue from Uncompensated Care Pools and programs (DHS * % of cost of uncompensated care shown on the OCHA Schedule 500) = Net community benefits expenses Net community benefits expenses / total expenses = % of total expenses Ratio Cost To Charge Calculation Total Operating Expenses divided by Adjusted Patient Care Cost (Bad Debt, Other Operating Income and Intercompany Income are removed from the total operating expenses) Adjusted Patient Care Cost divided by Gross Patient Charges

Identifier	ReturnReference	Explanation
	Part I, Line 6a - Related Organization Community Benefit Report	The Community Benefit report is reported on a Network basis

Additional Data

Software ID: 12000229

Software Version: 2012v2.0

EIN: 06-0646597

Name: Danbury Hospital

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

Section C. Other 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?

22

Name and address	Type of Facility (describe)
Danbury Hospital Research Institute 131 West Street Danbury, CT 06813	Diagnostic
Wellness on Wheels 24 Hospital Avenue Danbury, CT 06810	Diagnostic
Newtown Laboratory 14-18 Church Hill Road Newtown, CT 06470	Diagnostic
Bethel Laboratory 68 Stony Hill Road Bethel, CT 06801	Diagnostic
Ridgefield Specimen Collection Facility 10 South Street Ridgefield, CT 06877	Diagnostic
Danbury Hospital Diabetes Education Center 41 Germantown Road Danbury, CT 06810	Diagnostic
Danbury Hospital Laboratory Center in Brookfield 60 Old New Milford Road Unit 1C Brookfield, CT 06804	Diagnostic
Danbury Hospital Southbury Laboratory 22 Old Waterbury Road Suite 101 Southbury, CT 06488	Diagnostic
Danbury Hospital Laboratory Center of New Milford 120 Park Lane Suite A201 New Milford, CT 06776	Diagnostic
Sleep Lab Southbury Heritage Hotel 522 Herita Southbury, CT 06488	Diagnostic
Center for Child & Adol Treat 152 West Street Danbury, CT 06810	Diagnostic
Danbury Hospital Laboratory 79 Sandpit Road Danbury, CT 06810	Diagnostic
The Anticoagulation Center 41 Germantown Road Danbury, CT 06810	Diagnostic
Physical Medicine Center of Southbury 22 Old Waterbury Road Suite 101 Southbury, CT 06488	Diagnostic
Pulmonary Services 33 Germantown Road Danbury, CT 06810	Diagnostic
Comm Ctr for Behavioral Health 152 West Street Danbury, CT 06810	Diagnostic
Danbury Hospital Sleep Lab II 25 Lake Avenue-Extension Danbury, CT 06810	Diagnostic
Southbury Cardiovascular Diagnostics 22 Old Waterbury Road Southbury, CT 06488	Diagnostic
Breast Imaging Center 20 Germantown Road Danbury, CT 06810	Diagnostic
Main Street Rehabilitation Center 235 Main Street Danbury, CT 06810	Diagnostic
Siefert & Ford Community Health Ctr 70 Main Street Danbury, CT 06810	Diagnostic
Danbury Hospital Ridgefield Surg Ctr 901 Ethan Allen Highway Ridgefield, CT 06877	Diagnostic

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Danbury Hospital

Employer identification number
06-0646597

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	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. ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		No
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III	5b		No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	Yes	
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	6b	Yes	
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		No
8	Were any amounts reported in Form 990, Part VII, paid or 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	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		No

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
Sch J, Part III, Additional Information	Part III, Additional Information	The organization relied on a related organization, Western Connecticut Health Network, Inc. which used the following methods described below to establish top management's compensation -Compensation committee - Independent compensation -Written employment contract -Compensation survey or study -Approval by board or compensation committee
Sch J, Part I, Line 6b	Part I, Line 6b Explanation of organization compensation contingent on net earnings from related or	Summary of Executive Incentive Plan The Plan is administered by the Executive Compensation Committee of Western Connecticut Health Network, Inc. Eligibility to participate in the Plan is limited to those who are in positions in which their decisions, actions and counsel significantly affect the operations of Western Connecticut Health Network, Inc. and its subsidiaries The Committee will establish the target award opportunity (expressed as a percentage of base salary) for each participant in the Plan Prior to the beginning of each Plan year, or as soon thereafter as practicable, performance measures are established for each participant in the Plan Incentive awards are modified or eliminated if the level of performance specified is not achieved Notwithstanding any other provision of the Plan, incentive awards can be affected based on individual executive performance

Software ID: 12000229
Software Version: 2012v2.0
EIN: 06-0646597
Name: Danbury Hospital

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				
William Delaney MD	(i) (ii)	239,662	24,478	3,045	22,040	30,358	319,583	
Steven H Rosenberg	(i) (ii)	503,434	160,000	23,897	12,500	31,757	731,588	
Sally Herlihy	(i) (ii)	221,961	75,180	1,801	22,040	32,307	353,289	
Ruth Gregory	(i) (ii)	133,988	15,000	1,421	17,447	12,173	180,029	
Ramin Ahmadi MD	(i) (ii)	234,140	60,000	1,147	12,500	30,420	338,207	
Phyllis F Zappala	(i) (ii)	315,181	398,265	23,872	22,040	16,490	775,848	
Morris Gross	(i) (ii)	235,057 28,560	55,000	4,614	22,040	26,177	342,888 28,560	
Moreen O Donahue	(i) (ii)	286,053	80,000	10,468	22,040	46,322	444,883	
Michael Daglio	(i) (ii)	345,294	110,000	1,006	12,500	30,659	499,459	
Matthew A Miller MD	(i) (ii)	427,629	155,000	33,811	22,040	22,106	660,586	
Kathleen A Dematteo	(i) (ii)	280,165	100,000	22,870	22,040	14,375	439,450	
Judith Ward	(i) (ii)			269,443		30,353	299,796	
Joseph Campbell	(i) (ii)	213,896	45,000	3,160	22,040	38,097	322,193	
John M MurphyMD	(i) (ii)	796,683	380,000	7,167	12,500	39,591	1,235,941	
John Borruso MD	(i) (ii)	436,807	15,000	21,456	22,040	5,125	500,428	
Donna Kaplanis	(i) (ii)	195,315	40,000	2,337	22,040	36,253	295,945	
Dawn Myles	(i) (ii)	211,753	60,000	968	17,500	8,806	299,027	
Carolyn L McKenna	(i) (ii)	286,736	100,000	1,434	12,500	28,805	429,475	

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
Danbury Hospital

Employer identification number
06-0646597

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 CHEFA RevBondsSeries H	06-0806186	20774UCL7	03-16-2006	40,924,665	See Part V For Purpose		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	1,945,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	42,742,900							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds	2,237,472							
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	603,787							
8	Credit enhancement from proceeds	828,469							
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	39,070,172							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2007							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

					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						
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X							

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		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						
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?		X						
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	%		%		%		%	
6	Total of lines 4 and 5	0 %		%		%		%	
7	Does the bond issue meet the private security or payment test?		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						
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							

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?	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?								
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV

Arbitrage (Continued)

5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
			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						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V

Procedures To Undertake Corrective Action

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?	A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
		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
Supplemental Information	Part VI	Series HProceeds from the sales of Series H Bonds were used, together with other monies available to 1) finance a portion of the costs of the Series H project, 2) to fund capitalized interest, if any on the Series H Bonds, and 3) to pay certain costs of issuance and bond insurance premiums incurred in connection with the issuance of Series H Bonds Part II, Line #3 includes investment earnings of \$1,818,235 Part III, Line #4 Private Business Usage percentage of 4 69%, reflected on line #4 was not reduced by the remediation of \$1,945,000 The average Private Business Usage percentage over the over the life of the bond is only 2% Part IV, Line #2cThe date that the rebate computation was performed was March, 2014

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

2012

Open to Public
Inspection

Name of the organization Danbury Hospital	Employer identification number 06-0646597
--	--

Identifier	Return Reference	Explanation
	FORM 990, PART VII (ADDT'L INFORMATION)	For those officers and top 5 employees, for which only 40 hours is noted to reflect paid hours, actual hours worked exceeded this amount Note All amounts in column F, of Part VII,"Estimated Amount of Other Compensation", represent benefits, and do not reflect any compensation for which the average amount of time worked can be reflected

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, Line 1b	David Kramer, MD and Neil Culligan, MD were not considered to be independent, since they both received stipends during the year exceeding \$10,000

Identifier	Return Reference	Explanation
	Form 990, Part VI, Line 7A	The sole member shall be responsible for electing, at the annual meeting of the membership, the members of the Board of Directors of the Hospital to serve for three year terms and until their successors are elected and have qualified

Identifier	Return Reference	Explanation
	Form 990, Part VI, Line #6	Western Connecticut Health Network, Inc is the sole member of Danbury Hospital

Identifier	Return Reference	Explanation
	FORM 990, PART IX, COLUMN D	ALTHOUGH CONTRIBUTIONS ARE REFLECTED ON LINE #1 OF PAGE #1 ON FORM 990, ALL FUNDRAISING EXPENSES WERE INCURRED BY THE WESTERN CONNECTICUT HEALTH NETWORK FOUNDATION, INC

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 9	Other Changes In Net Assets Or Fund Balances - Other Decreases	EQUITY TRANSFER TO WCHN-W/O OF INTERCOMPANY = - \$28604162

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 9	Other Changes In Net Assets Or Fund Balances - Other Decreases	CHANGE IN INVESTMENT OF WHCIC = - \$2101411

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 9	Other Changes In Net Assets Or Fund Balances - Other Increases	CHANGE IN EQUITY INTEREST OF WCHNF = \$27286895

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	The information that has been posted on Danbury Hospital's website for 2013 includes The most current audited financial statements Also included is the Code of Business Ethics, Information about our Compliance Program, and a copy of our policy regarding Preventing of Fraud, Waste and Abuse All governing documents required by law are made available upon request The conflict of interest policy is available upon request

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	Compensation for Other Officers and Key Employees Compensation review and approval process is identical to the process for the CEO and executives noted in 15A above

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15a	Form 990, Part VI, Line 15a Compensation Review & Approval Process - CEO, Top Management	Compensation of CEO In order to achieve its mission and its overall performance objectives, Western Connecticut Health Netw ork, Inc employs a performance-based total compensation program for its senior executives that is market competitive, compliant with regulatory guidelines, and representative of best practices Eligible executives are generally direct reports of the CEO along with other executives designated by the CEO To meet Western Connecticut Health Netw ork Inc 's total compensation objectives for executives, the following survey sources are used for comparison purposes -Blend of national Confidential Source, IHS, and Hay Group points healthcare data (where data available), plus 15% geographic differential Title match data cuts selected based on revenue size -For Physician executives, surveys covering physician compensation in accredited medical schools (AAMC) are used in combination with proprietary surveys compiled by nationally know n consulting firm, Sullivan Cotter and the Medical Group Management Association (MGMA) Western Connecticut Health Netw ork, Inc targets cash compensation at market competitive levels Base salary plus short-term (annual) incentive awards (total cash) approximate market competitive levels for total cash compensation Executive performance is expected to meet or exceed predetermined operational and financial metrics Other factors, such as competitive market forces, job performance, unique qualifications, and/or individual job responsibilities are also considered in Western Connecticut Health Netw ork, Inc's executive compensation decisions Roles of the Committee on Governance and Key Executives in the Executive Compensation Process- The Committee on Governance in consultation with the CEO and the SVP HR selects the outside compensation consultants The current consultant is the Hay Group, whose purpose is to provide a valid independent assessment of the relevent market rates and pay practices for healthcare executives, physician executives and for physicians in general - The compensation consulting firm compiles appropriate market data, job evaluation and ranking information for all executives and physicians of the organization, excluding the CEO, and will supply this material to the CEO and SVP HR for review and agreement Once the report is final, it will be supplied to the Committee on Governance for their consideration and acceptance -The Committee on Governance determines the CEO's salary based on overall performance and market data supplied by the outside market consultant The last executive compensation evaluation by an outside consultant was done in December, 2013

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	The Organization's Process for Monitoring and Enforcing Conflicts of Interest The Western Connecticut Health Network and its affiliates' (The Network) Conflict of Interest Policy provides that annually, its Representatives shall sign a statement affirming that they disclosed all potential conflicts, as documented in the Conflict of Interest Policy. In addition, General Counsel is part of the routine contracts review process and watches for potential conflicts with any of The Network's Representatives Who Is Covered By the Policy The Network's Conflict of Interest Policy covers each director, officer and manager of The Network, also referred to as "Representatives" Level At Which Determinations of Whether There Is a Conflict In connection with any actual or possible conflict of interest, an interested person must disclose the facts of the conflict. The Compliance Officer and the Audit Committee review and evaluate each disclosure to determine if there is a conflict of interest. After presentation of a potential transaction or arrangement is made by an interested person, the remaining disinterested Board or Committee members shall decide if a conflict of interest exist. Level That Reviews and Determines What To Do If There Is a Conflict After exercising due diligence the full Board would determine what actions should be taken for all conflicts by Officers and Directors. Any conflicts occurring by a manager are reviewed by the Compliance Committee to determine what further action should be taken. Restrictions on The Conflicted Person No director having a conflict of interest on any matter shall vote on that matter or be counted in determining the quorum for the meeting at which the vote is taken, even when permitted by law. No Representative having a conflict of interest on any matter shall use his or her personal influence on the matter. If the Board of Directors, in its sole discretion, determines that any Representative has conflicts of interest sufficient in number and/or importance that the effectiveness of such individual on behalf of The Network may be significantly impaired, the Board may ask the individual to resign.

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11b	Form 990, Part VI, Line 11b Form 990 Review Process	Steven Rosenberg, CFO, will review the 990 prior to it being sent to the IRS. A preliminary 990, is presented to the Audit Committee in June, who reviews it on behalf of the Board. E&Y is on hand to review the 990 with the Audit Committee and answer any questions. Prior to the 990 being filed with the IRS, the Board will receive a full and accurate copy on a secured website for their review.

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7b	Form 990, Part VI, Line 7b Describe Decisions of Governing Body Approval by Members or Shareholders	The duties and responsibilities of the sole member shall include, among others, the following Electing at the annual meeting of the membership, the members of the Board of Directors of the hospital to serve for three year terms and until their successors are elected and have qualified Filling vacancies on the Board of Directors, which occur between elections, reviewing, making, and approving changes in the bylaws, insuring that the objective, purposes and goals of Danbury Hospital as stated in the charter of the Danbury Hospital, Inc are properly and effectively carried out by the Board of Directors, delegating as appropriate, to the Board of Directors, policy-making functions, the supervision of the Hospital's operations and the control over the Hospital's assets The Board shall be required to approve the fundamental decisions listed below by the Hospital -Approval of all operating and capital budgets of the Hospital -Approval of unbudgeted expenditures over a certain amount -Approval of any advances of assets or loans by the Hospital, or the incurring of any indebtedness, secured or unsecured, which exceeds such an amount established by the Board -Appointment of the Hospital's auditors, legal counsel and other consultants -The procurement of insurance -Approval of investment policies -Approval of any agreement or transaction involving an amount greater than established by the Board with another corporation or entity, including affiliated entities -Approval of joint ventures -Approval of any amendment or restatement of the Hospital's certificate of incorporation, bylaws, purposes, membership and rights and responsibilities -Approval of the creation of any corporation of which the Hospital is the sole member or controlling member, the merger or consolidation of the Hospital with another corporation, and the reorganization, liquidation or dissolution of the Hospital or any corporation of which the Hospital is the sole member or controlling member -Approval of any sale, lease, exchange, or other disposition of all or substantially all the property or assets of the Hospital -Election and removal of the members of the Board and its officers - Creation of any committee, other than the Governance Committee -Approval of the adoption of or any amendment to the policies and procedures governing indemnification of directors and officers of the Hospital - Approval of any conveyance of, or the granting of mortgages, trusts, deeds or the creation of other liens on, any real property assets of the Hospital -Approval of the strategic plan of the Hospital -Approval of any change to the employee pension or other employee benefit plans for or on behalf of the Hospital -Approval of the engagement in managed care and other third party payor contracting on behalf of the Hospital -Approval of any commencement, cessation, location, relocation or consolidation of significant clinical services provided by the Hospital and to approve or initiate the filing of any application for a certificate of need by the Hospital -Approval of system-wide quality, performance and credentialing standards and procedures to which the Hospital is expected to adhere -Approval of any physician compensation arrangements

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 4	Form 990, Part VI, Line 4 Description of Significant Changes to Organizational Documents	The following significant change was made to the by laws of Danbury Hospital, during the fiscal year ending September 30, 2013 The term of the Chair was changed to allow a person to complete his two-year term as Chair once they exceed their third full term Thereafter, they will be eligible for re-election to the board after one year without serving Previously, directors were eligible for election to a fourth term

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 2	Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et	Richard Jabara and James Kennedy, both directors of Danbury Hospital have a business relationship

Identifier	Return Reference	Explanation
		Client Note 1 - FORM 990, GENERAL EXPLANATION ATTACHMENT=====FORM 990, PART II, COLUMN D=====ALTHOUGH CONTRIBUTIONS ARE REFLECTED ON LINE #1 OF PAGE #1 ON FORM 990, ALL FUNDRAISING EXPENSES WERE INCURRED BY THE DANBURY HOSPITAL DEVELOPMENT FUND, INC FORM 990, PART IV - TAX-EXEMPT BOND LIABILITIES (ADDITIONAL INFORMATION) =====HOSPITAL REVENUE BONDS FINANCED WITH THE STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES SERIES G - \$42,420,000 SERIES H - \$41,560,000 SERIES J - \$35,580,000 UNEXPENDED BOND PROCEEDS AS OF 9/30/2008 IS \$0 FORM 990, PART VII, LIST OF OFFICERS, DIRECTORS AND TRUSTEES (ADDT'L INFOR) =====FOR ALL OFFICERS AND THE TOP 5 EMPLOYEES, ALTHOUGH ONLY 40 HOURS IS NOTED TO REFLECT PAID HOURS, ACTUALLY WORKED HOURS EXCEEDED THIS AMOUNT A STIPEND WAS PAID TO DAVID KRAMER, MD, A DIRECTOR, DURING THE YEAR FOR SPINE SURGERY CO-DIRECTORSHIP A STIPEND WAS PAID TO NEIL CULLIGAN, MD, A DIRECTOR, DURING THE YEAR FOR STROKE PROGRAM DIRECTORSHIP

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
Danbury Hospital

Employer identification number
06-0646597

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Eastern NY Medical Services PC 14 Research Drive Suite 201A Bethel, CT 06810 45-5431389	PHYSICIAN SVC	NY	501(C)(3)	9	WCHN	Yes	
(2) The New Milford Hospital Inc 21 Elm Street New Milford, CT 06776 06-0669121	ACUTE CARE	CT	501(C)(3)	3	WCHN	Yes	
(3) Western CT Medical Group PC 14 Research Drive Suite 201A Bethel, CT 06801 06-1137531	PHYSICIAN SVC	CT	501(C)(3)	9	WCHN	Yes	
(4) Western CT Home Care Inc 4 Liberty Street Danbury, CT 06810 06-0655138	HOME HLTHCARE	CT	501(C)(3)	9	WCHN	Yes	
(5) West CT Health Network Foundation 24 Hospital Avenue Danbury, CT 06810 23-7425557	ADMIN CONTRIB	CT	501(C)(3)	7	WCHN	Yes	
(6) Western CT Health Network Inc 24 Hospital Avenue Danbury, CT 06810 22-2594977	PROGRAM DEVL	CT	501(C)(3)	11, TYPE 2	NA		No
(7) West CT Health Network Affiliates 95 Locust Avenue Danbury, CT 06810 22-2594968	OP HLTHCR SVC	CT	501(C)(3)	9	WCHN	Yes	

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) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Ridgefield Surgical Center LLC 901 Ethan Allen Hwy Suite 105 Ridgefield, CT 06877 22-2594977	INACTIVE	CT	WCHN	N/A				No			No	
(2) New Milford MRI JV LLC 21 Elm Street New Milford, CT 06776 27-1877801	INACTIVE	CT	NMH	N/A				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) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) West CT Health Network Insur Co LTD 23 Lime Tree Bay PO Box 1051 Grand Cayman CJ 98-0438151	MALPRCTICE		DH	C Corp	13,846,966	68,029,592	100 000 %	Yes	
(2) Medical Services of Danbury 24 Hospital Avenue Danbury, CT 06811 06-1635945	Healthcare	CT	WCMG	C Corp				Yes	
(3) Foundation for Comm Healthcare 95 Locust Avenue Danbury, CT 06810 06-1437131	INACTIVE	CT	WCHN	C Corp				Yes	
(4) Business Systems Inc 95 Locust Avenue Danbury, CT 06810 06-1119262	PHARMACY	CT	WCHN	C Corp				Yes	

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

2

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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: 12000229

Software Version: 2012v2.0

EIN: 06-0646597

Name: Danbury Hospital

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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--> Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
West CT Health Network Insur Co LTD	r	10,503,802	Cost
West CT Health Network Insur Co LTD	q	10,753,691	Cost
West CT Health Network Insur Co LTD	p	13,223,000	Cost
Business Systems Inc	q	2,765,000	Cost
Eastern NY Medical Services PC	r	67,383	Cost
The New Milford Hospital Inc	s	1,286,806	
The New Milford Hospital Inc	r	14,691,438	Cost
The New Milford Hospital Inc	q	17,388,307	Cost
The New Milford Hospital Inc	o	3,668,357	Cost
The New Milford Hospital Inc	l	467,243	Cost
Western CT Medical Group PC	s	622,888	Cost
Western CT Medical Group PC	r	49,997,090	Cost
Western CT Medical Group PC	q	2,170,307	Cost
Western CT Medical Group PC	o	209,589	Cost
Western CT Medical Group PC	m	52,041,883	Cost
Western CT Medical Group PC	l	2,035,013	Cost
Western CT Medical Group PC	a	1,842,891	Cost
Western CT Home Care Inc	r	1,177,528	Cost
Western CT Home Care Inc	q	1,275,802	Cost
West CT Health Network Foundation	r	2,750,738	Cost
West CT Health Network Foundation	q	6,797,439	Cost
West CT Health Network Foundation	k	56,258	Cost
West CT Health Network Foundation	c	10,129,901	Cost
West CT Health Network Foundation	a	77,528	Cost
West CT Health Network Affiliates	r	6,618,926	Cost

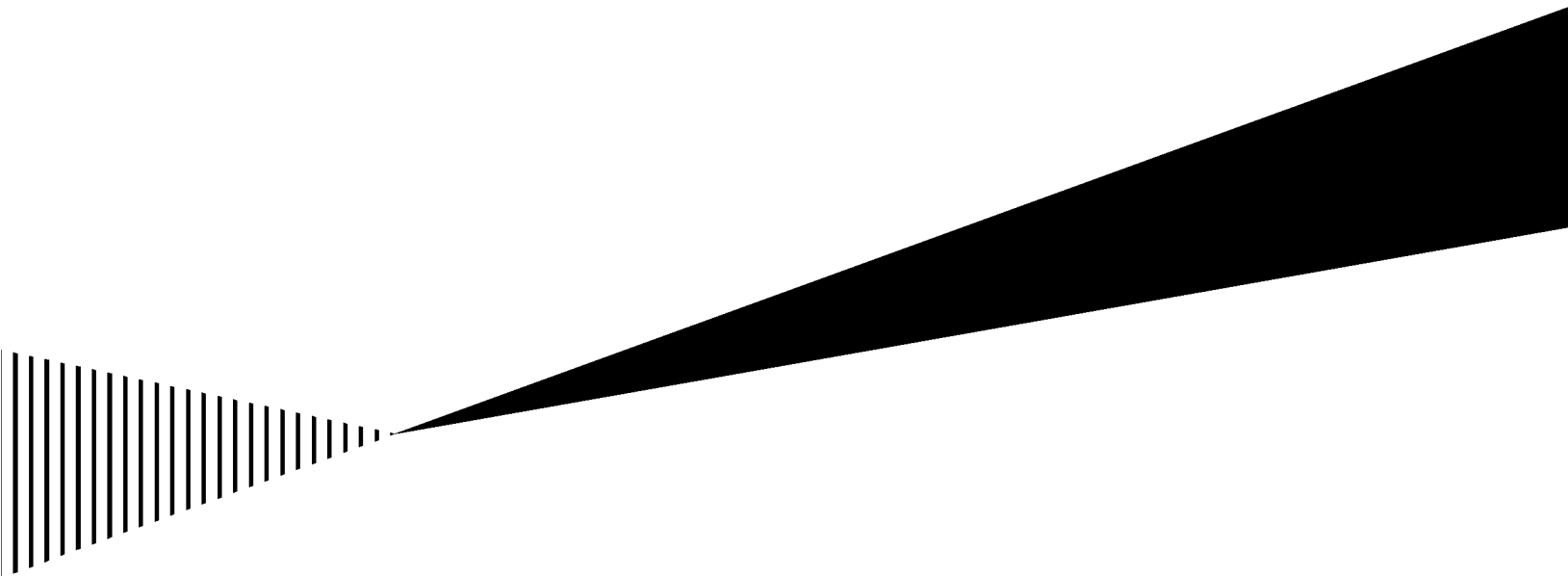
Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
West CT Health Network Affiliates	q	6,846,443	Cost
West CT Health Network Affiliates	m	467,768	Cost
West CT Health Network Affiliates	l	180,567	Cost
West CT Health Network Affiliates	a	93,470	Cost

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

The Danbury Hospital and Subsidiary
Years Ended September 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP



**Building a better
working world**

The Danbury Hospital and Subsidiary
Audited Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2013 and 2012

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Report of Independent Auditors

Board of Directors
The Danbury Hospital

We have audited the accompanying consolidated financial statements of The Danbury Hospital and Subsidiary, which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations and 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 financial statements in conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Western Connecticut Health Network Insurance Co., Ltd (the Company), a wholly-owned subsidiary, which statements reflect total assets constituting 8% in 2013 and 2012, and total revenues constituting 3% in 2013 and 2% in 2012, of the consolidated totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Company, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Danbury Hospital and Subsidiary at September 30, 2013 and 2012, and the consolidated results of their operations and changes in net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

January 21, 2014

The Danbury Hospital and Subsidiary

Consolidated Balance Sheets

	September 30	
	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 59,531,409	\$ 54,460,115
Current portion of assets limited as to use	4,989,827	900,896
Accounts receivable, less allowance for uncollectible accounts of approximately \$14.833,000 in 2013 and \$12,322,000 in 2012	57,504,970	60,038,935
Current portion of due from related parties	7,022,757	8,730,837
Inventories	9,521,995	9,333,372
Prepaid expenses and other	13,488,041	14,940,018
Total current assets	152,058,999	148,404,173
Assets limited as to use:		
Construction funds	45,694,876	100,552,317
Investments held by WCHNIC	58,410,610	59,508,868
Total noncurrent assets limited as to use	104,105,486	160,061,185
Investments	199,169,615	173,599,412
Other assets	195,559	156,415
Due from related parties	5,739,847	8,172,413
Interest in Western Connecticut Health Network Foundation, Inc	106,193,031	78,906,136
Property, plant and equipment		
Land and land improvements	9,964,052	9,904,877
Buildings and building improvements	293,253,282	286,763,195
Equipment and other	222,804,495	229,444,069
Construction in progress (estimated cost to complete at September 30, 2013 \$57,268,000)	105,866,676	39,100,951
	631,888,505	565,213,092
Less accumulated depreciation	328,300,919	322,977,997
	303,587,286	242,235,095
Bond issuance costs, net	5,099,525	5,436,933
Total assets	\$ 876,149,648	\$ 816,971,762

	September 30	
	2013	2012
Liabilities and net assets		
Current liabilities		
Accounts pay able	\$ 33,744,172	\$ 25,455.839
Pay roll-related accruals	28,385,032	20,868.119
Due to third-party pay ors	8,710,030	9,985.351
Interest pay able	1,706,774	1,624.480
Other accrued expenses	2,933,157	3,553.987
Current portion of long-term debt	2,880,000	1,555.000
Total current liabilities	78,359,165	63,042.776
Self-insurance liabilities	46,380,935	42,317.667
Other long-term liabilities	18,062,437	17,410.220
Long-term debt, less current portion	246,700,000	249,580.000
Total liabilities	389,502,537	372,350.663
Net assets		
Unrestricted	400,930,008	386,002.265
Temporarily restricted	56,603,735	29,794.088
Permanently restricted	29,113,368	28,824.746
Total net assets	486,647,111	444,621.099

Total liabilities and net assets

\$ 876,149,648 \$ 816,971.762

See accompanying notes.

The Danbury Hospital and Subsidiary

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2013	2012
Unrestricted revenues		
Net patient service revenue	\$ 518,977,309	\$ 521,836,000
Provision for bad debt	17,114,070	19,413,218
Net patient service revenue less provision for bad debt	501,863,239	502,422,782
Net assets released from restrictions	5,221,901	3,156,468
Other operating revenues	18,529,750	24,153,997
	525,614,890	529,733,247
Expenses.		
Salaries, benefits and fees	298,251,765	313,980,347
Supplies and other	149,182,119	139,049,312
Insurance	15,709,626	11,680,311
Depreciation and amortization	30,033,213	31,663,499
Interest	3,984,131	4,156,059
	497,160,854	500,529,528
Income from operations	28,454,036	29,203,719
Nonoperating income.		
Investment income, net	4,782,118	1,690,407
Change in unrealized gains and losses on investments	5,199,125	19,910,410
Change in equity interest in unrestricted net assets of the Western Connecticut Health Network Foundation, Inc	206,244	2,571,725
	10,187,487	24,172,542
Excess of revenues over expenses	38,641,523	53,376,261

Continued on next page.

The Danbury Hospital and Subsidiary

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2013	2012
Unrestricted net assets:		
Excess of revenues over expenses (continued)	\$ 38,641,523	\$ 53,376,261
Change in equity interest of the Western Connecticut Health Network Foundation, Inc	(17,618)	575,671
Net assets released from restrictions for property, plant and equipment	4,908,000	4,705,608
Transfers to Western Connecticut Health Network, Inc	(28,604,162)	(4,911,038)
Increase in unrestricted net assets	14,927,743	53,746,502
Temporarily restricted net assets:		
Change in equity interest of the Western Connecticut Health Network Foundation, Inc	26,809,647	2,006,639
Transfers from Western Connecticut Health Network Foundation, Inc	10,129,901	7,862,076
Net assets released from restrictions	(5,221,901)	(3,156,468)
Net assets released from restrictions for property, plant and equipment	(4,908,000)	(4,705,608)
Increase in temporarily restricted net assets	26,809,647	2,006,639
Permanently restricted net assets:		
Change in equity interest of the Western Connecticut Health Network Foundation, Inc	288,622	626,380
Increase in permanently restricted net assets	288,622	626,380
Increase in net assets	42,026,012	56,379,521
Net assets at beginning of year	444,621,099	388,241,578
Net assets at end of year	\$ 486,647,111	\$ 444,621,099

See accompanying notes.

The Danbury Hospital and Subsidiary

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2013	2012
Operating activities		
Increase in net assets	\$ 42,026,012	\$ 56,379,521
Adjustments to reconcile change in net assets to net cash provided by operating activities.		
Depreciation and amortization	30,033,213	31,663,499
Change in unrealized gains and losses on investments	(5,199,125)	(19,910,410)
Increase in equity interest in net assets of the Western Connecticut Health Network Foundation, Inc	(27,286,895)	(5,780,415)
Transfers from the Western Connecticut Health Network Foundation, Inc.	(10,129,901)	(7,862,076)
Transfers to Western Connecticut Health Network, Inc	28,604,162	4,911,038
Provision for bad debt	17,114,070	19,413,218
Increase in other long-term liabilities	652,217	1,762,912
Increase in self-insurance liabilities	4,063,268	3,119,769
Changes in operating assets and liabilities (<i>see Note 11</i>)	635,494	(21,291,185)
Net cash provided by operating activities	<u>80,512,515</u>	<u>62,405,871</u>
Investing activities		
Additions to property, plant and equipment, net	(91,048,296)	(53,613,235)
Increase in due from related parties and transfers to Western Connecticut Health Network, Inc	(24,463,516)	(9,899,245)
Decrease in investments, net and assets limited as to use	31,495,690	14,231,546
Net cash used in investing activities	<u>(84,016,122)</u>	<u>(49,280,934)</u>
Financing activities		
Proceeds of issuance of bonds, net of change in issuance costs	–	40,222,832
Payments of long-term debt	(1,555,000)	(43,360,000)
Transfers from the Western Connecticut Health Network Foundation, Inc	10,129,901	7,862,076
Net cash provided by financing activities	<u>8,574,901</u>	<u>4,724,908</u>
Net increase in cash and cash equivalents	<u>5,071,294</u>	<u>17,849,845</u>
Cash and cash equivalents at beginning of year	<u>54,460,115</u>	<u>36,610,270</u>
Cash and cash equivalents at end of year	<u>\$ 59,531,409</u>	<u>\$ 54,460,115</u>

See accompanying notes.

The Danbury Hospital and Subsidiary
Notes to Consolidated Financial Statements

September 30, 2013

1. Summary of Significant Accounting Policies

Organization and Basis of Presentation

The Danbury Hospital (the Hospital) is a voluntary, nonprofit association incorporated under the General Statutes of the State of Connecticut, and is a wholly owned subsidiary of Western Connecticut Health Network, Inc (the Network). The Board of the Hospital is appointed by Western Connecticut Health Network, Inc.

The accompanying consolidated financial statements include the accounts of the Hospital and the Hospital's wholly owned subsidiary, Western Connecticut Health Network Insurance Co., Ltd. (WCHNIC). All material intercompany transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related footnotes. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

Regulatory Matters

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with maturities of three months or less at date of purchase, other than amounts held in the investment portfolio and assets limited as to use. Cash and cash equivalents are maintained with domestic financial institutions with deposits that exceed federally insured limits. It is the Hospital's policy to monitor the financial strength of these institutions.

Investments

The Hospital's investment portfolio reported in the accompanying consolidated balance sheets is designated as trading, with realized and unrealized gains and losses included in the excess of revenues over expenses.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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

Alternative investments (nontraditional, not-readily-marketable assets), some of which are structured such that the Hospital holds limited partnership interests, are reported based upon net asset value and derived from the application of the equity method of accounting. Individual investment holdings within the alternative investments may, in turn, include investments in both nonmarketable and market-traded securities. Valuations of these investments and, therefore, the Hospital's holdings, may be determined by the investment manager or general partner, and for "fund of funds" investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. The Hospital accounts for these investments using the equity method of accounting and reports its share of the increase or decrease in the funds value as investment gain or loss. The financial statements of the investees are audited annually by independent auditors, although the timing for reporting the results of such audits does not coincide with the Hospital's annual consolidated financial statement reporting.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time frame or purpose. Temporarily restricted net assets primarily consist of contributions restricted for certain health care services. Permanently restricted net assets, which are primarily endowment gifts and assets held in trusts by others, have been restricted by donors and are to be maintained in perpetuity.

Assets Limited as to Use

Assets limited as to use represent assets set aside by the Board of Directors for the purpose of providing for future improvement, expansion and replacement of plant and equipment, assets held by trustees under indenture agreements related to financing activities with the State of Connecticut Health and Educational Facilities Authority (CHEFA), and investments held by WCHNIC. Assets limited as to use are reported at fair value based upon quoted market prices. The portion of amounts required for funding current liabilities is included in current assets.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Patient Accounts Receivable

Patient accounts receivable result from the health care services provided by the Hospital. Additions to the allowance for uncollectible accounts result from the provision for bad debt. Accounts written off as uncollectible are deducted from the allowance for uncollectible accounts.

The Hospital's estimation of the allowance for uncollectible accounts is based primarily upon the type and age of the patient accounts receivable and the effectiveness of the Hospital's collection efforts. The Hospital's policy is to reserve a portion of all self-pay receivables, including amounts due from the uninsured and amounts related to co-payments and deductibles, as these charges are recorded. On a monthly basis, the Hospital reviews its accounts receivable balances and various analytics to support the basis for its estimates. These efforts primarily consist of reviewing the following:

- Historical write-off and collection experience using a hindsight or look-back approach,
- Revenue and volume trends by payor, particularly the self-pay components,
- Changes in the aging and payor mix of accounts receivable, including increased focus on accounts due from the uninsured and accounts that represent co-payments and deductibles due from patients,
- Cash collections as a percentage of net patient revenue less the provision for bad debt, and
- Trending of days revenue in accounts receivable.

The Hospital regularly performs hindsight procedures to evaluate historical write-off and collection experience throughout the year to assist in determining the reasonableness of its process for estimating the allowance for uncollectible accounts.

The Hospital's primary concentration of credit risk is patient accounts receivable, which consists of amounts owed by various governmental agencies, insurance companies and private patients. The Hospital manages the receivables by regularly reviewing its patient accounts and contracts, and by providing appropriate allowances for uncollectible amounts. Significant concentrations of gross patient accounts receivable include 32% and 13%, and 30% and 14%, for Medicare and Medicaid, respectively, at September 30, 2013 and 2012, respectively.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The Hospital provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives. The useful lives range from 1 to 40 years.

Conditional asset retirement obligations amounted to \$377,224 and \$396,262 as of September 30, 2013 and 2012, respectively. These obligations are recorded in other long-term liabilities in the accompanying consolidated balance sheets. There are no assets that are legally restricted for purposes of settling asset retirement obligations. During 2013 and 2012, retirement obligations incurred and settled were minimal.

Bond Issuance Costs

Premium discounts and deferred costs related to the issuance of bonds are amortized over the period the obligation is outstanding, using the bonds outstanding method. Accumulated amortization of discounts and deferred costs was \$1,019,449 and \$713,854 at September 30, 2013 and 2012, respectively.

Inventories

The Hospital uses the first in, first out method, in the valuation of its inventory.

Excess of Revenues over Expenses

The consolidated statements of operations and changes in net assets include the excess of revenues over expenses as the performance indicator. Changes in unrestricted net assets, which are excluded from the excess of revenues over expenses, include permanent transfers of assets to and from affiliates for other than goods and services and changes in the equity interest of the Western Connecticut Health Network Foundation, Inc.

Transactions deemed by management to be ongoing, major or central to the provision of health care services are reported within income from operations.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The carrying value of financial instruments classified as current assets and current liabilities as of September 30, 2013 and 2012 approximate fair value based on current market conditions. The fair values of other financial instruments are disclosed in the respective notes and/or in Note 4.

Pension Plan

The Hospital participates in a noncontributory defined benefit pension plan sponsored by Western Connecticut Health Network, Inc. covering substantially all of its employees. Contributions are made to the plan in amounts sufficient to meet the Employee Retirement Income Security Act's minimum funding requirements. Net periodic pension (income) expense allocated to the Hospital was \$(2,550,276) and \$16,688,567 for 2013 and 2012, respectively. In 2012, the defined benefit pension plan was frozen. As a result of the plan being frozen, the Network established a defined contribution plan for all employees. Pension expense related to the defined contribution plan was \$9,825,094 and \$5,721,897 for fiscal years 2013 and 2012, respectively.

Western Connecticut Health Network, Inc.'s defined benefit pension plan had estimated projected benefit obligations of \$470,766,653 and \$525,237,935 at September 30, 2013 and 2012, respectively, and the fair value of plan assets was \$432,861,058 and \$384,083,218 at September 30, 2013 and 2012, respectively. The discount rate used to determine the benefit obligation was 5.25% and 4.23% at September 30, 2013 and 2012, respectively.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital is also exempt from state and local taxes. WCHNIC is a foreign corporation exempt from U.S. taxation and is not subject to taxes under the Cayman Islands tax concessions law.

At September 30, 2013, the Hospital had net operating loss carryforwards from unrelated business activities of approximately \$44,057,000, which began expiring in 2009. A deferred tax asset for these losses of approximately \$17,622,800 is offset by a corresponding valuation allowance of the same amount due to the uncertainty of utilizing the deferred tax asset in future periods.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Interest in the Western Connecticut Health Network Foundation, Inc.

The interest in the Western Connecticut Health Network Foundation, Inc (WCHNF) represents the Hospital's interest in the net assets of the Western Connecticut Health Network Foundation, Inc and is accounted for in accordance with ASC 958-20, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others* (see Note 10)

Electronic Health Record Incentive Program

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in calendar year 2011 for eligible hospitals and professionals that implement and achieve meaningful use of certified electronic health record (EHR) technology. The Hospital utilizes a grant accounting model to recognize EHR incentive revenues. Under this accounting policy, EHR incentive payments are recognized as revenues when attestation that the EHR meaningful use criteria for the required period of time was demonstrated. Accordingly, the Hospital recognized \$1,832,059 and \$3,630,256 of EHR revenues during its fiscal year ended September 30, 2013 and 2012, comprised of \$271,467 and \$1,096,831 of Medicaid revenues and \$1,560,592 and \$2,533,425 of Medicare revenues in 2013 and 2012, respectively. EHR revenues are included in other operating revenues in the accompanying consolidated statements of operations and changes in net assets.

The Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the federal government or its designee. Additionally, Medicare EHR incentive payments received are subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated.

Reclassifications

Certain 2012 amounts have been reclassified to conform to the 2013 presentation. These reclassifications are not material to the overall consolidated financial statements.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

2. Net Patient Service Revenue and Charity Care

The following summarizes net patient service revenue

	Year Ended September 30	
	2013	2012
Gross patient service revenue	\$ 1,231,890,672	\$ 1,177,078,060
Deductions		
Allowances	699,965,012	641,272,278
Charity care (at charges)	12,948,351	13,969,782
	712,913,363	655,242,060
Net patient service revenue	518,977,309	521,836,000
Provision for bad debt	17,114,070	19,413,218
Net patient service revenue less provision for bad debt	\$ 501,863,239	\$ 502,422,782

During 2013 and 2012, approximately 33% and 7%, and 32% and 7%, respectively, of net patient service revenue was received under the Medicare and Medicaid programs, respectively. 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 it is in compliance with all applicable laws and regulations. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges and per diem payments. Net patient service revenue is affected by the State of Connecticut Disproportionate Share program and is reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments due to ongoing and future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

2. Net Patient Service Revenue and Charity Care (continued)

such audits, reviews and investigations. During 2013 and 2012, the Hospital recorded a (decrease) increase in net patient service revenue of approximately (\$890,000) and \$6,875,000, respectively, related to changes in previously estimated third party payor settlements.

The Hospital has established estimates based on information presently available, of amounts due to or from Medicare, Medicaid and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and Hospital-specific data. Such amounts are included in the accompanying consolidated balance sheets.

Patient service revenue, net of contractual allowances and charity care and before the provision for bad debts, recognized in the period from major payor sources is as follows:

	Year Ended September 30	
	2013	2012
Third-party payors	\$ 497,003,016	\$ 497,896,827
Self-pay patients	21,974,293	23,939,173
	<u>\$ 518,977,309</u>	<u>\$ 521,836,000</u>

It is the policy of the Hospital to provide necessary care to all persons seeking treatment without discrimination on the grounds of age, race, creed, national origin or any other grounds unrelated to an individual's need for the service or the availability of the needed service at the Hospital. A patient is classified as a charity care patient by reference to established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines, but also includes certain cases where incurred charges are significant when compared to a responsible party's income. Those charges are not included in net patient service revenue for financial reporting purposes.

The estimated cost of charity care provided was approximately \$4,954,000 and \$5,700,000 for the years ended September 30, 2013 and 2012, respectively. The estimated cost of charity care is based on the ratio of cost to charges, as determined by hospital specific data.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

3. Investments and Assets Limited as to Use

The composition of investments and assets limited as to use is set forth in the following table:

	September 30	
	2013	2012
Cash and cash equivalents	\$ 8,203,924	\$ 427,998
Money market funds	46,884,703	101,453,213
Common collective funds	88,758,284	67,236,615
Fixed income securities	52,070,347	56,444,462
Mutual funds	94,394,175	91,392,277
Alternative investments (at equity method)	17,953,495	17,606,928
	\$ 308,264,928	\$ 334,561,493

Investment income, net included in non-operating income for the year ended September 30 consists of

	2013	2012
Interest and dividend income	\$ 2,961,745	\$ 1,833,787
Realized gains and losses, net and equity income on alternative investments	1,820,373	(143,380)
	\$ 4,782,118	\$ 1,690,407

4. Fair Values of Financial Instruments

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

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

4. Fair Values of Financial Instruments (continued)

The Hospital follows a valuation hierarchy that is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

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

Financial assets carried at fair value in the accompanying consolidated balance sheets are classified in the table below in one of the three categories described above.

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 59,531,409	\$ —	\$ —	\$ 59,531,409
Investments and assets limited as to use				
Cash and cash equivalents	8,203,924	—	—	8,203,924
Money market funds	46,884,703	—	—	46,884,703
Domestic equity				
Common collective funds	—	70,068,379	—	70,068,379
International equity				
Common collective funds	—	15,744,898	—	15,744,898
Fixed income				
Mutual funds	94,394,175	—	—	94,394,175
Securities	39,965,010	12,105,337	—	52,070,347
Other				
Common collective funds	—	2,945,007	—	2,945,007
	<u>\$ 248,979,221</u>	<u>\$100,863,621</u>	<u>\$ —</u>	<u>\$ 349,842,842</u>

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

4. Fair Values of Financial Instruments (continued)

The amounts reported in the table above do not include alternative investments totaling \$17,953,495 that are accounted for under the equity method of accounting.

	September 30, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 54,460,115	\$ —	\$ —	\$ 54,460,115
Investments and assets limited as to use				
Cash and cash equivalents	427,998	—	—	427,998
Money market funds	101,453,213	—	—	101,453,213
Domestic equity				
Common collective funds	—	46,981,107	—	46,981,107
International equity				
Common collective funds	—	17,531,854	—	17,531,854
Fixed income				
Mutual funds	91,392,277	—	—	91,392,277
Securities	40,392,934	16,051,528	—	56,444,462
Other				
Common collective funds	—	2,723,654	—	2,723,654
	<u>\$ 288,126,537</u>	<u>\$ 83,288,143</u>	<u>\$ —</u>	<u>\$ 371,414,680</u>

The amounts reported in the table above do not include alternative investments totaling \$17,606,928 that are accounted for under the equity method of accounting

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based upon model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers. Many of the investments categorized in Level 2 consist of shares or units in investment funds, as opposed to direct interests in the funds' underlying holdings, which may be marketable.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt and Credit Facility

Long-term debt consisted of the following

	September 30	
	2013	2012
Hospital revenue bonds financed with CHEFA Series H	\$ 39,615,000	\$ 39,615,000
Intercompany debt with Western Connecticut Health Network, Inc	209,965,000	211,520,000
	249,580,000	251,135,000
Less current portion	2,880,000	1,555,000
	\$ 246,700,000	\$ 249,580,000

The following is a summary of the combined aggregate amount of maturities and sinking fund requirements of the aforementioned obligations at September 30, 2013 according to their long-term amortization schedule.

2014	\$ 2,880,000
2015	4,925,000
2016	5,485,000
2017	5,700,000
2018	5,930,000
Thereafter	224,660,000
	\$ 249,580,000

The fair value of the Hospital's long-term debt as determined by the Hospital's investment advisor using a discounted cash flow analysis was approximately \$250,296,000 and \$263,780,000 at September 30, 2013 and 2012, respectively. These fair values are categorized as Level 2 in the fair value hierarchy described in Note 4. The Hospital paid interest of \$7,661,698 and \$8,210,188 in 2013 and 2012, respectively. The Hospital has capitalized interest of approximately \$3,760,000 and \$3,746,000 in September 30, 2013 and 2012, respectively. Debt service funds held under bond indenture agreements for Series H Bonds and Series N Bonds were \$1,189,827 and \$900,896 at September 30, 2013 and 2012, respectively.

The Danbury Hospital and Subsidiary
Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt and Credit Facility (continued)

The Series H revenue bonds (Series H Bonds) mature from 2030 through 2036 at an average coupon rate of 4.425%. The proceeds of the Series H Bonds were used for the construction, renovation and equipping of an outpatient diagnostic building with approximately 28,000 square feet of medical office space, a 381-space parking garage, a 264-space surface parking lot and to fund capitalized interest. The scheduled payment of principal and interest on the Series H Bonds when due is guaranteed by an insurance policy issued by a commercial insurer.

Under the terms of the Series H Bonds financing arrangements between the Hospital and the Western Connecticut Health Network Foundation, Inc. (the Obligated Group) and CHEFA, the proceeds of the revenue bonds were loaned to the Hospital. The Hospital is obligated to provide amounts sufficient to pay the principal and interest due on the Series H Bonds. The Master Indentures and Supplemental Master Indentures provide for the potential establishment and maintenance of a Debt Service Reserve Fund and a pledge of gross receipts, as defined. The Master Indentures also establish a debt service coverage ratio requirement and restricts the incurrence of certain indebtedness by the Obligated Group. No violations of financial covenants existed as of September 30, 2013 or 2012.

Western Connecticut Health Network, Inc. holds four series of bonds. In 2011, the Obligated Group was expanded to include Western Connecticut Health Network, Inc., New Milford Hospital, New Milford Hospital Foundation, Inc. and Western Connecticut Medical Group, P.C. In 2013, New Milford Hospital Foundation, Inc. was dissolved. All proceeds from the bonds were used to finance Hospital capital projects. All members of the Obligated Group are jointly and severally liable under the Master Indenture to make all payments required with respect to obligations under the Master Indenture. The bonds are reflected as intercompany debt in the schedule above, and include:

The Series K 2011 revenue bonds (Series K Bonds) were issued in the amount of \$33,035,000. The Series K Bonds bear interest at the bank purchase rate (1.410% and 1.446% at September 30, 2013 and 2012, respectively) and mature serially from September 30, 2011 to September 30, 2036.

The Series M 2011 revenue bonds (Series M Bonds) were issued in the aggregate principle of \$46,030,000, with interest payable initially on January 1, 2012 and semiannually on each January 1 and July 1 thereafter. The Series M Bonds bear interest at rates ranging from 5.000% to 5.375% and are scheduled to mature from July 1, 2031 to July 1, 2041. The Series M Bonds are also subject to annual sinking fund installments commencing in 2024 through

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt and Credit Facility (continued)

scheduled maturity The Series L 2011 Revenue Bonds (Series L Bonds) of \$96,000,000 were issued concurrently with Series M Bonds and are subject to annual sinking fund installments commencing July 1, 2015 and continuing through final maturity on July 1, 2041 The Series L Bonds bear interest at the bank purchase rate (1 319% and 1 355% at September 30, 2013 and 2012, respectively) The proceeds of the Series L Bonds and Series M Bonds are being used for funding the planning, design, acquisition, construction, equipping and furnishing of the Hospital's new patient tower, expansion of a parking garage, capital improvements and to fund capitalized interest

In 2012, Western Connecticut Health Network, Inc issued Series N Bonds in the amount of \$39,880,000 and bear interest at rates between 3% and 5% The Series N Bonds mature serially from July 1, 2014 to July 1, 2029 The proceeds of the Series N Bonds were used to refund the Hospital's Series G Bonds

6. Commitments and Contingencies

Litigation

Malpractice claims have been asserted against the Hospital by various claimants The claims are in various stages of processing and some may ultimately be brought to trial In addition, the Hospital is a party to various lawsuits incidental to its business Management believes that the claims and lawsuits will not have a material adverse effect on the Hospital's financial position

Workers' Compensation Insurance

The Hospital is self-insured for workers' compensation benefits Liabilities of \$6,468,000 and \$6,268,000, using a discount rate of 5 6%, have been accrued as of September 30, 2013 and 2012, respectively, based on expected future payments pertaining to such years

Operating Leases

The Hospital has several operating lease agreements for certain real estate and equipment Certain of these leases have renewal options for periods up to five years and escalation clauses Rent is payable in equal monthly installments Rent expense was \$7,987,900 and \$7,062,202 for the years ended September 30, 2013 and 2012, respectively

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

6. Commitments and Contingencies (continued)

The future minimum lease payments are as follows

2014	\$ 7,468,819
2015	5,966,862
2016	5,477,477
2017	5,377,239
2018	5,136,710
Thereafter	12,768,505
	<u>\$ 42,195,612</u>

7. Related Party Transactions

The Hospital has recorded amounts due from (to) related parties as follows

	September 30	
	2013	2012
Western Connecticut Health Network Affiliates, Inc	\$ 240,591	\$ 627,583
The New Milford Hospital, Inc	8,136,248	8,258,912
Business Systems, Inc	(8,466)	2,740,137
Western Connecticut Health Network Foundation, Inc	660,932	463,421
Western Connecticut Home Care, Inc	303,991	346,733
Western Connecticut Health Network, Inc	141,178	—
Western Connecticut Medical Group, P C	3,288,130	4,466,464
	<u>\$ 12,762,604</u>	<u>\$ 16,903,250</u>

The Hospital earned income from related parties as follows

	Year Ended September 30	
	2013	2012
Western Connecticut Health Network Affiliates, Inc	\$ 93,470	\$ 138,352
Western Connecticut Medical Group, P C	1,842,891	1,988,697
Western Connecticut Health Network Foundation, Inc	77,528	75,269
The New Milford Hospital, Inc	283,094	609,784
Business Systems, Inc	—	198,257
	<u>\$ 2,296,983</u>	<u>\$ 3,010,359</u>

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

7. Related Party Transactions (continued)

Western Connecticut Medical Group, P C (WCMG) is a tax exempt professional corporation which provides medical services to the Hospital. Charges for physician services provided to the Hospital by WCMG were \$51,824,177 and \$49,768,640 for the years ended September 30, 2013 and 2012, respectively.

In 2013 and 2012, respectively, the Hospital transferred net assets of \$28,604,162 and \$4,911,038 to Western Connecticut Health Network, Inc relating to funding the Hospital made to the defined benefit pension plan, and benefits paid on their behalf

In 2013 and 2012, respectively, WCHNF transferred net assets of \$10,129,901 and \$7,862,076 to the Hospital relating to restricted funds appropriated for spending

8. Professional Liability Self-Insurance

Effective October 1, 2004, the Hospital formed a captive insurance company, WCHNIC, domiciled in the Cayman Islands, to provide alternative professional liability insurance to the Hospital, New Milford Hospital, as of October 1, 2010, and WCMG, as well as providing community doctors with a competitive professional liability insurance option

Coverage for medical malpractice insurance is on a claims-made basis. The coverage limits are \$5,000,000 per claim and \$25,000,000 in the aggregate. The excess indemnity coverage is \$25,000,000 per claim and \$25,000,000 in the aggregate. The Hospital has recorded a liability of \$9,596,000 and \$9,049,000 at September 30, 2013 and 2012, respectively, based on a discount rate of 3.5% for incurred-but-not-reported claims, which is included in other long-term liabilities on the accompanying consolidated balance sheets.

Assets held by WCHNIC approximate \$68,030,000 and \$65,788,000 as of September 30, 2013 and 2012, respectively, of which a majority is reflected as assets limited as to use in the accompanying consolidated balance sheets. Total liabilities recorded by WCHNIC approximate \$46,411,000 and \$42,543,000 as of September 30, 2013 and 2012, respectively, of which a majority is reflected as self-insurance liabilities in the accompanying consolidated balance sheets.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

8. Professional Liability Self-Insurance (continued)

The reserve for losses and loss adjustment expenses for WCHNIC are included in self-insurance liabilities in the accompanying consolidated balance sheets. Activity in the reserve for losses and loss adjustment expenses for the years ended September 30, 2013 and 2012 is summarized as follows:

	2013	2012
Balance at beginning of year	\$ 39,513,628	\$ 35,675,566
Incurred related to:		
Current period	9,715,410	7,922,650
Prior period	4,608,067	960,245
Total incurred	14,323,477	8,882,895
Paid related to:		
Current period	(60,267)	(21,742)
Prior period	(7,482,318)	(5,023,091)
Total paid	(7,542,585)	(5,044,833)
Net provision for losses and loss adjustment expenses	\$ 46,294,520	\$ 39,513,628

Accounting Standards Codification 944, *Financial Services – Insurance*, requires the application of deposit accounting for any policies or agreements that do not transfer insurance risk. To the extent that an insurance contract or a reinsurance contract does not, despite its form, provide for indemnification of the insured or the ceding company by the insurer or reinsurer against loss or liability, the premium paid less the amount of the premium to be retained by the insurer or reinsurer shall be accounted for as a deposit by the insurer or ceding company. Accordingly, a portion of WCHNIC's activity is recorded using deposit accounting on the Hospital's consolidated balance sheets.

Activity in the deposit liability for the years ended September 30, 2013 and 2012, included in self-insurance liabilities on the consolidated balance sheets, is summarized as follows:

	2013	2012
Balance at beginning of year	\$ 2,635,432	\$ 3,355,509
Losses paid	(2,100,972)	(1,657,800)
(Loss) gain on deposit liability transferred to statement of income	(534,460)	937,723
Balance at end of year	\$ —	\$ 2,635,432

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

8. Professional Liability Self-Insurance (continued)

Also included in self-insurance liabilities as of September 30, 2013 and 2012 are unearned premiums of \$86,415 and \$168,607, respectively.

The actuary estimated the liability for unpaid losses based on industry data, as well as entity-specific data. Management considers the liability to be adequate as of September 30, 2013 and 2012, however, no assurance can be given that the ultimate settlement of losses may not vary materially from the liability recorded. Future adjustments to the amounts recorded resulting from the continual review process, as well as differences between estimates and ultimate payments, will be reflected in the consolidated statements of operations and changes in net assets of future years when such adjustments, if any, become known.

9. Net Assets

Temporarily restricted net assets of \$56,603,735 and \$29,794,088 as of September 30, 2013 and 2012, respectively, are available to the Hospital for health care services. Permanently restricted net assets total \$29,113,368 and \$28,824,746 as of September 30, 2013 and 2012, respectively, and are investments to be held in perpetuity, the income from which is expendable to support health care services. The change in temporarily restricted net assets is mainly due to an unconditional pledge received by WCHNF of approximately \$30 million during fiscal year 2013.

10. Endowments

The WCHNF endowment consists of approximately 32 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported in the accompanying consolidated balance sheets based on the existence or absence of donor-imposed restrictions.

Leadership of WCHNF has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WCHNF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time of the

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

10. Endowments (continued)

accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, WCHNF considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

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

WCHNF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that WCHNF must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds. Under this policy, as approved by the Western Connecticut Health Network, Inc.'s Board of Directors, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% over the long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, WCHNF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). WCHNF targets a diversified asset allocation to achieve its long-term objective within prudent risk constraints. Each year, the WCHNF Board of Directors will approve an endowment and similar fund spending rate. The objectives of the portfolio are the enhancement of capital and real purchasing power while limiting exposure to risk of loss. The endowment spending rate will be calculated on the 13 quarter trailing average market value of each portfolio as of the prior May 31. The computed value may be adjusted for large contributions, withdrawals or market value swings as necessary. A default spending cap on appreciation of seven percent in any given year is currently in effect. The WCHNF Board abides by these regulations and will adjust this rate accordingly.

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

10. Endowments (continued)

Endowment net asset composition by type of fund as of September 30, 2013, consisted of the following.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ —	\$ 15,272,502	\$ 25,789,214	\$ 41,061,716
Board-designated endowment funds	9,114,504	—	—	9,114,504
Endowment net assets at end of year	<u>\$ 9,114,504</u>	<u>\$ 15,272,502</u>	<u>\$ 25,789,214</u>	<u>\$ 50,176,220</u>

Changes in endowment funds for the fiscal year ended September 30, 2013, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of the year	\$ 8,357,137	\$ 13,820,607	\$ 25,696,434	\$ 47,874,178
Investment return				
Investment income, net	658,488	2,955,473	—	3,613,961
Change in unrealized gains and losses	98,879	409,998	—	508,877
Total investment return	<u>757,367</u>	<u>3,365,471</u>	<u>—</u>	<u>4,122,838</u>
Contributions	—	299,260	167,635	466,895
Appropriation of endowment assets for expenditures	—	(2,148,914)	(138,777)	(2,287,691)
Other changes				
Transfers to permanently restricted endowment	—	(63,922)	63,922	—
Endowment net assets at end of year	<u>\$ 9,114,504</u>	<u>\$ 15,272,502</u>	<u>\$ 25,789,214</u>	<u>\$ 50,176,220</u>

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

10. Endowments (continued)

Endowment net asset composition by type of fund as of September 30, 2012, consisted of the following.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ —	\$ 13,820,607	\$ 25,696,434	\$ 39,517,041
Board-designated endowment funds	8,357,137	—	—	8,357,137
Endowment net assets at end of year	<u>\$ 8,357,137</u>	<u>\$ 13,820,607</u>	<u>\$ 25,696,434</u>	<u>\$ 47,874,178</u>

Changes in endowment funds for the fiscal year ended September 30, 2012, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of the year	\$ 7,218,125	\$ 14,345,583	\$ 25,445,909	\$ 47,009,617
Investment return			—	
Investment income, net	210,135	1,000,507		1,210,642
Change in unrealized gains and losses	928,877	4,578,012	—	5,506,889
Total investment return	<u>1,139,012</u>	<u>5,578,519</u>	<u>—</u>	<u>6,717,531</u>
Contributions	—	266,310	115,180	381,490
Net asset reclassification - net change in loss on endowments	—	(28,482)	—	(28,482)
Appropriation of endowment assets for expenditures	—	(6,205,978)	—	(6,205,978)
Other changes				
Transfers to permanently restricted endowment	—	(135,345)	135,345	—
Endowment net assets at end of year	<u>\$ 8,357,137</u>	<u>\$ 13,820,607</u>	<u>\$ 25,696,434</u>	<u>\$ 47,874,178</u>

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

10. Endowments (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowments funds may fall below the level fund of the corpus that UPMIFA requires WCHNF to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. There was no deficiencies of this nature which were reported in unrestricted net assets for 2013 or 2012.

Also included within permanently restricted net assets is \$3,324,154 and \$3,378,837 of beneficial interests in trusts held by others as of September 30, 2013 and 2012, respectively.

11. Changes in Components of Working Capital Other Than Cash and Cash Equivalents

	Year Ended September 30	
	2013	2012
(Increase) decrease in operating assets:		
Accounts receivable, net	\$ (14,580,105)	\$ (26,138,625)
Inventories	(188,623)	(479,406)
Prepaid expenses and other	1,412,833	447,826
	<u>(13,355,895)</u>	<u>(26,170,205)</u>
Increase (decrease) in operating liabilities:		
Accounts payable	8,288,333	(1,907,332)
Interest payable	82,294	(179,203)
Payroll-related accruals	7,516,913	8,604,560
Due to third-party payors	(1,275,321)	(1,122,196)
Other accrued expenses	(620,830)	(516,809)
	<u>13,991,389</u>	<u>4,879,020</u>
Change in working capital other than cash and cash equivalents	<u>\$ 635,494</u>	<u>\$ (21,291,185)</u>

The Danbury Hospital and Subsidiary

Notes to Consolidated Financial Statements (continued)

12. Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows.

	Year Ended September 30	
	2013	2012
Health care services	\$ 414,765,513	\$ 421,646,074
General and administrative	82,395,341	78,883,454
	<u>\$ 497,160,854</u>	<u>\$ 500,529,528</u>

13. Subsequent Events

Subsequent events have been evaluated through January 21, 2014, which represents the date the consolidated financial statements were issued.

No events have occurred that require disclosure in or adjustment to the consolidated financial statements.



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Report of Independent Auditors on Supplementary Information

Board of Directors
The Danbury Hospital

We have audited the consolidated financial statements of The Danbury Hospital and Subsidiary (the Hospital) as of and for the years ended September 30, 2013 and 2012, and have issued our report thereon dated January 21, 2014, which contained an unqualified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheets and statements of operations are presented for the purposes of additional analysis and are 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 information has been subjected to the auditing procedures applied in the audits 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. In our opinion, based on our audits and the report of other auditors, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

January 21, 2014

The Danbury Hospital and Subsidiary

Consolidating Balance Sheets

	September 30, 2013				September 30, 2012			
	The Danbury Hospital	Western Connecticut Health Network Insurance Co., Ltd	Adjustments and Eliminations	Total	The Danbury Hospital	Western Connecticut Health Network Insurance Co., Ltd	Adjustments and Eliminations	Total
Assets								
Current assets								
Cash and cash equivalents	\$ 58,568,767	\$ 962,642	\$ —	\$ 59,531,409	\$ 53,518,078	\$ 942,037	\$ —	\$ 54,460,115
Current portion of assets limited as to use	1,189,827	3,800,000	—	4,989,827	900,896	—	—	900,896
Accounts receivable less allowance for uncollectible accounts of \$14,833,000 in 2013 and \$12,322,000 in 2012	57,504,970	—	—	57,504,970	60,038,935	—	—	60,038,935
Current portion of due from related parties	7,036,124	—	(13,367)	7,022,757	8,994,093	—	(263,256)	8,730,837
Inventories	9,521,995	—	—	9,521,995	9,333,372	—	—	9,333,372
Prepaid expenses and other	8,631,701	4,856,340	—	13,488,041	9,603,409	5,336,609	—	14,940,018
Total current assets	142,453,384	9,618,982	(13,367)	152,058,999	142,388,783	6,278,646	(263,256)	148,404,173
Assets limited as to use								
Construction funds	45,694,876	—	—	45,694,876	100,552,317	—	—	100,552,317
Investments held by WCHNHC	—	58,410,610	—	58,410,610	—	59,508,868	—	59,508,868
Total noncurrent assets limited as to use	45,694,876	58,410,610	—	104,105,486	100,552,317	59,508,868	—	160,061,185
Investments	199,169,615	—	—	199,169,615	173,599,412	—	—	173,599,412
Other assets	195,559	—	—	195,559	156,415	—	—	156,415
Due from related parties	5,739,847	—	—	5,739,847	8,172,413	—	—	8,172,413
Investment in Western Connecticut Health Network Insurance Co., Ltd	21,618,215	—	(21,618,215)	—	23,244,364	—	(23,244,364)	—
Interest in Western Connecticut Health Network Foundation, Inc.	106,193,031	—	—	106,193,031	78,906,136	—	—	78,906,136
Property, plant and equipment								
Land and land improvements	9,964,052	—	—	9,964,052	9,904,877	—	—	9,904,877
Buildings and building improvements	293,253,282	—	—	293,253,282	286,763,195	—	—	286,763,195
Equipment and other	222,804,495	—	—	222,804,495	229,444,069	—	—	229,444,069
Construction in progress (estimated cost to complete at September 30, 2013: \$57,268,000)	105,866,676	—	—	105,866,676	39,100,951	—	—	39,100,951
	631,888,505	—	—	631,888,505	565,213,092	—	—	565,213,092
Less accumulated depreciation	328,300,919	—	—	328,300,919	322,977,997	—	—	322,977,997
	303,587,586	—	—	303,587,586	242,235,095	—	—	242,235,095
Bond issuance costs, net	5,099,525	—	—	5,099,525	5,436,933	—	—	5,436,933
Total assets	\$ 829,751,638	\$ 68,029,592	\$ (21,631,582)	\$ 876,149,648	\$ 774,691,868	\$ 65,787,514	\$ (23,507,620)	\$ 816,971,762

Continued on next page

The Danbury Hospital and Subsidiary
Consolidating Balance Sheets (continued)

	September 30, 2013				September 30, 2012			
	The Danbury Hospital	Western Connecticut Health Network Insurance Co., Ltd.	Adjustments and Eliminations	Total	The Danbury Hospital	Western Connecticut Health Network Insurance Co., Ltd.	Adjustments and Eliminations	Total
Liabilities and net assets								
Current liabilities								
Accounts payable	\$ 33,727,097	\$ 17,075	\$ —	\$ 33,744,172	\$ 25,493,612	\$ (37,773)	\$ —	\$ 25,455,839
Payroll-related accruals	28,385,032	—	—	28,385,032	20,868,119	—	—	20,868,119
Due to affiliates	—	13,367	(13,367)	—	—	263,256	(263,256)	—
Due to third-party payors	8,710,030	—	—	8,710,030	9,985,351	—	—	9,985,351
Interest payable	1,706,774	—	—	1,706,774	1,624,480	—	—	1,624,480
Other accrued expenses	2,933,157	—	—	2,933,157	3,553,987	—	—	3,553,987
Current portion of long-term debt	2,880,000	—	—	2,880,000	1,555,000	—	—	1,555,000
Total current liabilities	78,342,090	30,442	(13,367)	78,359,165	63,080,549	225,483	(263,256)	63,042,776
Self-insurance liabilities	—	46,380,935	—	46,380,935	—	42,317,667	—	42,317,667
Other long-term liabilities	18,062,437	—	—	18,062,437	17,410,220	—	—	17,410,220
Long-term debt, less current portion	246,700,000	—	—	246,700,000	249,580,000	—	—	249,580,000
Total liabilities	343,104,527	46,411,377	(13,367)	389,502,537	330,070,769	42,543,150	(263,256)	372,350,663
Net assets								
Share capital	—	12,000	(12,000)	—	—	12,000	(12,000)	—
Additional paid in capital	—	8,663,332	(8,663,332)	—	—	8,663,333	(8,663,333)	—
Unrestricted	400,930,008	12,942,883	(12,942,883)	400,930,008	386,002,265	14,569,031	(14,569,031)	386,002,265
Temporarily restricted	56,603,735	—	—	56,603,735	29,794,088	—	—	29,794,088
Permanently restricted	29,113,368	—	—	29,113,368	28,824,746	—	—	28,824,746
Total net assets	486,647,111	21,618,215	(21,618,215)	486,647,111	444,621,099	23,244,364	(23,244,364)	444,621,099
Total liabilities and net assets	\$ 829,751,638	\$ 68,029,592	\$ (21,631,582)	\$ 876,149,648	\$ 774,691,868	\$ 65,787,514	\$ (23,507,620)	\$ 816,971,762

The Danbury Hospital and Subsidiary
Consolidating Statements of Operations and Changes in Net Assets

	Year Ended September 30, 2013				Year Ended September 30, 2012			
	The Danbury Hospital	Western Connecticut Health Network Insurance Co., Ltd	Adjustments and Eliminations	Total	The Danbury Hospital	Western Connecticut Health Network Insurance Co., Ltd	Adjustments and Eliminations	Total
Unrestricted revenues								
Net patient service revenue	\$ 518,977,309	\$ —	\$ —	\$ 518,977,309	\$ 521,836,000	\$ —	\$ —	\$ 521,836,000
Provision for bad debt	17,114,070	—	—	17,114,070	19,413,218	—	—	19,413,218
Net patient service revenue less provision for bad debt	501,863,239	—	—	501,863,239	502,422,782	—	—	502,422,782
Net assets released from restriction	5,221,901	—	—	5,221,901	3,156,468	—	—	3,156,468
Other operating revenues	10,038,904	13,846,966	(5,356,120)	18,529,750	18,970,115	11,982,398	(6,798,516)	24,153,997
	517,124,044	13,846,966	(5,356,120)	525,614,890	524,549,365	11,982,398	(6,798,516)	529,733,247
Expenses								
Salaries, benefits and fees	298,251,765	—	—	298,251,765	313,980,347	—	—	313,980,347
Supplies and other	154,299,479	238,760	(5,356,120)	149,182,119	145,584,073	263,755	(6,798,516)	139,049,312
Insurance	—	15,709,626	—	15,709,626	—	11,680,311	—	11,680,311
Depreciation and amortization	30,033,213	—	—	30,033,213	31,663,499	—	—	31,663,499
Interest	3,984,131	—	—	3,984,131	4,156,059	—	—	4,156,059
	486,568,588	15,948,386	(5,356,120)	497,160,854	495,383,978	11,944,066	(6,798,516)	500,529,528
Income (loss) from operations	30,555,456	(2,101,420)	—	28,454,036	29,165,387	38,332	—	29,203,719
Nonoperating income (loss)								
Investment income, net	4,782,118	—	—	4,782,118	1,690,407	—	—	1,690,407
Change in unrealized gains and losses on investments	5,199,125	475,271	(475,271)	5,199,125	19,910,410	6,005,908	(6,005,908)	19,910,410
Change in equity interest in unrestricted net assets of the Western Connecticut Health Network Foundation, Inc.	206,244	—	—	206,244	2,571,725	—	—	2,571,725
Change in investment in WCHNIC	(2,101,420)	—	2,101,420	—	38,332	—	(38,332)	—
	8,086,067	475,271	1,626,149	10,187,487	24,210,874	6,005,908	(6,044,240)	24,172,542
Excess (deficiency) of revenues over expenses	\$ 38,641,523	\$ (1,626,149)	\$ 1,626,149	\$ 38,641,523	\$ 53,376,261	\$ 6,044,240	\$ (6,044,240)	\$ 53,376,261

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