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Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b> <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	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>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization THE CHARLOTTE HUNGERFORD HOSPITAL		<b>D</b> Employer identification number  06-0646678
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 540 LITCHFIELD STREET PO BOX 988	Room/suite	<b>E</b> Telephone number  (860) 496-6728
	City or town, state or country, and ZIP + 4 TORRINGTON, CT 067900988		<b>G</b> Gross receipts \$ 132,715,050
	<b>F</b> Name and address of principal officer SUSAN M SCHAPP 540 LITCHFIELD STREET PO BOX 988 TORRINGTON, CT 067900988		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)  <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (Insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ WWW.CHARLOTTEHUNGERFORD.ORG			

## Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROVIDE QUALITY, COMPASSIONATE AND COST EFFECTIVE HEALTHCARE TO THE COMMUNITY OF NORTHWESTERN CONNECTICUT		
	2 Check this box <input type="checkbox"/> 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	16
	4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4	14
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) . . . . .	5	1,194
	6 Total number of volunteers (estimate if necessary) . . . . .	6	185
	7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a	1,212,838
7b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b	-191,695	
Revenue	8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year 2,991,772	Current Year 3,015,379
	9 Program service revenue (Part VIII, line 2g) . . . . .	118,802,100	122,017,519
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	2,267,570	2,463,648
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	620,288	381,719
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	124,681,730	127,878,265
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . .	12,000
14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		72,583,360	75,560,164
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .		0	0
b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 341,307			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .		49,361,413	49,401,846
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		121,956,773	124,974,010
19 Revenue less expenses Subtract line 18 from line 12 . . . . .		2,724,957	2,904,255
Net Assets or Fund Balances		Beginning of Current Year	
	20 Total assets (Part X, line 16) . . . . .	126,686,772	132,607,623
	21 Total liabilities (Part X, line 26) . . . . .	64,748,035	47,910,218
	22 Net assets or fund balances Subtract line 21 from line 20 . . . . .	61,938,737	84,697,405

## 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.

<b>Sign Here</b>	***** Signature of officer			2014-08-05 Date	
	SUSAN M SCHAPP VP FINANCE/TREASURER Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name RICHARD BUGGY		Preparer's signature		Date
	Firm's name ▶ SASLOW LUFKIN & BUGGY LLP			Check <input type="checkbox"/> if self-employed	PTIN P00512316
	Firm's address ▶ 175 POWDER FOREST DRIVE SIMSBURY, CT 06089			Phone no (860) 678-9200	

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

Part III

Statement of Program Service Accomplishments

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

☐

1

Briefly describe the organization's mission

THE CHARLOTTE HUNGERFORD HOSPITAL PROVIDES QUALITY MEDICAL HEALTHCARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE, OR ABILITY TO PAY OUR MISSION IS TO SERVE THE COMMUNITY WITH RESPECT TO PROVIDING HEALTHCARE SERVICES AND HEALTHCARE EDUCATION IN KEEPING WITH THE HOSPITAL'S COMMITMENT TO SERVE ALL MEMBERS OF THE COMMUNITY, FREE CARE AND/OR SUBSIDIZED CARE, CARE PROVIDED TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST, HEALTH ACTIVITIES AND PROGRAMS TO SUPPORT THE COMMUNITY WILL BE CONSIDERED WHERE THE NEED AND/OR AN INDIVIDUAL'S INABILITY TO PAY COEXIST THESE ACTIVITIES INCLUDE WELLNESS PROGRAMS, COMMUNITY EDUCATION PROGRAMS, SPECIAL PROGAMS FOR THE ELDERLY, HANDICAPPED, THE MEDICALLY UNDERSERVED AND A VARIETY OF BROAD COMMUNITY SUPPORT ACTIVITIES

2

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

☐ Yes ☒ No

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

3

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

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

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

4a

(Code ) (Expenses \$ 110,539,750 including grants of \$ 12,000 ) (Revenue \$ 120,909,002 )

DURING FY 2013 THE HOSPITAL CONTRIBUTED OVER 18,000 HOURS TOWARD THE COMMON PURPOSE OF SERVICING THE HEALTHCARE NEEDS OF THE COMMUNITY THE VALUE OF THIS CONTRIBUTION IS APPROXIMATELY \$145,000, WHICH IS GIVEN BACK TO THE COMMUNITY THROUGH LOWER COSTS IN BOTH PATIENT SERVICES AND OTHER "WELLNESS" PROGRAMS IN ADDITION THE HOSPITAL GRANTED CHARITY CARE IN THE AMOUNT OF \$1,726,098 DURING FISCAL YEAR 2013 THE CHARLOTTE HUNGERFORD HOSPITAL RENDERED THE FOLLOWING SERVICES DURING FY 2013 INPATIENT SERVICES DISCHARGES 6,533PATIENT DAYS 26,574 SPECIAL SERVICES OPERATING ROOM CASES 4,145 AMBULATORY SURGERY CASES 3,283 ENDOSCOPY CASES 794 AMBULATORY MEDICAL CASES 2,597WOUND CARE CASES 4,936POST ANESTHESIA CARE UNIT CASES 2,566 DELIVERY ROOM DELIVERIES 452RESPIRATORY THERAPY TREATMENTS 40,178 PULMONARY REHAB TESTS 6,123PULMONARY FUNCTION LAB TESTS 1,631 CARDIO DIAGNOSTIC EXAMS 13,687EEG EXAMS 1,092PHYSICAL THERAPY TREATMENTS 32,047 CARDIAC REHAB TREATMENTS 3,146 SPEECH THERAPY TREATMENTS 663 OCCUPATIONAL THERAPY TREATMENTS 3,194 SLEEP STUDY TESTS 565 DIAGNOSTIC RADIOLOGY EXAMS 26,813 MAMMOGRAPHY EXAMS 9,246 NUCLEAR MEDICINE EXAMS 952ULTRASOUND EXAMS 8,696C A T SCAN EXAMS 12,733 P E T SCAN EXAMS 293 M R I EXAMS 1,110SPECIAL PROCEDURES (RADIOLOGY) EXAMS 1,152 RADIATION THERAPY TREATMENTS 8,501LABORATORY TESTS 603,173 PSYCHIATRIC CLINIC VISITS 35,645 PHP-ADULT/ADOLESCENT VISITS 4,685 RENAL DIALYSIS VISITS 369 EMERGENCY DEPARTMENT VISITS 34,810 OUTPATIENT DIABETES PROGRAM VISITS 1,567 WALK IN CENTER VISITS 10,956 PROFESSIONAL SERVICE CONSULTS 132,553HUNGERFORD EMERGENCY MEDICAL CENTER CARDIAC REHAB TREATMENTS 1,742 DIAGNOSTIC RADIOLOGY EXAMS 3,761 LABORATORY TESTS 18,381 EMERGENCY DEPARTMENT VISITS 6,162 PULMONARY REHAB TESTS 2,760

4b

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

4c

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

4d
























Other program services (Describe in Schedule O )

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

4e

Total program service expenses ▶ 110,539,750

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) 	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20a Did the organization operate one or more 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	Yes	
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		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
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		
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	207	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.	1,194	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> 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.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
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	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
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 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	<b>Section 501(c)(7) organizations.</b> Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	<b>Section 501(c)(12) organizations.</b> Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	16	
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			
b	Enter the number of voting members included in line 1a, above, who are independent	14	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
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	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	CT
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. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	SUSAN M SCHAPP 540 LITCHFIELD STREET TORRINGTON, CT (860) 496-6728

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) EDWARD ARUM GOVERNOR	2 50	X						0	0	0
(2) RICHARD DUTTON MD GOVERNOR	1 00	X						0	0	0
(3) GLADYS CERRUTO GOVERNOR	1 00	X						0	0	0
(4) DAVID J FRAUENHOFER SECRETARY	1 00	X		X				0	0	0
(5) JAMIE GREG GOVERNOR	1 00	X						0	0	0
(6) KENDRICK HOM MD GOVERNOR	60 00	X						277,169	0	25,339
(7) JOHN JANCO VICE CHAIRMAN	2 50	X		X				0	0	0
(8) JOHN LAVIERI CHAIRMAN	2 50	X		X				0	0	0
(9) DIANE LIBBY CPA GOVERNOR	1 00	X						0	0	0
(10) JAMES O'LEARY GOVERNOR	1 00	X						0	0	0
(11) EDWIN G BOOTH JR GOVERNOR	1 00	X						0	0	0
(12) FRANK BUONOCORE JR GOVERNOR	1 00	X						0	0	0
(13) STEPHANIE FOWLER MD GOVERNOR	1 00	X						0	0	0
(14) MICHAEL PATTERSON GOVERNOR	1 00	X						0	0	0
(15) CHARLES W RORABACK GOVERNOR	1 00	X						0	0	0
(16) ANDREW SZCZEPENSKI MD GOVERNOR	1 00	X						48,564	0	4,440
(17) DANIEL J MCINTYRE CEO/PRESIDENT	60 00			X				382,486	0	92,729



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) SUSAN M SCHAPP VP FINANCE/ TREASURER	60 00			X				225,452	0	103,138
(19) JOHN J CAPOBIANCO VP OUT PATIENT SERVICES	60 00				X			212,043	0	113,230
(20) MARK PRETE MD VP MEDICAL AFFAIRS	60 00				X			326,624	0	55,108
(21) RAYMOND J ELLIOTT VP FACILITIES	60 00				X			185,519	0	61,049
(22) BRIAN MATTIELLO VP HUMAN RESOURCES	60 00				X			161,067	0	21,462
(23) ELZBIETA LACH-PASKO MD PATHOLOGIST	60 00					X		393,459	0	132,225
(24) MUSTAFA UGURLU MD PHYSICIAN	60 00					X		386,073	0	47,406
(25) TIMOTHY GOSTKOWSKI MD PHYSICIAN	60 00					X		480,418	0	68,439
(26) WILLIAM MCGEEHIN MD PHYSICIAN	60 00					X		429,541	0	68,468
(27) ROBERT KAHAN MD PHYSICIAN	60 00					X		381,129	0	34,843
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								3,889,544	0	827,876

2Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶50

3Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*

3No

4For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*

4Yes

5Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

5No

Section B. Independent Contractors

1Complete 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
ADULT & PEDIATRIC UROLOGY OF NW CONNECTI 538 LITCHFIELD STREET SUITE 102 TORRINGTON CT 06790	MEDICAL	1,455,650
BUILDING ONE FACILITY SERVICES 57 OZICK DRIVE SUITE A DURHAM CT 06422	CLEANING SERVICES	1,370,633
MAYO COLLABORATIVE SERVICES PO BOX 9146 MINEAPOLIS MN 554809146	LABORATORY TESTS	1,306,027
NWCT EMERGENCY SERVICES 80 S MAIN STREET WEST HARTFORD CT 06107	MEDICAL	870,492
NEW MILFORD LAUNDRY 40 COMMONS COURT WATERBURY CT 06704	LAUNDRY/LINEN SERVICES	460,644

2Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶35

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	26,533		
	d	Related organizations . . . .	1d			
	e	Government grants (contributions)	1e	2,626,383		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	362,463		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f . . . . .		3,015,379		
Program Service Revenue	2a	NET PATIENT REVENUE	Business Code			
			900099	105,168,170	105,168,170	
	b	LABORATORY SERVICES	621500	11,509,377	10,188,647	1,320,730
	c	OTHER HOSPITAL SERVICES	900099	5,339,972	5,339,972	
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f . . . . .		122,017,519		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		1,616,119		1,616,119
	4	Income from investment of tax-exempt bond proceeds . .				
	5	Royalties . . . . .				
	6a	Gross rents	(i) Real	(ii) Personal		
			594,694			
	b	Less rental expenses				
			382,481			
	c	Rental income or (loss)				
			212,213			
	d	Net rental income or (loss) . . . . .		212,213	212,213	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
			5,159,460	1,392		
	b	Less cost or other basis and sales expenses				
			4,313,323	0		
	c	Gain or (loss)				
			846,137	1,392		
	d	Net gain or (loss) . . . . .		847,529		847,529
	8a	Gross income from fundraising events (not including \$ 26,533 of contributions reported on line 1c) See Part IV, line 18 . . . . .				
			a	145,011		
	b	Less direct expenses . . . . .	b	42,420		
	c	Net income or (loss) from fundraising events . .		102,591		102,591
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .				
			a			
b	Less direct expenses . . . . .	b				
c	Net income or (loss) from gaming activities . .					
10a	Gross sales of inventory, less returns and allowances .					
		a	180,295			
b	Less cost of goods sold . . . . .	b	98,561			
c	Net income or (loss) from sales of inventory . .		81,734		81,734	
	Miscellaneous Revenue	Business Code				
11a	GAIN FROM EQUITY METHOD	900001	93,073		93,073	
b	MEDCONN	561499	-107,892	-107,892		
c						
d	All other revenue . . . . .					
e	Total. Add lines 11a-11d . . . . .		-14,819			
12	Total revenue. See Instructions . . . . .		127,878,265	120,909,002	1,212,838	2,741,046

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

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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.				
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	12,000	12,000		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	1,857,323	1,392,992	464,331	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	57,493,040	51,408,333	5,916,225	168,482
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	5,628,302	5,007,245	605,080	15,977
9	Other employee benefits.	6,649,991	5,916,195	714,918	18,878
10	Payroll taxes.	3,931,508	3,497,684	422,663	11,161
11	Fees for services (non-employees):				
a	Management.	3,177,905	2,827,238	341,646	9,021
b	Legal.	253,533	225,557	27,256	720
c	Accounting.	109,008	96,979	11,719	310
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	10,931,016	9,724,829	1,175,156	31,031
12	Advertising and promotion.	539,279	479,772	57,976	1,531
13	Office expenses.	411,337	365,948	44,221	1,168
14	Information technology.	1,411,262	1,255,536	151,720	4,006
15	Royalties.				
16	Occupancy.	2,090,117	1,859,482	224,702	5,933
17	Travel.	18,135	16,134	1,950	51
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	250,825	223,148	26,965	712
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	6,050,075	5,382,477	650,423	17,175
23	Insurance.	2,125,573	1,891,026	228,513	6,034
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	SUPPLIES	17,302,210	15,392,991	1,860,102	49,117
b	PHYSICIAN FEES	4,669,548	3,502,161	1,167,387	
c	HOSPITAL AUXILIARY EXPE	62,023	62,023		
d					
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e.	124,974,010	110,539,750	14,092,953	341,307
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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

☐

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		60,839	1	64,643
	2	Savings and temporary cash investments		9,947,626	2	9,014,949
	3	Pledges and grants receivable, net		88,492	3	36,857
	4	Accounts receivable, net		13,441,100	4	13,504,471
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,047,381	8	2,119,166
	9	Prepaid expenses and deferred charges		979,386	9	1,512,549
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a149,504,375			
	b	Less accumulated depreciation	10b112,634,596	37,852,787	10c	36,869,779
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		59,313,706	12	66,334,495
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		2,955,455	15	3,150,714
	16	Total assets. Add lines 1 through 15 (must equal line 34)		126,686,772	16	132,607,623
Liabilities	17	Accounts payable and accrued expenses		9,069,553	17	11,483,194
	18	Grants payable			18	
	19	Deferred revenue		147,665	19	298,993
	20	Tax-exempt bond liabilities		1,200,000	20	
	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		3,421,466	23	3,219,468
	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		50,909,351	25	32,908,563
	26	Total liabilities. Add lines 17 through 25		64,748,035	26	47,910,218
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		41,061,265	27	61,261,338
	28	Temporarily restricted net assets		3,256,943	28	3,334,379
	29	Permanently restricted net assets		17,620,529	29	20,101,688
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		61,938,737	33	84,697,405
	34	Total liabilities and net assets/fund balances		126,686,772	34	132,607,623

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	127,878,265
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	124,974,010
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	2,904,255
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	61,938,737
5	Net unrealized gains (losses) on investments . . . . .	5	5,754,530
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	14,099,883
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	84,697,405

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	No
b	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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	2b	Yes
c	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	2c	Yes
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes

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 THE CHARLOTTE HUNGERFORD HOSPITAL	Employer identification number 06-0646678
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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	<input type="checkbox"/>	A church, convention of churches, or association of churches described in <b>section 170(b)(1)(A)(i).</b>
2	<input type="checkbox"/>	A school described in <b>section 170(b)(1)(A)(ii).</b> (Attach Schedule E )
3	<input checked="" type="checkbox"/>	A hospital or a cooperative hospital service organization described in <b>section 170(b)(1)(A)(iii).</b>
4	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital described in <b>section 170(b)(1)(A)(iii).</b> Enter the hospital's name, city, and state _____
5	<input type="checkbox"/>	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in <b>section 170(b)(1)(A)(iv).</b> (Complete Part II )
6	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in <b>section 170(b)(1)(A)(v).</b>
7	<input type="checkbox"/>	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in <b>section 170(b)(1)(A)(vi).</b> (Complete Part II )
8	<input type="checkbox"/>	A community trust described in <b>section 170(b)(1)(A)(vi)</b> (Complete Part II )
9	<input type="checkbox"/>	An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See <b>section 509(a)(2).</b> (Complete Part III )
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See <b>section 509(a)(4).</b>
11	<input type="checkbox"/>	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 <b>section 509(a)(3).</b> Check the box that describes the type of supporting organization and complete lines 11e through 11h <b>a</b> <input type="checkbox"/> Type I <b>b</b> <input type="checkbox"/> Type II <b>c</b> <input type="checkbox"/> Type III - Functionally integrated <b>d</b> <input type="checkbox"/> Type III - Non-functionally integrated
e	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? <b>(i)</b> 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? <b>(ii)</b> A family member of a person described in (i) above? <b>(iii)</b> A 35% controlled entity of a person described in (i) or (ii) above?
h	<input type="checkbox"/>	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 IIIPart III

Support 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 THE CHARLOTTE HUNGERFORD HOSPITAL	Employer identification number  06-0646678
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

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

Part II-A

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

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

Limits on Lobbying Expenditures (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?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
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?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		13,492
j	Total. Add lines 1c through 1i.			13,492
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	THE HOSPITAL IS A MEMBER OF THE CONNECTICUT HOSPITAL ASSOCIATION. \$13,492 REPRESENTS THE PORTION OF DUES PAID TO THE ASSOCIATION WHICH WERE USED FOR LOBBYING PURPOSES.

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization THE CHARLOTTE HUNGERFORD HOSPITAL	Employer identification number  06-0646678
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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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

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 . . . . .	53,165,045	46,929,816	49,273,746	45,533,758	47,240,328
b Contributions . . . . .	243,732	239,485	186,977	690,138	1,043,719
c Net investment earnings, gains, and losses	7,106,906	6,103,897	-2,264,127	3,824,302	-1,532,480
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	354,906	108,153	266,780	774,452	1,217,809
f Administrative expenses . . . . .					
g End of year balance . . . . .	60,160,777	53,165,045	46,929,816	49,273,746	45,533,758

- 2

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

a

Board designated or quasi-endowment

61 080 %

b

Permanent endowment

33 410 %

c

Temporarily restricted endowment

5 510 %

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

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

(i) unrelated organizations . . . . .

3a(i)

☐ Yes

☐ No

(ii) related organizations . . . . .

3a(ii)

☐ Yes

☐ No
- b

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

☐ Yes

☐ No

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 . . . . .		155,467		155,467
b Buildings . . . . .		79,680,340	54,026,486	25,653,854
c Leasehold improvements . . . . .				
d Equipment . . . . .		62,919,428	54,236,704	8,682,724
e Other . . . . .		6,749,140	4,371,406	2,377,734
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				36,869,779



<b>Part XI    Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>					
<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .			<b>1</b>	127,592,905
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>			
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>			
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>			
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>			
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .			<b>2e</b>	0
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .			<b>3</b>	127,592,905
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>				
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>			
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	285,360		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .		<b>4c</b>		
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .			<b>5</b>	127,878,265
<b>Part XII    Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>					
<b>1</b>	Total expenses and losses per audited financial statements . . . . .			<b>1</b>	124,899,987
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25				
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>			
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>			
<b>c</b>	Other losses . . . . .	<b>2c</b>			
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>			
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .			<b>2e</b>	0
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .			<b>3</b>	124,899,987
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :				
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>			
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	74,023		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .		<b>4c</b>		
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .			<b>5</b>	124,974,010

**Part XIII    Supplemental Information**

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUNDS WILL BE USED PRIMARILY FOR CAPITAL PURCHASES, INDIGENT CARE AND OTHER USES AS APPROVED BY THE BOARD IN ACCORDANCE WITH DONOR RESTRICTIONS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	THE HOSPITAL ACCOUNTS FOR UNCERTAIN TAX POSITIONS WITH PROVISIONS OF FASB ASC 740, "INCOME TAXES" WHICH PROVIDES A FRAMEWORK FOR HOW COMPANIES SHOULD RECOGNIZE, MEASURE, PRESENT AND DISCLOSE UNCERTAIN TAX POSITIONS IN THEIR FINANCIAL STATEMENTS. THE HOSPITAL MAY RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY THE TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. THE HOSPITAL DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS AS OF SEPTEMBER 30, 2013 AND 2012. AS OF SEPTEMBER 30, 2013 AND 2012, THE HOSPITAL DID NOT RECORD ANY PENALTIES OR INTEREST ASSOCIATED WITH UNCERTAIN TAX POSITIONS. THE HOSPITAL'S PRIOR THREE TAX YEARS ARE OPEN AND SUBJECT TO EXAMINATION.
PART XI, LINE 4B - OTHER ADJUSTMENTS		TEMPORARY RESTRICTED ACTIVITY 216,769 AUXILIARY REVENUE 68,591
PART XII, LINE 4B - OTHER ADJUSTMENTS		AUXILIARY EXPENSES 74,023





Part II Fundraising Events.

Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
			<u>GOLF TOURNAMENT</u>	<u>DINNER DANCE</u>	<u>8</u>	(add col (a) through	
			(event type)	(event type)	(total number)	col (c))	
1	Gross receipts	. . .	107,845	37,166	26,533	171,544	
2	Less Contributions	. .			26,533	26,533	
3	Gross income (line 1 minus line 2)	. . .	107,845	37,166		145,011	
Direct Expenses	4	Cash prizes	. . .				
	5	Noncash prizes	. .	3,532		3,532	
	6	Rent/facility costs	. .	25,622	13,266	38,888	
	7	Food and beverages	.				
	8	Entertainment	. . .				
	9	Other direct expenses	.				
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶					(42,420)
	11	Net income summary Combine line 3, column (d), and line 10 . . . . . ▶					102,591

Part III Gaming.

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

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
	1 Gross revenue . . . . .				
Direct Expenses	2 Cash prizes . . . . .				
	3 Non-cash prizes . . . . .				
	4 Rent/facility costs . . . . .				
	5 Other direct expenses . . . . .				
	6 Volunteer labor . . . . .	<div><input type="checkbox"/> Yes..... <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes..... <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes..... <input type="checkbox"/> No</div>	
	7 Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶				
	8 Net gaming income summary Combine lines 1 and 7 in column (d) . . . . . ▶				

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? . . . . .

☐ Yes ☐ No

b If "No," explain \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . .

☐ Yes ☐ No

b If "Yes," explain \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in



a The organization's facility	13a	
b An outside facility	13b	

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name  .....

Address  .....

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No


b If "Yes," enter the amount of gaming revenue received by the organization  \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party  \$ \_\_\_\_\_

c If "Yes," enter name and address of the third party

Name  .....

Address  .....

16 Gaming manager information

Name  .....


Gaming manager compensation  \$ .....

Description of services provided  .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year  \$ \_\_\_\_\_

**Part IV Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
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SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

**Name of the organization**  
THE CHARLOTTE HUNGERFORD HOSPITAL

**Employer identification number**  
06-0646678

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  <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  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  <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %  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 . . . . .  <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %  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		
	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) . . . .		3,409	1,613,688	0	1,613,688	1 290 %
b Medicaid (from Worksheet 3, column a) . . . . .		42,458	27,835,850	22,094,334	5,741,516	4 590 %
c Costs of other means-tested government programs (from Worksheet 3, column b) .		637	228,156	152,254	75,902	0 060 %
d <b>Total</b> Financial Assistance and Means-Tested Government Programs .		46,504	29,677,694	22,246,588	7,431,106	5 940 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . .	8	4,323	37,621	0	37,621	0 030 %
f Health professions education (from Worksheet 5) . . .	1	55	897	0	897	0 %
g Subsidized health services (from Worksheet 6) . . .			20,242,175	17,246,063	2,996,112	2 400 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	1	1	176	0	176	0 %
j <b>Total.</b> Other Benefits . . .	10	4,379	20,280,869	17,246,063	3,034,806	2 430 %
k <b>Total.</b> Add lines 7d and 7j .	10	50,883	49,958,563	39,492,651	10,465,912	8 370 %

Part IICommunity 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 IIIBad 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

3,378,061

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

0

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

43,418,966

6

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

6

46,946,867

7

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

7

-3,527,901

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 IVManagement 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 1 ADVANCED MEDICAL IMAGING OF NORTHWEST CT LLC	IMAGING CENTER	50.000 %	0 %	50.000 %
2 2 MEDCONN COLLECTION AGENCY LLC	PATIENT COLLECTION AGENCY	25.000 %	0 %	0 %
3 3 UROLOGY CENTER OF NW CT	UROLOGY CENTER	62.500 %	0 %	37.500 %
4 4 LITCHFIELD COUNTY HEALTHCARE SERVICE CORP	PHYSICIANS PRACTICE	100.000 %	0 %	0 %
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?  
2

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	CHARLOTTE HUNGERFORD HOSPITAL 540 LITCHFIELD STRRET TORRINGTON,CT 06790	X	X					X	X		
2	HUNGERFORD EMERGENCY MEDICAL CENTER 115 SPENCER STREET WINSTED,CT 06098								X		

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

CHARLOTTE HUNGERFORD 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	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	3	Yes
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	No
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	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7	No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	8a	No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
<b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		<b>9</b>	Yes
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input type="checkbox"/> Asset level			
<b>c</b> <input type="checkbox"/> Medical indigency			
<b>d</b> <input type="checkbox"/> Insurance status			
<b>e</b> <input checked="" type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		<b>14</b>	Yes
<b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input checked="" type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .		<b>15</b>	Yes
<b>16</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
<b>a</b> <input checked="" type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input checked="" type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input checked="" type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			



Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☐

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

☒

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

☒

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

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . . 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 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)

HUNGERFORD EMERGENCY MEDICAL CENTER

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)

2

		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	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	3	Yes
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	No
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	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input checked="" type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7	No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	8a	No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
<b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		<b>9</b>	Yes
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input type="checkbox"/> Asset level			
<b>c</b> <input type="checkbox"/> Medical indigency			
<b>d</b> <input type="checkbox"/> Insurance status			
<b>e</b> <input checked="" type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		<b>14</b>	Yes
<b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input checked="" type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .		<b>15</b>	Yes
<b>16</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
<b>a</b> <input checked="" type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input checked="" type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input checked="" type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☐

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

☒

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

☒

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

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . . 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?

13

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, 6l, 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, 6l, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		PART I, LINE 3C CARE WILL BE PROVIDED FREE FOR THOSE WHO QUALIFY AS UNINSURED AND VERIFICATION HAS DETERMINED THAT THEIR ANNUAL INCOME IS LESS THAN 200% OF THE FEDERAL INCOME POVERTY LEVEL CARE WILL BE PROVIDED AT HOSPITAL COST, AS ESTABLISHED BY THE OFFICE OF HEALTH CARE ACCESS (OCHA), FOR THOSE UNINSURED PATIENTS WHO REQUEST ASSISTANCE AND VERIFICATION HAS DETERMINED THAT THEIR ANNUAL INCOME IS BETWEEN 200% AND 250% OF THE FPL CARE WILL BE DISCOUNTED BY 30% FOR THOSE UNISURED PATIENTS WHO REQUEST ASSISTANCE AND VERIFICATION HAS DETERMINED THAT THEIR ANNUAL INCOME IS BETWEEN 250% AND 400% OF THE FPL THE HOSPITAL WILL ALSO CONSIDER THE TOTAL MEDICAL EXPENSES FACED BY THE FAMILY AND THE FAMILY'S ABILITY TO PAY FOR THOSE EXPENSES, AND WILL CONSIDER OFFERING GREATER ASSISTANCE WHEN POSSIBLE TO THOSE FAMILIES FACING CATASTROPHIC MEDICAL EXPENSES
		PART I, LINE 7 A COST TO CHARGE RATIO BASED ON CHARITY CARE CHARGES AND EXPENSES

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 IN JULY 2011, THE FASB ISSUED ASU 2011-07, "HEALTH CARE ENTITIES (TOPIC 954) PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE, PROVISION OF BAD DEBTS, AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTH CARE ENTITIES " THIS GUIDANCE ESTABLISHES ACCOUNTING AND DISCLOSURE REQUIREMENTS FOR HEALTH CARE ENTITIES THAT RECOGNIZE SIGNIFICANT AMOUNTS OF PATIENT SERVICE REVENUES AT THE TIME SERVICES ARE RENDERED EVEN THOUGH THE ENTITY DOES NOT ASSESS A PATIENT'S ABILITY TO PAY SPECIFICALLY, THE GUIDANCE REQUIRES THAT HEALTH CARE ENTITIES PRESENT BAD DEBT EXPENSE ASSOCIATED WITH NET PATIENT SERVICE REVENUES AS AN OFFSET TO NET PATIENT SERVICE REVENUES WITHIN THE STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS ADDITIONALLY, THE GUIDANCE REQUIRES ENHANCED DISCLOSURE OF THE POLICIES FOR RECOGNIZING REVENUE AND ASSESSING BAD DEBTS, AS WELL AS QUALITATIVE AND QUANTITATIVE INFORMATION ABOUT CHANGES IN THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE GUIDANCE REQUIRES RETROSPECTIVE APPLICATION TO ALL PRIOR PERIODS PRESENTED THIS GUIDANCE BECAME EFFECTIVE FOR THE HOSPITAL BEGINNING ON OCTOBER 1, 2012 THE ADOPTION OF THIS GUIDANCE HAD NO IMPACT ON THE HOSPITAL'S OPERATING INCOME IN THE STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS, BUT RESULTED IN ADDITIONAL DISCLOSURES IN NOTE 3 ALL PERIODS INCLUDED HAVE BEEN PRESENTED IN ACCORDANCE WITH THE PROVISIONS OF ASU 2011-07 IT IS AN INHERENT PART OF THE HOSPITAL'S MISSION TO PROVIDE NECESSARY MEDICAL CARE FREE OF CHARGE, OR AT A DISCOUNT, TO INDIVIDUALS WITHOUT INSURANCE OR OTHER MEANS OF PAYING FOR SUCH CARE AS THE AMOUNTS DETERMINED TO QUALIFY FOR CHARITY CARE ARE NOT PURSUED FOR COLLECTION, THEY ARE NOT REPORTED AS NET PATIENT SERVICE REVENUE PATIENTS WHO WOULD OTHERWISE QUALIFY FOR CHARITY CARE BUT WHO DO NOT PROVIDE ADEQUATE INFORMATION WOULD BE CHARACTERIZED AS BAD DEBT AND INCLUDED IN THE PROVISION FOR BAD DEBTS PART III, LINE 2 COSTING METHODOLOGY USED - THE HOSPITAL USES A MODEL CONSISTING OF OUR ACCOUNTS RECEIVABLE BALANCE DIVIDED INTO EIGHT AGING CATEGORIES AS FOLLOWS 0-30 DAYS, 31-60 DAYS, 61-90 DAYS, 91-120 DAYS, 121-210 DAYS, 211-365 DAYS, AND GREATER THAN 365 DAYS A PERCENTAGE IS THEN ASSIGNED TO EACH AGING BUCKET BASED ON AGE, WITH A HIGHER PERCENTAGE ASSIGNED AS THE DAYS OUTSTANDING INCREASES THE RESULTING CALCULATION IS USED TO COMPARE WITH THE RESERVE AND A MONTHLY ADJUSTMENT IS MADE TO DETERMINE THE EXPENSE ANNUALLY, THIS CALCULATION IS COMPARED TO AN AUDIT OF THE BAD DEBT RESERVES TO DETERMINE IF ANY ADJUSTMENTS ARE REQUIRED</p>
		<p>PART III, LINE 8 THE MEDICARE SHORTFALL IS NOT TREATED AS COMMUNITY BENEFIT THE MEDICARE ALLOWABLE COSTS OF CARE ARE DERIVED DIRECTLY FROM THE MEDICARE COST REPORT</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE HOSPITAL ATTEMPTS TO HAVE INDIVIDUALS FILL OUT ALL PAPER WORK REQUIRED FOR CHARITY CARE IF THE PERSON IS NOT CAPABLE OF DOING THIS OR IS KNOWN TO BE UNABLE TO DO THIS (SUCH AS A KNOWN HOMELESS PERSON), THEN THE FINANCIAL ASSISTANCE COMMITTEE WILL ADJUST THE ACCOUNT TO CHARITY CARE AND IT WILL NOT BE REPORTED AS BAD DEBT IF THE ACCOUNT HAS BEEN REPORTED AS BAD DEBT AND INFORMATION COMES FORTH INDICATING AN INABILITY TO PAY, THEN THE ACCOUNT WOULD BE REMOVED FROM BAD DEBT AND MOVED TO CHARITY CARE
CHARLOTTE HUNGERFORD HOSPITAL		PART V, SECTION B, LINE 3 THE STUDY WAS CONDUCTED BY THE CENTER FOR HEALTHY SCHOOLS AND COMMUNITIES AT EDUCATION CONNECTION IN LITCHFIELD, CT THE STEERING COMMITTEE INCLUDED THE FOLLOWING INDIVIDUALS AND ORGANIZATIONS JIM ROKOS, DIRECTOR OF HEALTH, TORRINGTON AREA HEALTH DISTRICT, LESLIE POLITO, ASSISTANT DIRECTOR OF HEALTH, TORRINGTON AREA HEALTH DISTRICT, SHARON MCCOY, PROJECT DIRECTOR, TORRINGTON AREA HEALTH DISTRICT, STEPHANIE BARKSDALE, EXECUTIVE DIRECTOR, UNITED WAY OF NORTHWEST CONNECTICUT, GREG BRISCO, CHIEF EXECUTIVE OFFICER, NORTHWEST CONNECTICUT YMCA, BRIAN MATTIELLO, V P FOR ORGANIZATIONAL DEVELOPMENT, CHARLOTTE HUNGERFORD HOSPITAL, DANIEL BAROODY, DIRECTOR OF HEALTH, TOWN OF SHARON, MIKE CRESPLAN, DIRECTOR OF HEALTH, NEW MILFORD HEALTH DEPARTMENT, DONNA CULBERT, DIRECTOR OF HEALTH, NEWTOWN HEALTH DISTRICT, JENNIFER KERTANIS, DIRECTOR OF HEALTH, FARMINGTON VALLEY HEALTH DISTRICT, NEAL LUSTIG, DIRECTOR OF HEALTH, POMPERAUG HEALTH DISTRICT, MARY BEVAN, DIRECTOR, CENTER FOR HEALTHY SCHOOLS AND COMMUNITIES EDUCATION CONNECTION, JIM HUTCHISON, COMMUNITY HEALTH COORDINATOR, SHARON HOSPITAL, ANDREA RYNN, DIRECTOR OF PUBLIC AND GOVERNMENT RELATIONS, WESTERN CT HEALTH NETWORK, MARY WINAR, PROJECTS COORDINATOR, CONNECTICUT OFFICE OF RURAL HEALTH



Identifier	ReturnReference	Explanation
HUNGERFORD EMERGENCY MEDICAL CENTER		PART V, SECTION B, LINE 3 THE STUDY WAS CONDUCTED BY THE CENTER FOR HEALTHY SCHOOLS AND COMMUNITIES AT EDUCATION CONNECTION IN LITCHFIELD, CT THE STEERING COMMITTEE INCLUDED THE FOLLOWING INDIVIDUALS AND ORGANIZATIONS JIM ROKOS, DIRECTOR OF HEALTH, TORRINGTON AREA HEALTH DISTRICT, LESLIE POLITO, ASSISTANT DIRECTOR OF HEALTH, TORRINGTON AREA HEALTH DISTRICT, SHARON MCCOY, PROJECT DIRECTOR, TORRINGTON AREA HEALTH DISTRICT, STEPHANIE BARKSDALE, EXECUTIVE DIRECTOR, UNITED WAY OF NORTHWEST CONNECTICUT, GREG BRISCO, CHIEF EXECUTIVE OFFICER, NORTHWEST CONNECTICUT YMCA, BRIAN MATTIELLO, V P FOR ORGANIZATIONAL DEVELOPMENT, CHARLOTTE HUNGERFORD HOSPITAL, DANIEL BAROODY, DIRECTOR OF HEALTH, TOWN OF SHARON, MIKE CRESPAN, DIRECTOR OF HEALTH, NEW MILFORD HEALTH DEPARTMENT, DONNA CULBERT, DIRECTOR OF HEALTH, NEWTOWN HEALTH DISTRICT, JENNIFER KERTANIS, DIRECTOR OF HEALTH, FARMINGTON VALLEY HEALTH DISTRICT, NEAL LUSTIG, DIRECTOR OF HEALTH, POMPERAUG HEALTH DISTRICT, MARY BEVAN, DIRECTOR, CENTER FOR HEALTHY SCHOOLS AND COMMUNITIES EDUCATION CONNECTION, JIM HUTCHISON, COMMUNITY HEALTH COORDINATOR, SHARON HOSPITAL, ANDREA RYNN, DIRECTOR OF PUBLIC AND GOVERNMENT RELATIONS, WESTERN CT HEALTH NETWORK, MARY WINAR, PROJECTS COORDINATOR, CONNECTICUT OFFICE OF RURAL HEALTH
CHARLOTTE HUNGERFORD HOSPITAL		PART V, SECTION B, LINE 7 NOT ALL NEEDS HAVE BEEN ADDRESSED SINCE THE ASSESSMENT WAS IN YEAR TWO OF A FIVE YEAR PLAN WITH A CONTINUED EFFORT TO REFINE ASSESSMENTS

Identifier	ReturnReference	Explanation
HUNGERFORD EMERGENCY MEDICAL CENTER		PART V, SECTION B, LINE 7 NOT ALL NEEDS HAVE BEEN ADDRESSED SINCE THE ASSESSMENT WAS CONDUCTED IN YEAR TWO OF A FIVE YEAR PLAN FOR CONTINUED EFFORT TO REFINE ASSESSMENTS
CHARLOTTE HUNGERFORD HOSPITAL		PART V, SECTION B, LINE 20D CONNECTICUT STATE LAW (LOONEY BILL) REQUIRES THE HOSPITAL TO ADJUST THE PATIENT'S BALANCE EQUAL TO THE COST OF PROVIDING THE CARE

Identifier	ReturnReference	Explanation
HUNGERFORD EMERGENCY MEDICAL CENTER		PART V, SECTION B, LINE 20D CONNECTICUT STATE LAW (LOONEY BILL) REQUIRES THE HOSPITAL TO ADJUST THE PATIENT'S BALANCE EQUAL TO THE COST OF PROVIDING THE CARE
		PART VI, LINE 2 THE HOSPITAL OFFERS FREE HEALTH SCREENINGS, FREE HEALTH EDUCATION AND LECTURES AT VARIOUS COMMUNITY EVENTS INCLUDING FAIRS, EXPOS, PRIVATE COMPANIES, PUBLIC MUNICIPALITIES, AND PUBLIC GATHERINGS THESE EVENTS PROVIDE A FORUM FOR RECEIVING INFORMATION AND INPUT FROM THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THE HOSPITAL COUNSELS ALL SELF PAY PATIENTS BY PROVIDING A MEETING WITH A FINANCIAL COUNSELOR OR SOCIAL WORKER ALL STATEMENTS DISTRIBUTED TO PATIENTS INCLUDE FINANCIAL COUNSELING INFORMATION SIGNS ARE POSTED THROUGHOUT THE HOSPITAL, INCLUDING THE EMERGENCY ROOM, WHICH STATE CHARITY CARE POLICIES AND FINANCIAL ASSISTANCE INFORMATION
		PART VI, LINE 4 THE CHARLOTTE HUNGERFORD HOSPITAL IS LOCATED IN TORRINGTON, CONNECTICUT, AND SERVES AS A REGIONAL HEALTH CARE RESOURCE FOR 100,000 RESIDENTS OF LITCHFIELD COUNTY AND NORTHWEST CONNECTICUT RECENT ASSESSMENTS FROM THE AREA THAT THE HOSPITAL SERVES HAS FOUND THE FOLLOWING - THE COUNTY HAS BECOME MORE RACIALLY AND ETHNICALLY DIVERSE - THE COUNTY HAS THE HIGHEST PROPORTION OF RESIDENTS AGES 50+ IN THE STATE - AREA RATES OF OBESITY AND CURRENT SMOKING EXCEED THE STATE AVERAGE - STUDENTS IN NEARLY HALF OF THE AREA'S SCHOOL DISTRICTS SCORED BELOW THE STATE AVERAGE IN STANDARDIZED PHYSICAL FITNESS TESTS - NEARLY ONE IN FOUR COUNTY RESIDENTS HAS HYPERTENSION - NEARLY 40% HAVE BEEN TOLD BY THEIR HEALTH PROFESSIONAL THAT THEY HAVE HIGH CHOLESTEROL - THE COUNTY HAS A RATIO OF ONE PRIMARY CARE PHYSICIAN TO EVERY 1,123 RESIDENTS THIS WELL BELOW BOTH STATE AND NATIONAL BENCHMARKS

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 ALL BOARD OF DIRECTORS MEMBERS RESIDE IN THE COMMUNITY SERVED BY THE CHARLOTTE HUNGERFORD HOSPITAL THE HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS WHO APPLY FOR SUCH PRIVILEGES THE HOSPITAL ESTABLISHES AN ANNUAL CAPITAL BUDGET TO ADD OR REPLACE PATIENT CARE EQUIPMENT AND FACILITIES MEDICAL EDUCATION IS PROVIDED TO PHYSICIANS THROUGH CONFERENCES ON A MONTHLY BASIS
REPORTS FILED WITH STATES	PART VI, LINE 7	CT



Additional Data

Software ID:

Software Version:

EIN: 06-0646678

Name: THE CHARLOTTE HUNGERFORD 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?

13

Name and address	Type of Facility (describe)
NORTHWEST CONNECTICUT MEDICAL WALK IN 1598 EAST MAIN STREET TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
THE HUNGERFORD CENTER 780 LITCHFIELD STREET TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
THE CENTER FOR CANCER CARE 200 KENNEDY DRIVE TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
HUNGERFORD DIAGNOSTIC CENTER 220 KENNEDY DRIVE TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
THE CENTER FOR YOUTH AND FAMILIES 1061 EAST MAIN STREET TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
BRIDGES EXTENDED DAY PROGRAM 28 SAINT JOHN PLACE TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
WINSTED BEHAVIORAL HEALTH CENTER 294 MAIN STREET WINSTED,CT 06098	WALK IN MEDICAL CLINIC
SURGICAL ASSOCIATES OF CHH 538 LITCHFIELD STREET TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
NEUROLOGY PBC 780 LITCHFIELD STREET TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
CHH PRIMARY CARE 780 LITCHFIELD STREET TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
CHH CARDIOVASCULAR MEDICINE SERVICE 1215 NEW LITCHFIELD STREET TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
CHH WOUND CARE AND HYPERBARIC MEDICINE 7 FELICITY LANE TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC
CHH UROLOGY MEDICINE 538 LITCHFIELD STREET TORRINGTON,CT 06790	WALK IN MEDICAL CLINIC

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
THE CHARLOTTE HUNGERFORD HOSPITAL

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

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

OMB No 1545-0047

2012

Open to Public  
Inspection

Employer identification number  
06-0646678

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2

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

▶

3

Enter total number of other organizations listed in the line 1 table . . . . .

▶



Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) HEALTHCARE SCHOLARSHIPS	12	12,000			

Part IV

Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
		THE CHARLOTTE HUNGERFORD HOSPITAL AUXILIARY AWARDS SCHOLARSHIPS IN THE AMOUNT OF \$1,000 EACH TO STUDENTS PURSUING HEALTHCARE EDUCATION THE STUDENTS MUST LIVE IN THE AREA SERVED BY THE HOSPITAL THEY MUST ALSO PROVIDE EVIDENCE OF ACCEPTANCE INTO A COLLEGE PROGRAM OR THEIR CURRENT GRADES IN COLLEGE APPLICANTS MUST SUBMIT LETTERS OF RECOMMENDATION FROM THEIR TEACHERS AND ALSO FROM NON-FAMILY PERSONS

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  
THE CHARLOTTE HUNGERFORD HOSPITAL

Employer identification number  
06-0646678

Part I

Questions Regarding Compensation

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

**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
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Software ID:  
Software Version:  
EIN: 06-0646678  
Name: THE CHARLOTTE HUNGERFORD 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				
KENDRICK HOM MD	(i)	277,169	0	0	0	25,339	302,508	0
	(ii)	0	0	0	0	0	0	0
DANIEL J MCINTYRE	(i)	382,486	0	0	57,762	34,967	475,215	0
	(ii)	0	0	0	0	0	0	0
SUSAN M SCHAPP	(i)	225,452	0	0	82,527	20,611	328,590	0
	(ii)	0	0	0	0	0	0	0
JOHN J CAPOBIANCO	(i)	212,043	0	0	93,845	19,385	325,273	0
	(ii)	0	0	0	0	0	0	0
MARK PRETE MD	(i)	326,624	0	0	25,247	29,861	381,732	0
	(ii)	0	0	0	0	0	0	0
RAYMOND J ELLIOTT	(i)	185,519	0	0	44,089	16,960	246,568	0
	(ii)	0	0	0	0	0	0	0
BRIAN MATTIELLO	(i)	161,067	0	0	6,737	14,725	182,529	0
	(ii)	0	0	0	0	0	0	0
ELZBIETA LACH-PASKO MD	(i)	393,459	0	0	96,254	35,971	525,684	0
	(ii)	0	0	0	0	0	0	0
MUSTAFA UGURLU MD	(i)	386,073	0	0	12,111	35,295	433,479	0
	(ii)	0	0	0	0	0	0	0
TIMOTHY GOSTKOWSKI MD	(i)	480,418	0	0	24,518	43,921	548,857	0
	(ii)	0	0	0	0	0	0	0
WILLIAM MCGEEHIN MD	(i)	429,541	0	0	29,199	39,269	498,009	0
	(ii)	0	0	0	0	0	0	0
ROBERT KAHAN MD	(i)	381,129	0	0	0	34,843	415,972	0
	(ii)	0	0	0	0	0	0	0

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization THE CHARLOTTE HUNGERFORD HOSPITAL	Employer identification number  06-0646678
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Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MARK PRETE MD	KEY EMPLOYEE	134,607	PARTNER IN NWCT EMERGENCY MEDICINE P C WHICH PROVIDES EMERGENCY ROOM SERVICES TO THE HOSPITAL		No
(2) DIANE LIBBY CPA	GOVERNOR	18,000	PARTNER IN ADAMS SAMARTINO & CO, P C WHICH PROVIDES ACCOUNTING SERVICES TO CHARLOTTE HUNGERFORD HOSPITAL		No

**Part V Supplemental Information**

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

Identifier	Return Reference	Explanation
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**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  
THE CHARLOTTE HUNGERFORD HOSPITAL**Employer identification number**

06-0646678

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	
	FORM 990, PART VI, SECTION B, LINE 12C	THE HOSPITAL DISTRIBUTES A CONFLICT OF INTEREST QUESTIONNAIRE ANNUALLY TO ITS BOARD OF DIRECTORS, ALL MANAGEMENT PERSONNEL, AND PURCHASING AGENTS
	FORM 990, PART VI, SECTION B, LINE 15	COMPENSATION FOR SENIOR STAFF IS DETERMINED USING THE FOLLOWING STEPS - A MARKET SURVEY BASED ON CT HOSPITAL ASSOCIATION IS USED AS A STARTING POINT - ADJUSTMENTS ARE THEN MADE BASED ON THE CANDIDATE'S CURRENT SALARY AND PRIOR EXPERIENCE - THE COMPENSATION FIGURE IS THEN PRESENTED TO THE BOARD OF DIRECTORS FOR APPROVAL THE LAST COMPENSATION REVIEW OCCURRED IN AUGUST 2013
	FORM 990, PART VI, SECTION C, LINE 19	THE HOSPITAL MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND ANNUAL REPORT AVAILABLE TO THE PUBLIC UPON REQUEST
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION COSTS 14,454,789 NET ASSETS RELEASED FROM RESTRICTIONS -354,906
	FORM 990, PART XI, LINE 2C	THE HOSPITAL'S AUDIT COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT ACCOUNTANT THESE FUNCTIONS AND PROCESSES HAVE NOT CHANGED FROM THE PRIOR YEAR



SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization  
THE CHARLOTTE HUNGERFORD HOSPITAL

Employer identification number  
06-0646678

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

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) Disproporionate 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) ADVANCED MEDICAL IMAGING OF NW CT LLC  57 COMMERCIAL BLVD TORRINGTON, CT 06790 06-1594854	MAGNETIC RESONANCE IMAGING	CT	N/A	RELATED	665,549	277,403		No			No	50 000 %
(2) UROLOGY CENTER OF NW CT LLC  538 LITCHFIELD STREET TORRINGTON, CT 06790 58-2674029	EQUIPMENT RENTAL	CT	N/A	RELATED	35,721	27,535		No			No	62 500 %

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) LITCHFIELD COUNTY HEALTHCARE SERVICE CORPORATION  540 LITCHFIELD STREET TORRINGTON, CT 06790 06-1227655	MANAGEMENT SERVICES	CT	THE CHARLOTTE HUNGERFORD HOSPITAL	C		505	100 000 %		No

Part V

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

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

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

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

No

No

No

No

No

No

Yes

No

No

No

No

No

No

No

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) ADVANCED MEDICAL IMAGING OF NW CT LLC	S	651,000	ACTUAL
(2) UROLOGY CENTER OF NW CT LLC	K	115,888	ACTUAL

Schedule R (Form 990) 2012

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

[illegible]

**Software ID:**  
**Software Version:**  
**EIN:** 06-0646678  
**Name:** THE CHARLOTTE HUNGERFORD 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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# The Charlotte Hungerford Hospital

Independent Auditors' Report and  
Financial Statements

As of and for the Years Ended  
September 30, 2013 and 2012



Saslow Lufkin & Buggy, LLP  
*Certified Public Accountants and Consultants*

**The Charlotte Hungerford Hospital**  
**Independent Auditors' Report and Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

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Independent Auditors' Report

To the Board of Governors of  
The Charlotte Hungerford Hospital:

We have audited the accompanying financial statements of The Charlotte Hungerford Hospital (the Hospital) a Connecticut not-for-profit, non-stock corporation, which comprise the balance sheets as of September 30, 2013 and 2012, and the related statements of operations and changes in net assets and cash flows for the years then ended.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 Hospital'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 Hospital'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, the financial statements referred to above present fairly, in all material respects, the financial position of The Charlotte Hungerford Hospital as of September 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Saslow Lufkin & Buggy, LLP*

December 12, 2013



**The Charlotte Hungerford Hospital**  
**Balance Sheets**  
**September 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 8,948,706	\$ 9,871,014
Accounts receivable (less allowance for doubtful accounts of \$2,490,521 in 2013 and \$2,077,997 in 2012)	13,504,471	13,441,101
Inventories	2,092,246	2,025,113
Estimated amounts due from third-party reimbursement agencies	840,007	971,585
Other current assets	2,724,846	1,717,026
Total current assets	<u>28,110,276</u>	<u>28,025,839</u>
Assets whose use is limited		
Investments held in trust for estimated self-insurance liabilities	4,175,772	4,248,076
Investments under bond indenture agreement - held by others	-	400,278
Donor restricted assets	7,067,123	6,989,321
Beneficial interest in assets held in trust by others	16,349,307	13,868,151
Total assets whose use is limited	<u>27,592,202</u>	<u>25,505,826</u>
Long-term investments	38,742,293	33,807,880
Property, plant and equipment		
Land	155,467	155,467
Land improvements	5,780,697	4,800,017
Buildings	79,680,340	78,733,907
Fixed equipment	17,276,242	16,771,147
Moveable equipment	45,639,769	43,066,932
	<u>148,532,515</u>	<u>143,527,470</u>
Less accumulated depreciation	<u>(112,631,179)</u>	<u>(106,694,984)</u>
	35,901,336	36,832,486
Construction in progress	968,443	1,020,301
Total property, plant and equipment	<u>36,869,779</u>	<u>37,852,787</u>
Other assets	1,135,267	1,334,720
Total assets	<u><u>\$ 132,449,817</u></u>	<u><u>\$ 126,527,052</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Current portion of bonds payable	\$ -	\$ 1,200,000
Current portion of loans payable	3,219,468	198,100
Accounts payable	7,289,342	5,029,676
Estimated amounts due to third-party reimbursement agencies	2,468,522	1,917,192
Accrued salaries, wages and fees	4,177,672	4,027,215
Other current liabilities	4,078,798	7,726,163
Total current liabilities	<u>21,233,802</u>	<u>20,098,346</u>
Loans payable, less current portion	-	3,223,366
Estimated self-insurance liabilities	3,527,218	3,125,672
Accrued pension liability, less current portion	23,133,018	38,287,989
Total liabilities	<u>47,894,038</u>	<u>64,735,373</u>
Net assets		
Unrestricted (\$36,744,347 in 2013 and \$32,307,573 in 2012 designated by the Board of Governors)	61,139,349	40,934,207
Temporarily restricted	3,314,742	3,236,940
Permanently restricted	20,101,688	17,620,532
Total net assets	<u>84,555,779</u>	<u>61,791,679</u>
Total liabilities and net assets	<u><u>\$ 132,449,817</u></u>	<u><u>\$ 126,527,052</u></u>

The accompanying notes are an integral part of these financial statements

**The Charlotte Hungerford Hospital**  
**Statements of Operations and Changes in Net Assets**  
**For the Years Ended September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Unrestricted revenues</b>		
Net patient service revenues	\$ 120,055,608	\$ 116,313,832
Provision for bad debts	<u>(3,378,061)</u>	<u>(3,125,364)</u>
Net patient service revenues less provision for bad debts	116,677,547	113,188,468
Other revenues	<u>8,250,546</u>	<u>5,735,128</u>
Total revenues	124,928,093	118,923,596
<b>Expenses</b>		
Salaries and wages	59,350,363	56,036,921
Physician fees	4,669,548	3,306,463
Employee benefits	16,209,801	16,546,435
Services	16,440,138	15,744,038
Supplies	17,328,278	16,888,965
Repairs and maintenance	2,475,386	1,891,280
Depreciation and amortization	6,050,075	6,060,455
Interest and bond expenses	250,825	264,153
Insurance	<u>2,125,573</u>	<u>2,018,607</u>
Total expenses	<u>124,899,987</u>	<u>118,757,317</u>
Operating income	28,106	166,279
<b>Other income</b>		
Investment and other income, net	2,298,212	2,102,513
Gifts and bequests	273,527	27,952
Gain from equity method investments	<u>93,073</u>	<u>118,880</u>
Total other income	<u>2,664,812</u>	<u>2,249,345</u>
Excess of revenues over expenses	<u><u>\$ 2,692,918</u></u>	<u><u>\$ 2,415,624</u></u>

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

**The Charlotte Hungerford Hospital**  
**Statements of Operations and Changes in Net Assets (continued)**  
**For the Years Ended September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Unrestricted net assets</b>		
Excess of revenues over expenses	\$ 2,692,918	\$ 2,415,624
Change in unrealized gains on investments	3,057,435	4,272,594
Pension related changes other than net periodic pension costs	<u>14,454,789</u>	<u>(12,816,176)</u>
Change in unrestricted net assets	20,205,142	(6,127,958)
<b>Temporarily restricted net assets</b>		
Investment income	65,246	54,565
Contributions	151,523	239,485
Change in unrealized gains on investments	215,939	240,388
Net assets released from restrictions	<u>(354,906)</u>	<u>(108,153)</u>
Change in temporarily restricted net assets	77,802	426,285
<b>Permanently restricted net assets</b>		
Change in beneficial interest in assets held in trust by others	<u>2,481,156</u>	<u>1,507,502</u>
Change in permanently restricted net assets	<u>2,481,156</u>	<u>1,507,502</u>
Change in net assets	22,764,100	(4,194,171)
Net assets, beginning of year	<u>61,791,679</u>	<u>65,985,850</u>
Net assets, end of year	<u><u>\$ 84,555,779</u></u>	<u><u>\$ 61,791,679</u></u>

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

**The Charlotte Hungerford Hospital**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 22,764,100	\$ (4,194,171)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	6,050,075	6,060,455
Net realized gains on investments	(846,137)	(754,615)
Net unrealized gains on investments	(3,273,374)	(4,512,982)
Increase in beneficial interest in assets held in trust by others	(2,481,156)	(1,507,502)
Provision for bad debts, net	3,378,061	3,125,364
Changes in		
Accounts receivable	(3,441,431)	(5,421,925)
Inventories	(67,133)	(31,001)
Estimated amounts due from third-party reimbursement agencies	131,578	544,602
Other current assets	(1,007,820)	643,838
Other assets, net	125,280	273,428
Accounts payable	2,259,666	(480,133)
Estimated amounts due to third-party reimbursement agencies	551,330	223,374
Accrued salaries, wages and fees	150,457	593,943
Other current liabilities	(3,647,365)	542,594
Estimated self-insurance liabilities	401,546	493,979
Accrued pension liability	(15,154,971)	11,865,018
Net cash provided by operating activities	5,892,706	7,464,266
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	5,159,460	3,294,904
Purchases of investments	(5,579,582)	(4,132,077)
Purchases of property, plant and equipment, net	(4,992,894)	(3,867,593)
Net cash used in investing activities	(5,413,016)	(4,704,766)
<b>Cash flows from financing activities</b>		
Principal payments on Series C bonds	(1,200,000)	(1,155,000)
Payments on KDA long-term debt	(201,998)	(189,062)
Net cash used in financing activities	(1,401,998)	(1,344,062)
Net change in cash and cash equivalents	(922,308)	1,415,438
Cash and cash equivalents, beginning of year	9,871,014	8,455,576
Cash and cash equivalents, end of year	<u>\$ 8,948,706</u>	<u>\$ 9,871,014</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	<u>\$ 212,885</u>	<u>\$ 229,453</u>

The accompanying notes are an integral part of these financial statements

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 1 - General**

**Organization** - The Charlotte Hungerford Hospital (the Hospital), located in Torrington, Connecticut, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient and emergency care services for the residents of northwestern Connecticut.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation** - The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

**Use of Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates relate to contractual allowances and the allowance for doubtful accounts on patient accounts receivable, self-insurance liabilities, valuation of investments, estimated settlements due to third-party reimbursement agencies and pension plan assumptions. Actual results could differ from those estimates.

**Net Asset Categories** - To ensure observance of limitations and restrictions placed on the use of resources available to the Hospital, the accounts of the Hospital are maintained in the following net asset categories:

*Unrestricted* - Unrestricted net assets represent available resources other than donor restricted contributions. Included in unrestricted net assets are assets set aside by the Board of Governors (the Board) for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes.

*Temporarily restricted* - Temporarily restricted net assets represent contributions that are restricted by the donor either as to purpose or as to time of expenditure.

*Permanently restricted* - Permanently restricted net assets represent contributions received with the donor restriction that the principal be invested in perpetuity and that the income earned thereon be available for operations and beneficial interest in assets held in trust by others.

**Assets Held in Trust by Others** - The Hospital has been named sole or participating beneficiary in several perpetual trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity. The estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. Fluctuations in the value of such assets are recognized as changes in permanently restricted net assets.

**Recognition of Grant Revenue** - Grants are generally considered to be exchange transactions in which the grantor requires the performance of specified activities. Entitlement to cost reimbursement grants is conditioned on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Entitlement to performance based grants is conditioned on the attainment of specific performance goals and, therefore, revenue is recognized to the extent of performance achieved. The Hospital recognized \$2,419,582 and \$2,556,139 of grant revenue, included in other revenues, for the years ended September 30, 2013 and 2012, respectively. Grant receipts in excess of revenues recognized are presented as deferred grant support. Deferred grant support of \$220,312 and \$178,453 is included in other current liabilities in the accompanying balance sheets as of September 30, 2013 and 2012, respectively.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 2 - Summary of Significant Accounting Policies (continued)**

***Pledges Receivable*** - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those contributions are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in other revenues. Conditional promises to give are not included as support until such time as the conditions are substantially met. Pledges receivable are included within other assets on the balance sheets.

The Hospital's policy is to present restricted contributions received during the year whose restrictions are also met during the current year as unrestricted net asset activity. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is actually received.

The Hospital's policy is to recognize the expiration of donor restrictions for contributions of property and equipment or the use of contributions restricted for property and equipment in the year the property and equipment is placed in service.

***Cash and Cash Equivalents*** - Cash and cash equivalents include highly liquid investments with maturities of three months or less when purchased. In general, the Federal Deposit Insurance Corporation (FDIC) insures cash balances up to \$250,000 per depositor, per bank. It is the Hospital's policy to monitor the financial strength of the banks that hold its deposits on an ongoing basis. During the normal course of business, the Hospital maintains cash balances in excess of the FDIC insurance limit.

Money market funds are not insured by the FDIC and are not a risk-free investment. Money market funds invest in a variety of instruments including mortgage-backed and asset-backed securities. Although a money market fund seeks to preserve its one dollar per share value, it is possible that a money market fund's value can decrease below one dollar per share.

***Inventories*** - Inventories, used in general operations of the Hospital, are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method.

***Investments*** - The Hospital accounts for its investments in accordance with FASB ASC 320, "*Investments - Debt and Equity Securities*." Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheets. Management determines the appropriate classification of its investments in invested securities at the time of the purchase and reevaluates such determination at each balance sheet date. Investment income (including realized 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 law. Unrealized gains and losses on investments are excluded from excess of revenues over expenses.

All of the Hospital's investments, as of September 30, 2013 and 2012, were classified as available for sale. Available for sale securities may be sold prior to maturity and are carried at fair value.

The amortized costs of fixed maturities are adjusted using the interest method for amortization of premiums and accretions of discounts. Such amortization and accretion are included in net investment income.

***Assets Whose Use is Limited*** - Assets whose use is limited include assets set aside for self-insurance trust arrangements, assets held by trustees under bond indenture agreements, donor restricted endowments and assets held in trust by others.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Other Than Temporary Impairments on Investments** - The Hospital accounts for other than temporary impairments in accordance with certain provisions of FASB ASC 320 "*Investments - Debt and Equity Securities*" and continually reviews its securities for impairment conditions, which could indicate that an other than temporary decline in market value has occurred. In conducting this review, numerous factors are considered, which include specific information pertaining to an individual company or a particular industry, general market conditions that reflect prospects for the economy as a whole, and the ability and intent to hold securities until recovery. The carrying value of investments is reduced to its estimated realizable value if a decline in fair value is considered to be other than temporary. There were no impairments recorded in 2013 or 2012.

**Federal Income Taxes** - The Hospital is a not-for-profit corporation under 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 accounts for uncertain tax positions with provisions of FASB ASC 740, "*Income Taxes*" which provides a framework for how companies should recognize, measure, present and disclose uncertain tax positions in their financial statements. The Hospital may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Hospital does not have any uncertain tax positions as of September 30, 2013 or 2012. As of September 30, 2013 or 2012, the Hospital did not record any penalties or interest associated with uncertain tax positions. The Hospital's prior three tax years are open and subject to examination.

**Property, Plant and Equipment** - Property, plant and equipment purchased by the Hospital is recorded at cost, or if received as a donation, at fair value on the date received. The Hospital provides for depreciation of property, plant and equipment for financial reporting purposes using the straight-line method over the estimated useful lives of the various assets. American Hospital Association lives are generally used and provide for a 25-50 year life for buildings and a 3-20 year life for building fixtures and equipment. Leased equipment is amortized on a straight-line basis over the shorter of the life of the applicable lease or life of the leased asset.

Depreciation expense was \$5,975,902 and \$5,991,225 for the years ended September 30, 2013 and 2012, respectively.

**Investments in Joint Ventures** - The Hospital has invested in certain joint ventures which are accounted for under the equity method of accounting and included within other assets on the balance sheets. The Hospital's investment in these joint ventures is as follows:

	<b>Ownership Percentage</b>
Advanced Medical Imaging of Northwest CT, LLC (AMI)	
(Except for the Fixed MRI segment, in which the ownership is 67%)	50%
MedConn Collection Agency, LLC	25%
Urology Center of Northwest CT, LLC (Urology)	62.5%

The Hospital has recorded its share of AMI's net income of \$514,988 and \$559,857 within other revenues as of September 30, 2013 and 2012, respectively, as these services are a component of the Hospital operations. In addition, the 62.5% investment in Urology is presented under the equity method of accounting as it is immaterial to present in a consolidated presentation.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 2 - Summary of Significant Accounting Policies (continued)**

***Deferred Financing Costs*** - Deferred financing costs are amortized over the period the obligation is outstanding using the effective interest method. The unamortized portion is included within other assets on the balance sheets.

***Other Income*** - Activities other than in connection with providing health care services are considered to be non-operating. Non-operating income consist primarily of income on investment funds, unrestricted gifts and bequests and gains from equity method investments.

***Statements of Operations and Changes in Net Assets*** - For purposes of display, transactions deemed by management to be ongoing, major or central to the providing of healthcare services are reported as operating revenues and expenses. Investment income and realized gains and losses on securities are considered non-operating activity. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, except for losses that are deemed to be other than temporary, certain changes in pension liabilities and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

***Accounting Pronouncements Adopted*** - In May 2011, FASB issued Accounting Standards Update (ASU) 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and IFRS," which amends ASC 820, "Fair Value Measurements and Disclosures." ASU 2011-04 amends the fair value disclosure requirements regarding transfers between Level 1 and Level 2 of the fair value hierarchy and the categorization by level of the fair value hierarchy for items that are not measured at fair value in the financial statements, but for which the fair value is required to be disclosed. This guidance became effective for the Hospital beginning on October 1, 2012. The adoption of this guidance had no impact on the Hospital's financial statements.

In July 2011, the FASB issued ASU 2011-07, "Health Care Entities (Topic 954) · Presentation and Disclosure of Patient Service Revenue, Provision of Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities." This guidance establishes accounting and disclosure requirements for health care entities that recognize significant amounts of patient service revenues at the time services are rendered even though the entity does not assess a patient's ability to pay. Specifically, the guidance requires that health care entities present bad debt expense associated with net patient service revenues as an offset to net patient service revenues within the statements of operations and changes in net assets. Additionally, the guidance requires enhanced disclosure of the policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The guidance requires retrospective application to all prior periods presented. This guidance became effective for the Hospital beginning on October 1, 2012. The adoption of this guidance had no impact on the Hospital's operating income in the statements of operations and changes in net assets, but resulted in additional disclosures in Note 3. All periods included have been presented in accordance with the provisions of ASU 2011-07.

***Accounting Pronouncements Pending Adoption*** - In December 2011, the FASB issued ASU 2011-11, "Disclosures about Offsetting Assets and Liabilities." This guidance contains new disclosure requirements regarding the nature of an entity's rights of setoff and related arrangements associated with its financial instruments and derivative instruments. This guidance is effective for the Hospital beginning October 1, 2013, and retrospective application is required. The Hospital does not expect this guidance to have an impact on its financial statements.



**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 2 - Summary of Significant Accounting Policies (continued)**

In October 2012, the FASB issued ASU 2012-05, "*Statement of Cash Flows (Topic 230): Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows.*" This guidance provides clarification on how entities classify cash receipts arising from the sale of certain donated financial assets in the statement of cash flows. This guidance is effective for the Hospital beginning October 1, 2013, with early adoption permitted. The Hospital does not expect this guidance to have a material impact on its statements of cash flows.

In January 2013, the FASB issued ASU 2013-01, "*Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*." This guidance provides clarification on the scope of the offsetting disclosure requirements in ASU 2011-11. This guidance is effective for the Hospital beginning October 1, 2013, with early adoption permitted. The Hospital does not expect this guidance to have a material impact on its balance sheets.

In February 2013, the FASB issued ASU 2013-04, "*Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date*." This guidance requires entities to measure obligations resulting from the joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date. This guidance is effective for the Hospital beginning October 1, 2014, with early adoption permitted. The Hospital does not expect this guidance to have a material impact on its balance sheets.

**Reclassifications** - Certain reclassifications to the 2012 financial statements have been made in order to conform to the 2013 presentation. Such reclassifications did not have a material effect on the financial statements.

**Subsequent Events** - Subsequent events have been evaluated through December 12, 2013, the date through which procedures were performed to prepare the financial statements for issuance. Management believes there are no subsequent events having a material impact on the financial statements other than the repayment of the debt discussed in Note 10.

**Note 3 - Revenues from Services to Patients and Charity Care**

The following table reconciles gross revenues to net revenues from services to patients:

	<u>2013</u>	<u>2012</u>
Gross revenues from services to patients	\$ 256,724,054	\$ 235,302,435
Deductions and allowances	<u>(136,668,446)</u>	<u>(118,988,603)</u>
Net revenues from services to patients	<u>\$ 120,055,608</u>	<u>\$ 116,313,832</u>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 3 - Revenues from Services to Patients and Charity Care (continued)**

***Net Patient Service Revenues and Net Accounts Receivable*** - Net patient service revenue is reported at the established net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Net patient service revenue and accounts receivable are recorded when patient services are performed. Amounts received from most third-party payors are different from established billing rates of the Hospital, based on agreements with these payors, and these differences are accounted for as contractual allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, per diem payments, and discounted charges, including estimated retroactive settlements under payment agreements with third-party payors. Adjustments and settlements under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are provided and adjusted in future periods as final settlements are determined.

For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue based on its discounted rates. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Patient accounts receivable are based on gross charges and stated at net realizable value. Accounts receivable are reduced by an allowance for contractual adjustments, based on expected payment rates from payors under current reimbursement methodologies, and also by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate appropriate allowance for doubtful accounts and provision for bad debts based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in health care coverage, and other collection indicators. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for contractual adjustments and allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

For uninsured patients that do not qualify for financial assistance, the Hospital offers a discount off its standard rates for services provided. The difference between the discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is written off against the allowance for doubtful accounts in the period they are determined uncollectible. The Hospital's allowance for doubtful accounts covers all accounts greater than six months for both self-pay accounts receivable and third party payors as of September 30, 2013 and 2012. The Hospital's self-pay and third-party payors write-offs totaled \$4,404,175 and \$3,776,434 for 2013 and 2012, respectively. The Hospital did not change its charity care or financial assistance policy during 2013 or 2012.

At September 30, 2013 and 2012, 51% and 50% of net patient accounts receivable were from governmental payors (Medicare and Medicaid) and 49% and 50% were from nongovernmental payors, respectively. Nongovernmental payors are primarily insurance companies and self-pay payors. Management has recorded an allowance for doubtful accounts, as noted above, which, in its opinion, is sufficient to provide for risk of nonpayment.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 3 - Revenues from Services to Patients and Charity Care (continued)**

**Charity Care** - It is an inherent part of the Hospital's mission to provide necessary medical care free of charge, or at a discount, to individuals without insurance or other means of paying for such care. As the amounts determined to qualify for charity care are not pursued for collection, they are not reported as net patient service revenue. Patients who would otherwise qualify for charity care but who do not provide adequate information would be characterized as bad debt and included in the provision for bad debts. The amount of traditional charity care provided, determined on the basis of cost, was \$1,616,162 and \$912,385 for the years ended September 30, 2013 and 2012, respectively. The Hospital released assets whose use was restricted to fund free-care of \$21,527 and \$24,896, for the years ending September 30, 2013 and 2012, respectively.

**Federal Regulatory Environment** - The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues to increase with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse regulations as well as other applicable government laws and regulations. While no known regulatory inquiries are pending, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions known or unasserted at this time.

**Note 4 - Investments**

Cost and fair values of investments, as of September 30, 2013 and 2012, are summarized as follows:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
<b>Long-term investments:</b>				
<b>(including Board and donor restricted)</b>				
Money market funds	\$ 3,301,456	\$ 3,393,665	\$ 3,537,269	\$ 3,537,269
Certificates of deposit	1,195,251	1,203,833	880,211	887,457
Equity securities	19,493,683	28,487,679	18,966,510	24,807,803
Corporate bonds	3,824,473	3,947,089	3,999,144	4,263,382
Municipal bonds	263,318	278,958	261,302	287,065
Mutual and exchange traded funds	8,207,753	8,280,414	6,661,740	6,432,588
U S treasury and government agencies	211,601	217,778	564,133	581,637
Total	<u>\$ 36,497,535</u>	<u>\$ 45,809,416</u>	<u>\$ 34,870,309</u>	<u>\$ 40,797,201</u>
<b>Investments held in trust for estimated self-insurance liabilities:</b>				
Money market funds	\$ 1,541,616	\$ 1,541,616	\$ 1,852,555	\$ 1,852,555
Mutual funds	2,588,339	2,634,156	2,237,883	2,395,521
Total	<u>\$ 4,129,955</u>	<u>\$ 4,175,772</u>	<u>\$ 4,090,438</u>	<u>\$ 4,248,076</u>
<b>Under bond indenture agreement - held by others:</b>				
Money market funds	\$ -	\$ -	\$ 100,552	\$ 100,552
U S treasury and government agencies	-	-	299,932	299,726
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,484</u>	<u>\$ 400,278</u>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 4 - Investments (continued)**

Beneficial interest in assets held in trust of \$16,349,307 and \$13,868,151, as of September 30, 2013 and 2012, respectively, are held by bank trustees and are not under the Hospital's investment control. These assets are invested within diversified portfolios.

The following table shows fair values and gross unrealized losses for all investment categories that are in an unrealized loss position as of September 30, 2013 and 2012, and the length of time that the securities have been in an unrealized loss position as of September 30, 2013 and 2012:

	<b>Less than 12 months</b>		<b>12 months and greater</b>		<b>Total</b>	
	<b>Fair Value</b>	<b>Unrealized Loss</b>	<b>Fair Value</b>	<b>Unrealized Loss</b>	<b>Fair Value</b>	<b>Unrealized Loss</b>
<b>2013</b>						
Equity securities	\$ 1,043,346	\$ (86,294)	\$ 1,721,995	\$ (408,863)	\$ 2,765,341	\$ (495,157)
Certificates of deposit	168,136	(1,904)	-	-	168,136	(1,904)
Corporate bonds	5,801,411	(146,127)	99,718	(282)	5,901,129	(146,409)
Mutual and exchange traded funds	1,025,772	(31,872)	240,033	(9,186)	1,265,805	(41,058)
<b>Total</b>	<b>\$ 8,038,665</b>	<b>\$ (266,197)</b>	<b>\$ 2,061,746</b>	<b>\$ (418,331)</b>	<b>\$ 10,100,411</b>	<b>\$ (684,528)</b>
<b>2012</b>						
Equity securities	\$ 2,770,513	\$ (181,013)	\$ 2,354,118	\$ (725,686)	\$ 5,124,631	\$ (906,699)
Certificates of deposit	199,454	(586)	-	-	199,454	(586)
Corporate bonds	184,398	(1,485)	289,110	(16,169)	473,508	(17,654)
Mutual and exchange traded funds	67,695	(2,165)	266,395	(22,953)	334,090	(25,118)
<b>Total</b>	<b>\$ 3,222,060</b>	<b>\$ (185,249)</b>	<b>\$ 2,909,623</b>	<b>\$ (764,808)</b>	<b>\$ 6,131,683</b>	<b>\$ (950,057)</b>

The unrealized losses for securities in a position of loss for less than 12 months relate to 91 and 69 individual holdings of debt and equity securities as of September 30, 2013 and 2012, respectively. The unrealized losses for securities in a position of loss for 12 months and greater relate to 15 and 35 individual holdings of debt and equity securities as of September 30, 2013 and 2012, respectively. These unrealized losses were determined not to be other than temporary impaired based on the guidance provided in FASB ASC 320 and consultation with various investment advisors.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 4 - Investments (continued)**

Investment and other income net, which is unrestricted, is comprised of the following for the years ended September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Income, gains and (expenses):		
Interest and dividend income	\$ 1,668,931	\$ 1,547,027
Net realized gains on securities	846,137	754,615
Expenses	<u>(216,856)</u>	<u>(199,129)</u>
Total	<u>\$ 2,298,212</u>	<u>\$ 2,102,513</u>

**Note 5 - Fair Value Measurements**

FASB ASC 820-10, "*Fair Value Measurements and Disclosures*," provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

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

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

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

If the asset or liability has specified (contractual) terms, the level 2 input must be observable for substantially the full term of the asset.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 5 - Fair Value Measurements (continued)**

The following table presents the financial instruments, carried at fair value as of September 30, 2013, by the valuation hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 8,948,706	\$ -	\$ -	\$ 8,948,706
Money market funds	3,393,665	-	-	3,393,665
Certificates of deposit	1,203,833	-	-	1,203,833
Equity securities				
Industrials	6,407,463	-	-	6,407,463
Consumer staples	2,980,787	-	-	2,980,787
Consumer discretionary	2,942,319	-	-	2,942,319
Health care	3,561,015	-	-	3,561,015
Energy	2,547,547	-	-	2,547,547
Financials	3,270,274	-	-	3,270,274
Technology	5,877,075	-	-	5,877,075
Utilities	249,439	-	-	249,439
Real estate	651,760	-	-	651,760
Corporate bonds	-	3,947,089	-	3,947,089
Municipal bonds	-	278,958	-	278,958
Mutual and				
exchange traded funds				
Materials	237,913	-	-	237,913
Index funds	1,241,505	-	-	1,241,505
Industry funds	290,796	-	-	290,796
International	1,842,198	-	-	1,842,198
U S large cap	86,613	-	-	86,613
U S mid and small cap	59,539	-	-	59,539
Fixed income	4,521,850	-	-	4,521,850
U S treasury and				
government agencies	-	217,778	-	217,778
Self-insurance trust	-	4,175,772	-	4,175,772
Funds held in trust by others	-	-	16,349,307	16,349,307
Total	<u>\$ 50,314,297</u>	<u>\$ 8,619,597</u>	<u>\$ 16,349,307</u>	<u>\$ 75,283,201</u>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 5 - Fair Value Measurements (continued)**

The following table presents the financial instruments, carried at fair value as of September 30, 2012, by the valuation hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 9,871,014	\$ -	\$ -	\$ 9,871,014
Money market funds	3,537,269	-	-	3,537,269
Certificates of deposit	887,457	-	-	887,457
Equity securities				
Industrials	5,987,338	-	-	5,987,338
Consumer staples	2,351,383	-	-	2,351,383
Consumer discretionary	2,232,155	-	-	2,232,155
Health care	3,182,150	-	-	3,182,150
Energy	2,855,303	-	-	2,855,303
Financials	2,268,479	-	-	2,268,479
Technology	5,072,830	-	-	5,072,830
Utilities	214,714	-	-	214,714
Real estate	643,451	-	-	643,451
Corporate bonds	-	4,263,382	-	4,263,382
Municipal bonds	-	287,065	-	287,065
Mutual and				
exchange traded funds				
Materials	216,995	-	-	216,995
Index funds	1,151,849	-	-	1,151,849
Industry funds	141,863	-	-	141,863
International	2,197,038	-	-	2,197,038
U S large cap	82,130	-	-	82,130
U S mid and small cap	46,782	-	-	46,782
Fixed income	2,595,931	-	-	2,595,931
U S treasury and				
government agencies	-	581,637	-	581,637
Funds held under				
bond indenture	-	400,278	-	400,278
Self-insurance trust	-	4,248,076	-	4,248,076
Funds held in trust by others	-	-	13,868,151	13,868,151
Total	<u>\$ 45,536,131</u>	<u>\$ 9,780,438</u>	<u>\$ 13,868,151</u>	<u>\$ 69,184,720</u>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 5 - Fair Value Measurements (continued)**

A rollforward as of September 30, 2013 and 2012, of the amounts classified as Level 3 investments, within the fair value hierarchy is as follows:

Balance as of October 1, 2011	\$ 12,360,649
Interest and dividends	349,019
Transfers out	(482,214)
Net realized gains	71,276
Fees	(70,066)
Net unrealized gains	<u>1,639,487</u>
Balance as of September 30, 2012	13,868,151
Interest and dividends	350,320
Transfers out	(496,298)
Withdrawals	(9,073)
Net realized gains	636,976
Fees	(90,172)
Net unrealized gains	<u>2,089,403</u>
Balance as of September 30, 2013	<u><u>\$ 16,349,307</u></u>

There were no transfers between fair value hierarchy Level 1, Level 2 and Level 3 for any invested assets recorded at fair value during 2013 and 2012. The valuation techniques used by the Hospital maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair values of the Hospital's Level 2 and Level 3 investments are determined by management after considering prices received from third party pricing services.

A description of certain inputs used in the Hospital's Level 2 and Level 3 measurements are listed below:

*United States treasury and government agencies*· Primary inputs include observations of credit default swap curves related to the issuer and political events.

*Corporate bonds*· Primary inputs include observations of credit default swap curves related to the issuer.

*Municipal bonds*· Primary inputs include Municipal Securities Rulemaking Board reported trades and material event notices, and issuer financial statements.

*Funds held in trust by others*· Represent beneficial interest in certain assets held by third parties. These interests are classified as Level 3 investments as the reported fair values are based on a combination of Level 1 and Level 2 inputs and significant unobservable inputs as determined by the trustees who exercise control over the investments.



**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 5 - Fair Value Measurements (continued)**

As of September 30, 2013 and 2012, the Hospital's other financial instruments include cash and cash equivalents, accounts payable, accrued expenses, estimated settlements due to and from third-party payors and long-term debt. The carrying amounts reported in the balance sheets for these financial instruments approximate their fair value.

**Note 6 - Endowment and Other Restricted Assets**

The Hospital's endowment and other restricted assets consist of multiple funds established for a variety of purposes. The endowment and other restricted assets include both donor-restricted endowment funds, funds designated by the Board of Governors to function as endowments and funds held in trust by others. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Governors to function as endowments, are classified and reported based on the existence or absence of donor restrictions.

The Hospital has interpreted the relevant laws 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. 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 Hospital during its annual budgeting process.

The Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the Hospital 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 the Hospital; and (7) the investment policies of the Hospital.

The net asset composition of the Hospital's endowment and other restricted assets as of September 30, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board restricted	\$ 36,744,347	\$ -	\$ -	\$ 36,744,347
Beneficial trusts	-	-	16,349,307	16,349,307
Donor restricted	-	3,314,742	3,752,381	7,067,123
Total	<u>\$ 36,744,347</u>	<u>\$ 3,314,742</u>	<u>\$ 20,101,688</u>	<u>\$ 60,160,777</u>

The net asset composition of the Hospital's endowment and other restricted assets as of September 30, 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board restricted	\$ 32,307,573	\$ -	\$ -	\$ 32,307,573
Beneficial trusts	-	-	13,868,151	13,868,151
Donor restricted	-	3,236,940	3,752,381	6,989,321
Total	<u>\$ 32,307,573</u>	<u>\$ 3,236,940</u>	<u>\$ 17,620,532</u>	<u>\$ 53,165,045</u>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 6 - Endowment and Other Restricted Assets (continued)**

Changes in endowment and other restricted assets for the year ended September 30, 2013 and 2012, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, October 1, 2011	\$ 28,006,131	\$ 2,810,655	\$ 16,113,030	\$ 46,929,816
Investment return:				
Investment gains	459,347	54,565	-	513,912
Net change in market value	3,842,095	240,388	1,507,502	5,589,985
Contributions	-	239,485	-	239,485
Assets released from restrictions	-	(108,153)	-	(108,153)
Balance, September 30, 2012	32,307,573	3,236,940	17,620,532	53,165,045
Investment return:				
Investment gains	1,466,219	65,246	-	1,531,465
Net change in market value	2,970,555	123,730	2,481,156	5,575,441
Contributions	-	243,732	-	243,732
Assets released from restrictions	-	(354,906)	-	(354,906)
Balance, September 30, 2013	<u>\$ 36,744,347</u>	<u>\$ 3,314,742</u>	<u>\$ 20,101,688</u>	<u>\$ 60,160,777</u>

The expenditures that were released for operations of \$354,906 and \$108,153 for the years ended September 30, 2013 and 2012, respectively, are included within investment and other income, net within the statements of operations and changes in net assets.

Temporarily restricted net assets available for the following purposes as of September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Healthcare related services	\$ 458,697	\$ 366,488
Facility improvement	942,104	1,051,865
Purchases of equipment	513,000	513,000
Clinical educator	1,400,941	1,305,587
Total	<u>\$ 3,314,742</u>	<u>\$ 3,236,940</u>

Endowment and other funds permanently restricted as of September 30, 2013 and 2012, consist of the following:

	<u>2013</u>	<u>2012</u>
Beneficial trusts	\$ 16,349,307	\$ 13,868,151
Held in perpetuity, income restricted for operations	3,752,381	3,752,381
Total	<u>\$ 20,101,688</u>	<u>\$ 17,620,532</u>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 6 - Endowment Other Restricted Assets (continued)**

**Funds with Deficiencies** - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or relevant law requires the Hospital to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. As of September 30, 2013 and 2012, there were no funds that were below the level required by donor or law.

**Return Objectives and Risk Parameters** - The Hospital's investment and spending policies for endowment assets attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are invested in a manner that is intended to produce results that approximate the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

**Strategies Employed for Achieving Objectives** - To satisfy its long-term rate of return objectives, the Hospital 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). The Hospital targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy** - During its annual budgeting process, the Hospital appropriates donor restricted endowment funds for expenditure in accordance with donor purpose and time restrictions. The Hospital has not appropriated funds for expenditure from its board restricted endowment funds for the years ending September 30, 2013 and 2012. The Hospital has appropriated \$354,906 and \$108,153 from its temporary restricted funds for the years ended September 30, 2013 and 2012, respectively. The Board restricted endowment funds are being held for long-term growth and to maintain capital reserves for the Hospital.

**Note 7 - Professional and General Liability and Workers' Compensation Insurance**

The Hospital's insurance limits are as follows:

<b>Policy Year</b>	<b>Deductible Amounts Per Claim/ Aggregate</b>	<b>Excess Coverage Limits</b>	<b>Type of Coverage</b>
Fiscal 1982-1984	\$100,00/500,000	\$ 10,000,000	Occurrence
Fiscal 1985	\$250,000/750,000	\$ 15,000,000	Occurrence
Fiscal 1986	\$500,000/1,500,000	\$ 15,000,000	Occurrence
Fiscal 1987-1988	\$1,000,000/3,000,000	\$ 20,000,000	Claims-made
Fiscal 1989-1990	\$1,000,000/3,000,000	\$ 25,000,000	Claims-made
Fiscal 1991-2002	\$1,000,000/3,000,000	\$ 30,000,000	Claims-made
Fiscal 2003-2013	\$1,000,000/3,000,000	\$ 20,000,000	Claims-made

The Hospital self-insures the deductible amounts of the above coverages and all excess limits are covered by insurance policies purchased from commercial carriers.

Professional and general liability claims that fall within the Hospital's self-insurance levels have been asserted against the Hospital by various claimants. The claims are in various stages of activity and resolution. There are also known incidents that have occurred through September 30, 2013, that may result in the assertion of additional claims. Other claims may be asserted arising from services provided to patients or for other matters, for which no estimate of exposure can be determined at this time. The Hospital utilizes an independent actuary to estimate its self-insurance liability that reflects management's accrual of its best estimate of these self-insured losses under the policies described above, for occurrences through September 30, 2013.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 7 - Professional and General Liability and Workers' Compensation Insurance (continued)**

The Hospital has established a trust for the purpose of setting aside assets for self-insurance purposes. Under the trust agreement, the trust assets can only be used for payment of professional and general liability losses, related expenses and the cost of administering the trust. The assets of, and contributions to the trust are reported in the accompanying financial statements. Income from trust assets and administrative costs are reported in the accompanying statements of operations and changes in net assets as other income.

The Hospital self-insures for workers' compensation. Estimated self-insurance liabilities include estimates for claim obligations related to professional liability, general liability and workers' compensation claims. As of September 30, 2013 and 2012, the Hospital maintains a commercial policy for its employees medical coverage. In fiscal year 2013 and 2012, management discounted accrued medical malpractice and workers compensation losses at 3.00% and it is management's opinion that this provides for adequate loss contingencies.

**Note 8 - Leases**

The Hospital has entered into non-cancellable operating and building rentals that expire in various years through fiscal year 2019. Certain leases may be renewed at the end of their term.

The following is a schedule of future minimum lease payments under non-cancellable operating leases and building rentals as of September 30, 2013:

	<b>Operating Leases</b>	<b>Building Rentals</b>
<b>For the year ended September 30:</b>		
2014	\$ 1,170,255	\$ 1,179,931
2015	504,445	403,383
2016	242,590	136,993
2017	-	101,960
2018	-	89,798
Thereafter	-	12,936
	<u>\$ 1,917,290</u>	<u>\$ 1,925,001</u>
Total minimum lease payments		

Rental expense was \$2,388,607 and \$2,281,477 for the years ended September 30, 2013 and 2012, respectively.

**Note 9 - Pension Plan**

The Hospital has a noncontributory defined benefit pension plan (the Plan) that covers all eligible employees and provides for retirement, disability and optional survivor benefits. To participate in the Plan, an employee must meet certain eligibility requirements including attainment of age 21 and one-year of continuous service (defined as 1,000 hours of service in a 12-month period). The time period for employee benefits to become fully vested is five years of continuous service. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Effective January 1, 2011, the Hospital executed a "soft freeze" of the Plan allowing no new employees to participate. All employees that were currently enrolled in the Plan continued to vest and accrue benefits in line with Plan policies. Effective January 1, 2013, the Hospital executed a "hard freeze" of the Plan freezing all vesting and accruing of benefits to employees currently enrolled in the Plan.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 9 - Pension Plan (continued)**

The Hospital's funding policy for the Plan is to contribute each year the amount as required by the Employee Retirement Income Security Act of 1974, as determined by actuarial valuations developed by the Plan's actuary. Such funding requirements have been met for fiscal years 2013 and 2012.

Significant disclosures relating to the Plan as of September 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
<b>Change in benefit obligations:</b>		
Benefit obligations at beginning of year	\$ 111,220,926	\$ 85,626,857
Service cost	904,041	2,947,753
Interest cost	4,809,432	5,008,917
Amendments	5,057,000	-
Actuarial (gain) loss	(8,057,007)	20,560,209
Benefits paid	(3,448,374)	(2,922,810)
Curtailments, settlements, and special termination benefits	(7,204,448)	-
	<u>\$ 103,281,570</u>	<u>\$ 111,220,926</u>
<b>Change in plan assets:</b>		
Fair value of plan assets at beginning of year	\$ 65,523,118	\$ 52,240,610
Actual return on plan assets	7,561,984	9,795,008
Employer contributions	7,684,638	6,963,276
Expenses paid	(772,814)	(552,966)
Benefits paid	(3,448,374)	(2,922,810)
	<u>\$ 76,548,552</u>	<u>\$ 65,523,118</u>
<b>Accrued pension liability:</b>		
Unfunded status and accrued pension liability (\$3,600,000 and \$7,409,819 is included in other current liabilities for 2013 and 2012, respectively)	<u>\$ (26,733,018)</u>	<u>\$ (45,697,808)</u>
<b>Components of net periodic benefit cost:</b>		
Service cost	\$ 1,304,041	\$ 3,347,753
Interest cost	4,809,432	5,008,917
Expected return on plan assets	(4,895,629)	(4,519,272)
Net amortization and deferral	175,691	4,400
Recognized net loss	1,781,102	2,616,863
	<u>\$ 3,174,637</u>	<u>\$ 6,458,661</u>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 9 - Pension Plan (continued)**

The accumulated benefit obligation at September 30, 2013 and 2012, under the Hospital's Plan was \$103,281,570 and \$102,908,287, respectively.

The Hospital expects to contribute \$3,600,000 to its pension plan for the fiscal year beginning October 1, 2013.

<b>Weighted-average assumptions used to determine benefit obligations:</b>	<b>2013</b>	<b>2012</b>
Discount rate	<b>5.10%</b>	4.40%
Rate of compensation increase	<b>N/A</b>	2.00%
 <b>Weighted-average assumptions used to determine net periodic benefit cost:</b>		
Discount rate	<b>4.40%</b>	5.95%
Rate of compensation increase	<b>2.00%</b>	3.00%
Expected long-term return on plan assets	<b>7.50%</b>	8.00%

Amounts recorded in unrestricted net assets as of September 30, 2013 not yet amortized as a component of net periodic benefit cost are as follows:

	<b>2013</b>	<b>2012</b>
Unamortized prior service costs	<b>\$ 4,883,993</b>	\$ 4,776
Unamortized actuarial loss	<b>26,721,442</b>	46,055,448
Total	<b><u>\$ 31,605,435</u></b>	<b><u>\$ 46,060,224</u></b>

The amortization of the above items expected to be recognized in net periodic benefit costs for the year ended September 30, 2014 is \$876,680.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, taking into account expected volatility and the correlation between the returns of various asset classes.

The Hospital's target and actual pension plan weighted average asset allocations at September 30, 2013 by asset category was as follows:

<b>Asset Category</b>	<b>Target Allocations</b>	<b>Actual Allocations</b>
Equity securities	62%	65%
Debt securities	31%	28%
Short-term investments and other	7%	7%
Total	<b><u>100%</u></b>	<b><u>100%</u></b>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 9 - Pension Plan (continued)**

The asset mix was determined by evaluating the expected return against the Plan's long-term objectives. Performance is monitored on a monthly basis and the portfolio is rebalanced back to target levels to ensure the targets are within reasonable range. The investment policy describes which securities are allowed in the portfolios and the financial objectives of the Plan with which the Investment Committee of the Board of Governors oversees. The Investment Committee monitors the investment performance quarterly to determine the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy.

The fair values of the Hospital's pension plan assets by asset category, are as follows, as of September 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. treasury and				
government agencies	\$ -	\$ 812,389	\$ -	\$ 812,389
Municipal bonds	-	262,373	-	262,373
Corporate and foreign bonds	-	9,181,463	-	9,181,463
Asset-backed and				
mortgage-backed securities	-	987,738	-	987,738
Equity securities:				
Consumer discretionary	4,000,115	-	-	4,000,115
Consumer staples	3,963,604	-	-	3,963,604
Energy	3,329,160	-	-	3,329,160
Financials	3,922,865	-	-	3,922,865
Health care	4,631,446	-	-	4,631,446
Industrials	3,954,472	-	-	3,954,472
Information technology	5,644,884	-	-	5,644,884
Other	2,240,139	-	-	2,240,139
Exchange traded funds	12,833,937	-	-	12,833,937
Mutual funds	5,618,674	-	-	5,618,674
Certificates of deposit	9,255,847	-	-	9,255,847
Money market funds	5,322,059	-	-	5,322,059
Other	-	587,387	-	587,387
Total	<u>\$ 64,717,202</u>	<u>\$ 11,831,350</u>	<u>\$ -</u>	<u>\$ 76,548,552</u>

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 9 - Pension Plan (continued)**

The fair values of the Hospital's pension plan assets by asset category, are as follows, as of September 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. treasury and government agencies	\$ -	\$ 741,335	\$ -	\$ 741,335
Municipal bonds	-	270,947	-	270,947
Common collective trusts	-	5,440,720	-	5,440,720
Corporate and foreign bonds	-	7,466,747	-	7,466,747
Asset-backed and mortgage-backed securities	-	952,542	-	952,542
Equity securities:				
Consumer discretionary	2,984,273	-	-	2,984,273
Consumer staples	3,160,372	-	-	3,160,372
Energy	3,270,630	-	-	3,270,630
Financials	2,688,364	-	-	2,688,364
Health care	3,719,168	-	-	3,719,168
Industrials	3,507,891	-	-	3,507,891
Information technology	5,165,029	-	-	5,165,029
Other	1,920,384	-	-	1,920,384
Exchange traded funds	11,890,085	-	-	11,890,085
Mutual funds	3,392,154	-	-	3,392,154
Certificates of deposit	2,285,578	-	-	2,285,578
Money market funds	6,449,664	-	-	6,449,664
Other	-	217,235	-	217,235
Total	<u>\$ 50,433,592</u>	<u>\$ 15,089,526</u>	<u>\$ -</u>	<u>\$ 65,523,118</u>

The following are the benefit payments, which are expected to be paid in future years:

2014	\$ 3,871,687
2015	\$ 4,241,694
2016	\$ 4,510,569
2017	\$ 4,792,388
2018	\$ 5,142,876
Years 2019-2023	\$ 30,296,170

The Hospital also has established a 403(b) plan covering all full-time and part-time employees of the Hospital. Participants may elect to contribute a specific percentage of their compensation in pre-tax deferrals subject to established Internal Revenue Code limitations. For the years ending September 30, 2013 and 2012, the Hospital contributed \$650,192 and \$308,256, respectively, to the 403(b) plan.



**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 10 - Long-Term Debt**

As of September 30, 2013 and 2012, the Hospital's long-term debt consists of:

	<u>2013</u>	<u>2012</u>
<b>The Charlotte Hungerford Hospital:</b>		
Series C variable rate revenue bonds (a)	\$ -	\$ 1,200,000
	-	1,200,000
<b>Kennedy Drive Mortgages:</b>		
Mortgage (b)	1,418,924	1,518,218
Construction loan (b)	1,800,544	1,903,248
	3,219,468	4,621,466
Less: current portion	(3,219,468)	(1,398,100)
Total	<u>\$ -</u>	<u>\$ 3,223,366</u>

- (a) In August 1998, the Hospital, in conjunction with the State of Connecticut Health and Educational Facilities Authority (the Authority), issued \$14,340,000 of Charlotte Hungerford Hospital Series C variable rate demand revenue bonds (the Bonds). The Series C bonds bore interest at a variable rate as determined by a re-marketing agent (approximately 0.23% as of September 30, 2012), which is adjusted weekly. The Bonds matured and were paid in full on July 1, 2013.

For as long as the Bonds were in a variable rate mode, the bond holders had the option to tender their bonds for repayment. The Hospital had a letter of credit from Sovereign Bank, which was available to support its obligations under the Bonds during this period. Tenders made by bond holders would be remarketed or, if necessary, paid by the drawdowns on the letter of credit. Any tender drawings made under the letter of credit would be repaid by the Hospital on the expiration date of the letter of credit. The letter of credit, which was subject to extension or earlier termination upon the occurrence of certain events set forth in the letter of credit agreement, expired on July 13, 2013, in connection with final repayment of the remaining outstanding debt. There were no drawdowns on the letter of credit during the year ended September 30, 2012.

Various funds were established and maintained by the Trustee for debt service which were utilized during final repayment of the Bonds in 2013. The bond indenture, letter of credit and related agreements contained certain restrictive covenants, the most restrictive of which were the limitation of additional indebtedness the Hospital may incur and the maintenance of certain financial ratios. As of September 30, 2012, the Hospital was in compliance with its debt covenants.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 10 - Long-Term Debt (continued)**

- (b) In December 1997, the now dissolved Kennedy Drive Associates, LLC (KDA) obtained a \$2,300,000 construction loan. Under the term of this loan, which was assumed by the Hospital, principal payments of \$25,865 are due quarterly. The loan bore interest at a fixed rate of 8.17%.

On October 2003, KDA refinanced the outstanding construction loan into a mortgage loan for \$2,210,000. The amount outstanding on the refinanced debt is \$1,418,924 and \$1,518,218 as of September 30, 2013 and 2012, respectively. This loan bears interest at a fixed rate of 6.01%. The loan matures on October 29, 2013 and is secured by the Hospital's assets. With the dissolution of KDA in 2006, the Hospital assumed this loan.

KDA also obtained a construction loan in the amount of \$2,080,000 during the year ended September 30, 2004. During 2005, KDA made additional drawdowns on the construction loan in the amount of \$1,750,000. The amount outstanding on the debt is \$1,800,544 and \$1,903,248, as of September 30, 2013 and 2012, respectively. This loan bears interest at a fixed rate of 6.44% as of September 30, 2013 and 2012. The loan matures on October 29, 2013 and is secured by the Hospital's assets. With the dissolution of KDA in 2006, the Hospital assumed this loan.

- (c) The Hospital has a \$3,000,000 operating line of credit agreement with Sovereign Bank, which bears interest at a rate of 4% as of September 30, 2013 and 2012. There were no outstanding borrowings against the line of credit as of September 30, 2013 and 2012.

The debt agreements discussed above have certain financial covenants. As of September 30, 2013 and 2012, the Hospital was in compliance with those financial covenants. As of September 30, 2013, all outstanding debt is current.

Subsequent to year end, the Hospital paid off both KDA loans in the amount of \$1,418,924 and \$1,800,544.

**Note 11 - Functional Expenses**

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Patient care services	\$ 109,270,791	\$ 103,955,411
General and administrative	<u>15,629,196</u>	<u>14,801,906</u>
Total	<u><u>\$ 124,899,987</u></u>	<u><u>\$ 118,757,317</u></u>

**Note 12 - Commitments and Contingencies**

The Hospital is party to various lawsuits incidental to its business. After consultation with legal counsel, management believes that the lawsuits and inquiries will not have a material adverse effect on the Hospital's financial position, results of operation or cash flows.

**The Charlotte Hungerford Hospital**  
**Notes to the Financial Statements**  
**As of and for the Years Ended September 30, 2013 and 2012**

**Note 12 - Commitments and Contingencies (continued)**

FASB ASC 410 "*Asset Retirement and Environmental Obligations*" addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets such as asbestos-containing facilities, when the amount of the liability can be reasonably estimated. Management currently believes that two facilities under their control could require a fair market value assessment of their Asset Retirement Obligation (ARO). As of September 30, 2013 and 2012, no ARO has been established, as no plans to renovate or sell any facility, or area within, with significant asbestos material have been identified and therefore no settlement date has been determined. Management will continue to monitor its exposure for asbestos removal and establish an ARO for the fair market value of the associated costs once sufficient information has been obtained or a settlement date has been determined.

**Note 13 - Risks and Uncertainties**

Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

In addition, the Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.