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

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

B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization CONNECTICUT CHILDREN'S MEDICAL CENTER		D Employer identification number 06-0646755
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 282 WASHINGTON STREET Suite	Room/suite	E Telephone number (860) 545-9000
	City or town, state or country, and ZIP + 4 HARTFORD, CT 061063322		G Gross receipts \$ 265,097,890
	F Name and address of principal officer MARTIN J GAVIN 282 WASHINGTON STREET HARTFORD, CT 06106		H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (Insert no) ☐ 4947(a)(1) or ☐ 527			
J Website: ▶ WWW.CONNECTICUTCHILDRENS.ORG			

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ☐ **L** Year of formation 1921 **M** State of legal domicile CT

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities CONNECTICUT CHILDREN'S MEDICAL CENTER IS AN ACUTE CARE CHILDREN'S HOSPITAL WHICH PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS WITHOUT REGARD TO ABILITY TO PAY			
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3	Number of voting members of the governing body (Part VI, line 1a)	20	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	16	
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	1,760	
6	Total number of volunteers (estimate if necessary)	316		
7a	Total unrelated business revenue from Part VIII, column (C), line 12	0		
7b	Net unrelated business taxable income from Form 990-T, line 34	0		
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 17,398,795	Current Year 14,071,624
	9	Program service revenue (Part VIII, line 2g)	226,648,855	240,884,087
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	16,771,107	8,286,120
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,104,342	1,224,848
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	263,923,099	264,466,679
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0
14		Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	122,204,421	136,422,326
16a		Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b		Total fundraising expenses (Part IX, column (D), line 25) ☐ 2,615,068		
17		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	124,573,490	130,882,216
18		Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	246,777,911	267,304,542
19		Revenue less expenses Subtract line 18 from line 12	17,145,188	-2,837,863
Net Assets or Fund Balances				Beginning of Current Year
	20	Total assets (Part X, line 16)	360,227,630	376,678,396
	21	Total liabilities (Part X, line 26)	150,889,705	157,546,267
	22	Net assets or fund balances Subtract line 21 from line 20	209,337,925	219,132,129

Part II Signature Block

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

Sign Here	*****			2014-08-14	
	Signature of officer			Date	
	PATRICK GARVEY SVP & CFO				
	Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Scott Mariani		Preparer's signature		Date
	Check ☐ if self-employed			PTIN	
	Firm's name ☐ WithumSmithBrown PC			Firm's EIN ☐	
	Firm's address ☐ 465 South St Ste 200 Mornstown, NJ 079606497			Phone no (973) 898-9494	

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

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

CONNECTICUT CHILDREN'S MEDICAL CENTER IS DEDICATED TO IMPROVING THE PHYSICAL AND EMOTIONAL HEALTH OF CHILDREN THROUGH FAMILY-CENTERED CARE, RESEARCH, EDUCATION AND ADVOCACY. WE EMBRACE DISCOVERY, TEAMWORK, INTEGRITY AND EXCELLENCE IN ALL THAT WE DO. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

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

If "Yes," describe these changes on Schedule O

ACUTE CARE CHILDREN'S HOSPITAL TO PROVIDE ACUTE CARE INPATIENT AND OUTPATIENT SERVICES TO CHILDREN FROM CONNECTICUT AND THE SURROUNDING AREA. IN FISCAL YEAR 2013 THERE WERE 6,348 ADMISSIONS AND 168,054 OUTPATIENT VISITS. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

[illegible][illegible]

4e	Total program service expenses	207,416,127
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Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c Yes	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	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 Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV 	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV 	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) 	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18 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		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	312	
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,760	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	Yes	
b	If "Yes," enter the name of the foreign country BD See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		
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		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. 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		
1a	20		
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		
1b	16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	Yes
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		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	No
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	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization PATRICK J GARVEY 282 WASHINGTON STREET HARTFORD, CT (860) 610-5689

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

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

[illegible]

Part VII

(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			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								5,005,312	1,233,984	786,711

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶107

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

Section B. Independent Contractors

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

(A)	(B)	(C)
Name and business address	Description of services	Compensation
UNIVERSITY OF CONNECTICUT HEALTH CE , 263 FARMINGTON AVENUE FARMINGTON CT 06032	MEDICAL	25,021,284
HARTFORD HOSPITAL , 80 SEYMOUR STREET PO BOX 5037 HARTFORD CT 061025037	MEDICAL	16,650,116
ARAMARK HEALTHCARE SUPPORT SYSTEMS , PO BOX 651009 CHARLOTTE NC 282651009	CAFETERIA/DIETARY	2,236,652
HURON CONSULTING SERVICES LLC , 3005 MOMENTUM PLACE CHICAGO IL 60689	CONSULTING	969,785
VALET PARK OF AMERICA , 185 SPRING STREET SPRINGFIELD MA 011051131	VALET PARKING	738,732

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►55

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	634,547			
	d	Related organizations 1d				
	e	Government grants (contributions) 1e	7,892,051			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	5,545,026			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	14,071,624			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	541900	239,314,874	239,314,874	
	b	OTHER HEALTHCARE RELATED REVENUE	541900	1,569,213	1,569,213	
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	240,884,087			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	8,283,191			8,283,191
	4	Income from investment of tax-exempt bond proceeds	0			
	5	Royalties	0			
	6a	Gross rents	(i) Real 331,562	(ii) Personal		
	b	Less rental expenses	431,032			
	c	Rental income or (loss)	-99,470	0		
	d	Net rental income or (loss)	-99,470			-99,470
	7a	Gross amount from sales of assets other than inventory	(i) Securities 2,929	(ii) Other		
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)	2,929			
	d	Net gain or (loss)	2,929			2,929
	8a	Gross income from fundraising events (not including \$ 634,547 of contributions reported on line 1c) See Part IV, line 18	a 200,179			
	b	Less direct expenses b	200,179			
	c	Net income or (loss) from fundraising events	0			
	9a	Gross income from gaming activities See Part IV, line 19	a 3,460			
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities	3,460			3,460
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory	0			
		Miscellaneous Revenue	Business Code			
	11a	FOOD SERVICES	453000	1,272,114		1,272,114
	b	CONSULTING	541900	48,744		48,744
	c					
	d	All other revenue				
	e	Total. Add lines 11a-11d	1,320,858			
	12	Total revenue. See Instructions	264,466,679	240,884,087	0	9,510,968

Part IX

Statement of Functional Expenses

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

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

☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	0			
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	4,926,485		4,926,485	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	101,262,496	85,196,264	14,314,751	1,751,481
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	9,110,230	7,657,515	1,295,290	157,425
9	Other employee benefits.	14,855,215	12,423,679	2,176,128	255,408
10	Payroll taxes.	6,267,900	5,273,440	886,048	108,412
11	Fees for services (non-employees):				
a	Management.	1,163,604	792,514	369,972	1,118
b	Legal.	825,362	23,770	801,592	0
c	Accounting.	308,923	0	308,923	0
d	Lobbying.	371,033	371,033		
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	18,504,664	12,390,610	6,114,054	
12	Advertising and promotion.	1,066,580	141,802	924,778	0
13	Office expenses.	5,258,693	3,785,061	1,458,268	15,364
14	Information technology.	2,557,544	2,072,526	442,411	42,607
15	Royalties.	0			
16	Occupancy.	10,358,185	6,833,248	3,430,530	94,407
17	Travel.	511,612	336,506	172,936	2,170
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	621,139	476,305	120,933	23,901
20	Interest.	1,294,274	822,117	460,800	11,357
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	11,801,840	7,477,870	4,220,664	103,306
23	Insurance.	1,337,985	5,860	1,332,125	0
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	PURCHASED SERVICES	43,046,521	38,248,030	4,774,244	24,247
b	MEDICAL SUPPLIES	17,629,542	17,614,874	14,227	441
c	SPECIAL EVENTS	9,268,534	359,473	8,906,885	2,176
d	REPAIRS & MAINTENANCE	1,561,045	1,370,691	190,354	0
e	All other expenses	3,395,136	3,742,939	-369,051	21,248
25	Total functional expenses. Add lines 1 through 24e.	267,304,542	207,416,127	57,273,347	2,615,068
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

☒

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		482,737	1	1,782,072
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		29,412,780	4	27,453,944
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		4,899,895	7	1,645,518
	8	Inventories for sale or use		655,745	8	1,056,206
	9	Prepaid expenses and deferred charges		4,283,032	9	3,655,645
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a229,307,099			
	b	Less accumulated depreciation	10b104,192,282	108,341,078	10c	125,114,817
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		176,797,884	13	177,480,557
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		35,354,479	15	38,489,637
	16	Total assets. Add lines 1 through 15 (must equal line 34)		360,227,630	16	376,678,396
Liabilities	17	Accounts payable and accrued expenses		56,931,692	17	52,983,294
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		59,187,166	20	68,296,614
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	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		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		1,845,978	23	1,607,027
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		32,924,869	25	34,659,332
	26	Total liabilities. Add lines 17 through 25		150,889,705	26	157,546,267
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		96,684,590	27	101,387,989
	28	Temporarily restricted net assets		20,313,398	28	21,637,126
	29	Permanently restricted net assets		92,339,937	29	96,107,014
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		209,337,925	33	219,132,129
	34	Total liabilities and net assets/fund balances		360,227,630	34	376,678,396

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	264,466,679
2	Total expenses (must equal Part IX, column (A), line 25)	2	267,304,542
3	Revenue less expenses Subtract line 2 from line 1	3	-2,837,863
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	209,337,925
5	Net unrealized gains (losses) on investments	5	
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	12,632,067
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	219,132,129

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:

Software Version:

EIN: 06-0646755

Name: CONNECTICUT CHILDREN'S MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
H MARK LUNENBURG CHAIRMAN - DIRECTOR	1 0	X						0	0	0
E CLAYTON GENGRAS III VICE CHAIRMAN - DIRECTOR	1 0	X		X				0	0	0
WILLIAM POPIK MD VICE CHAIRMAN - DIRECTOR	1 0	X		X				0	0	0
ROBERT SHANFIELD SECRETARY - DIRECTOR	1 0	X		X				0	0	0
PATRICK J GARVEY EFF 32013 TREASURER-DIRECTOR-Interim CFO	55 0	X		X				162,987	0	34,149
MARILYN BACON MD DIRECTOR	1 0	X						0	0	0
MARIA BLOOM DIRECTOR, EX-OFFICIO	1 0	X						0	0	0
MARTIN J GAVIN DIRECTOR, EX-OFFICIO-PRES/CEO	55 0	X		X				697,274	0	38,725
JEFFREY HOFFMAN DIRECTOR	1 0	X						0	0	0
HARLAN KENT DIRECTOR	1 0	X						0	0	0
CATO LAURENCIN MD PHD DIRECTOR	1 0	X						0	0	0
SOREN TORP LAURSEN DIRECTOR	1 0	X						0	0	0
ROBERT M LE BLANC DIRECTOR	1 0	X						0	0	0
EDWARD LEWIS DIRECTOR	1 0	X						0	0	0
KATIE NIXON DIRECTOR	1 0	X						0	0	0
KOLAWOLE OLAFINBOBA MD DIRECTOR	1 0	X						0	0	0
DAVID ROTH DIRECTOR	1 0	X						0	0	0
ANNE P SARGENT DIRECTOR	1 0	X						0	0	0
CHARLES W SHIVERY DIRECTOR	1 0	X						0	0	0
RICHARD G WEISS MD DIR, EX-OFFICIO - DIR MED STAFF	55 0	X		X				0	460,488	47,491
GERALD J BOISVERT JR EVP/CFO (TERMED 3/20/13)	55 0			X				427,124	0	46,750
THERESA M HENDRICKSEN EVP/CHIEF OPERATING OFFICER	55 0			X				379,034	0	49,821
KELLY STYLES CHIEF INFORMATION OFFICER	55 0			X				277,719	0	33,934
RICHELLE DEMAYO MD CHIEF MEDICAL INFORMATION OFF	55 0			X				237,894	0	30,218
ANN TAYLOR SR VP/GENERAL COUNSEL	55 0			X				331,060	0	46,636

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ANDREA L BENIN MD SR VP-QUAL IMP PATIENT SAFETY	55 0			X				301,233	0	40,341
DEAN A RAPOZA VP MARKETING & BUS DEVELOPMENT	55 0			X				286,120	0	45,500
CHERYL HOEY VP CLINICAL SERVICE & CNO	55 0			X				218,536	0	38,412
THOMAS RICHARDSON VP STRATEGIC PLANNING	55 0			X				184,309	0	39,294
ELIZABETH RUDDEN VP HR (10/1/12-6/10/12)	55 0			X				131,887	110,122	44,670
FERNANDO FERRER MD SURGEON IN CHIEF	55 0				X			0	663,374	48,069
PAUL H DWORKIN MD PHYSICIAN IN CHIEF	55 0				X			485,944	0	27,593
ELIZABETH CROUCH SR DIRECTOR PERIOPERATIVE SVCS	55 0					X		202,920	0	33,302
DONNA M MEGLIOLA DIRECTOR HR (TERMED 12/28/12)	55 0					X		185,731	0	30,544
BARBARA E BROWN SR DIRECTOR EDUCATION/REHAB	55 0					X		170,867	0	34,803
GEORGINE S BURKE DIRECTOR RESEARCH	55 0					X		158,749	0	36,666
WILLIAM A AGOSTINUCCI SR DIRECTOR CLIN FAMILY SVS	55 0					X		165,924	0	39,793

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 CONNECTICUT CHILDREN'S MEDICAL CENTER	Employer identification number 06-0646755
---	--

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

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

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

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

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

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

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

Facts And Circumstances Test

Explanation

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization CONNECTICUT CHILDREN'S MEDICAL CENTER	Employer identification number 06-0646755
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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?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If “Yes,” describe in Part IV	

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

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

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

Part II-A

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

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

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

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?	Yes		
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c Media advertisements?		No	
d Mailings to members, legislators, or the public?	Yes		
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?	Yes		124,338
g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		246,695
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities?		No	
j Total Add lines 1c through 1i			371,033
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
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B, LINES 1A, 1B, 1F & 1G	MEMBERSHIP DUES ARE PAID TO ORGANIZATIONS WHICH ENGAGE IN LOBBYING EFFORTS ON BEHALF OF THEIR MEMBERS. A PORTION OF THE DUES PAID TO THESE ORGANIZATIONS IS ALLOCATED TOWARDS LOBBYING EFFORTS PERFORMED ON BEHALF OF THIS ORGANIZATION. THIS ALLOCATION AMOUNTED TO \$124,338 IN 2012. FEES WERE PAID TO AN OUTSIDE INDEPENDENT CONSULTING FIRM TO LOBBY ON BEHALF OF THE MEDICAL CENTER FOR LEGISLATION AFFECTING CHILDREN'S HEALTH IN THE AMOUNT OF \$105,000. A PORTION OF TWO CONNECTICUT CHILDREN'S MEDICAL CENTER EMPLOYEES' COMPENSATION IS ALLOCATED TO LOBBYING ACTIVITIES, FOR THIS FISCAL YEAR FORM 990 THIS TOTALLED \$141,695. PLEASE NOTE THAT THIS AMOUNT IS SHOWN ON CORE FORM, PART IX, LINES 5 AND 7 AS SALARIES EXPENSES. VOLUNTEERS PARTICIPATE IN LOBBYING ACTIVITIES INCLUDING PHONE CALLS, EMAILS AND LETTERS TO LEGISLATORS AND FEDERAL AND STATE POLICY MAKERS REGARDING VARIOUS CHILD-RELATED ISSUES. THERE WAS NO MONEY INVOLVED IN THESE VOLUNTEER TRANSACTIONS.

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 CONNECTICUT CHILDREN'S MEDICAL CENTER	Employer identification number 06-0646755
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Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes☐ No	

Part II

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

1

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

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

2

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

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

3

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

4

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

5

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

☐ Yes☐ No

6

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

7

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

8

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

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶\$ _____

(ii) Assets included in Form 990, Part X

▶\$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶\$ _____

b

Assets included in Form 990, Part X

▶\$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

2a

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

☐ Yes

☐ No

b

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

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	90,233,942	71,892,607	73,060,047	61,271,367	57,449,645
b Contributions	1,328,011	6,398,969	2,243,554	6,460,674	1,497,728
c Net investment earnings, gains, and losses	6,147,906	11,942,366	-583,773	5,328,006	2,323,994
d Grants or scholarships	12,923,775				
e Other expenditures for facilities and programs			2,827,221		
f Administrative expenses					
g End of year balance	84,786,084	90,233,942	71,892,607	73,060,047	61,271,367

2

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

a

Board designated or quasi-endowment ▶ 42 000 %

b

Permanent endowment ▶ 33 000 %

c

Temporarily restricted endowment ▶ 25 000 %

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

3a

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

(i) unrelated organizations

3a(i)

☐ Yes

☐ No

(ii) related organizations

3a(ii)

☐ Yes

☐ No

b

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

3b

☐

4

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

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		104,655,986	50,334,889	54,321,097
c Leasehold improvements				
d Equipment		114,213,220	53,782,482	60,430,738
e Other		10,437,893	74,911	10,362,982
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				125,114,817

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

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

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
ENDOWMENT FUNDS	SCHEDULE D, PART V, QUESTION 4	RESTRICTED FUNDS ARE USED TO SUPPORT AND FURTHER THE MISSION OF CONNECTICUT CHILDREN'S MEDICAL CENTER BY PROVIDING FUNDS IN SUPPORT OF OPERATIONS AND CAPITAL PURCHASES OF CONNECTICUT CHILDREN'S MEDICAL CENTER

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
CONNECTICUT CHILDREN'S MEDICAL CENTER

Employer identification number
06-0646755

Part I

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

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.
- 3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
Central America and the Caribbean	1	1	Program Services	FINANCIAL VEHICLE	6,536,301
3a Sub-total	1	1			6,536,301
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	1	1			6,536,301

Part II

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

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

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

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

[illegible]

Part IV Foreign Forms

- 1

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

☒ Yes

☐ No
- 2

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

☐ Yes

☒ No
- 3

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

☒ Yes

☐ No
- 4

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

☐ Yes

☒ No
- 5

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

☐ Yes

☒ No
- 6

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

☐ Yes

☒ No

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

Schedule F (Form 990) 2012

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.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		GALA (event type)	(event type)	0 (total number)	(add col (a) through col (c))
Revenue	1	Gross receipts	834,726		834,726
	2	Less Contributions	634,547		634,547
	3	Gross income (line 1 minus line 2)	200,179		200,179
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs	80,636		80,636
	7	Food and beverages			
	8	Entertainment	26,500		26,500
	9	Other direct expenses	93,043		93,043
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Combine line 3, column (d), and line 10 ▶			

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.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
Direct Expenses	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	
	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
CONNECTICUT CHILDREN'S MEDICAL CENTER

Employer identification number
06-0646755

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☒ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☐ 200% ☒ Other _____ 250 % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☒ 400% ☐ Other _____ % 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"? 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? 6a Did the organization prepare a community benefit report during the tax year? b If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.	3a	Yes	
		3b	Yes	
		4		No
		5a	Yes	
		5b		No
		5c		
		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)			621,287	0	621,287	0 230 %
b Medicaid (from Worksheet 3, column a)			128,786,553	76,613,744	52,172,809	19 520 %
c Costs of other means-tested government programs (from Worksheet 3, column b) .						
d Total Financial Assistance and Means-Tested Government Programs .			129,407,840	76,613,744	52,794,096	19 750 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			6,705,308		6,705,308	2 510 %
f Health professions education (from Worksheet 5)			12,091,237	1,044,656	11,046,581	4 130 %
g Subsidized health services (from Worksheet 6)			2,059,209	63,580	1,995,629	0 750 %
h Research (from Worksheet 7)			8,139,436		8,139,436	3 050 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			61,125		61,125	0 020 %
j Total. Other Benefits			29,056,315	1,108,236	27,948,079	10 460 %
k Total. Add lines 7d and 7j .			158,464,155	77,721,980	80,742,175	30 210 %

Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing		507,769		507,769	0 190 %
2	Economic development					
3	Community support		3,072,895		3,072,895	1 150 %
4	Environmental improvements					
5	Leadership development and training for community members		222,173		222,173	0 080 %
6	Coalition building		477,968		477,968	0 180 %
7	Community health improvement advocacy		425,644	388	425,256	0 160 %
8	Workforce development					
9	Other		189,591		189,591	0 070 %
10	Total		4,896,040	388	4,895,652	1 830 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

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

4,545,394

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

590,901

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

93,118

6

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

6

321,211

7

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

7

-228,093

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

9b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

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

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

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
4

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	CONNECTICUT CHILDREN'S MEDICAL CENTER 282 WASHINGTON STREET HARTFORD, CT 06106 WWW.CONNECTICUTCHILDRENS.ORG	X	X	X	X		X	X			1
2	CONNECTICUT CHILDREN'S MEDICAL CENTER 263 FARMINGTON AVENUE FARMINGTON, CT 06030 WWW.CONNECTICUTCHILDRENS.ORG	X	X	X	X		X				1
3	CONNECTICUT CHILDREN'S MEDICAL CENTER 56 FRANKLIN STREET WATERBURY, CT 06706 WWW.CONNECTICUTCHILDRENS.ORG	X	X	X	X						1
4	CONNECTICUT CHILDREN'S MEDICAL CENTER 80 SEYMOUR STREET HARTFORD, CT 06102 WWW.CONNECTICUTCHILDRENS.ORG	X	X	X	X		X				1

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)

CONNECTICUT CHILDREN'S 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)

4

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes	
a ☒ A definition of the community served by the hospital facility			
b ☒ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☒ How data was obtained			
e ☒ The health needs of the community			
f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☒ The process for consulting with persons representing the community's interests			
i ☒ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>			
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes	
a ☒ Hospital facility's website			
b ☒ Available upon request from the hospital facility			
c ☒ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a ☒ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b ☒ Execution of the implementation strategy			
c ☒ Participation in the development of a community-wide plan			
d ☒ Participation in the execution of a community-wide plan			
e ☒ Inclusion of a community benefit section in operational plans			
f ☒ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☒ Prioritization of health needs in its community			
h ☒ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☒ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		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
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a ☒ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13	Yes
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
a ☒ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☒ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☒ The policy was posted in the hospital facility's admissions offices			
e ☒ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☒ The policy was available upon request			
g ☒ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged		17	No
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☐

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

☒

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

☒

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

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
	a ☒ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
	b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
	c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
	d ☐ Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?		No
	If "Yes," explain in Part VI		
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?		No
	If "Yes," explain in Part VI		

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?

6

Name and address	Type of Facility (describe)
1CONNECTICUT CHILDREN'S MEDICAL CENTER 100 RETREAT AVENUE 4TH FLOOR HARTFORD,CT 06106	SPEECH THERAPY
2CONNECTICUT CHILDREN'S MEDICAL CENTER 11 SOUTH ROAD FARMINGTON,CT 06032	SPEECH THERAPY, AUDIOLOGY
3CONNECTICUT CHILDREN'S MEDICAL CENTER 399 FARMINGTON AVENUE 3RD FLOOR FARMINGTON,CT 06032	OCCUPATIONAL & PHYSICAL THERAPY
4CONNECTICUT CHILDREN'S MEDICAL CENTER 399 FARMINGTON AVENUE 3RD FLOOR FARMINGTON,CT 06032	MOTION ANALYSIS
5CONNECTICUT CHILDREN'S MEDICAL CENTER 320 WESTERN BOULEVARD GALSTONBURY,CT 06033	OCCUPATIONAL, PHYSICAL & SPEECH THERAPY, AUDIOLOGY
6CONNECTICUT CHILDREN'S MEDICAL CENTER 111 FOUNDERS PLAZA EAST HARTFORD,CT 06108	CLINICAL NUTRITION
7	
8	
9	
10	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFIT COST	SCHEDULE H, PART I, QUESTION 7	LINES 7A AND 7B WERE DETERMINED USING A RATIO OF COST TO CHARGES LINES 7E THROUGH 7I WERE ALL REPORTED AT TRUE COST, NOT USING A COST TO CHARGE RATIO
SUBSIDIZED HEALTH SERVICES	SCHEDULE H, PART I, QUESTION 7G	THE SUBSIDIZED HEALTH SERVICE REPORTED ON LINE 7G ARE FOR SHARED PSYCHIATRIC SERVICES WITH THE INSTITUTE OF LIVING

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, PART II	CONNECTICUT CHILDREN'S CORE MISSION IS TO IMPROVE THE PHYSICAL AND EMOTIONAL HEALTH OF CHILDREN ACROSS THE STATE OF CONNECTICUT WE RECOGNIZE THAT CHILDREN DO NOT LIVE IN ISOLATION THEY ARE A PART OF FAMILIES AND COMMUNITIES IN ORDER TO FULFILL OUR MISSION, WE PROVIDE LEADERSHIP AND PARTICIPATE IN COMMUNITY BASED PROGRAMS THAT HELP BUILD HEALTHIER COMMUNITIES TO THAT END, WE HAVE ADOPTED, AS ONE OF OUR FIVE KEY ORGANIZATIONAL STRATEGIES, THE CREATION OF THE OFFICE OF CHILD COMMUNITY HEALTH ("OCCH") THE OCCH WILL SERVE AS OUR COORDINATING ENTITY FOR OUR COMMUNITY-ORIENTED PROGRAMS IT WILL OVERSEE TWELVE COMMUNITY PROGRAMS - CO-MANAGEMENT PROGRAM - EASY BREATHING - EDUCATING PRACTICES IN THE COMMUNITY (EPIC)- HELP ME GROW NATIONAL CENTER - HARTFORD CHILDHOOD WELLNESS ALLIANCE - HARTFORD YOUTH HIV IDENTIFICATION AND LINKAGE GROUP (HYHIL)- THE INJURY PREVENTION CENTER - LEAD ACTION FOR MEDICAID PRIMARY PREVENTION (LAMPP)- MAINTENANCE OF CERTIFICATION - THE PRIMARY CARE CENTER/CHARTER OAK PARTNERSHIP - RESIDENT EDUCATION IN ADVOCACY AND COMMUNITY HEALTH (REACH) AND - THE SPECIAL KIDS SUPPORT CENTER/HARTFORD AREA COORDINATION COLLABORATIVE ALL TWELVE PROGRAMS HAVE ELEMENTS OF COMMUNITY BUILDING IN THEIR PURPOSE, SOME WORKING WITH LOCAL COMMUNITIES, SOME WITH STATE-WIDE COMMUNITIES, AND SOME WORKING WITH COMMUNITIES ON A NATIONAL LEVEL OCCH WILL HELP THESE EXISTING PROGRAMS PROGRESS AND EVOLVE, WHILE ALSO ACTING AN AS INCUBATOR FOR NEW, INNOVATIVE COMMUNITY-ORIENTED PROGRAMS THE GOAL OF THE OFFICE IS TO MAXIMIZE OUR IMPACT IN THE COMMUNITY AND HELP MAKE CONNECTICUT'S CHILDREN THE HEALTHIEST IN THE COUNTRY ADDITIONAL COMMUNITY BUILDING ACTIVITIES INCLUDE OUR WORK WITH A NEIGHBORHOOD PARTNERSHIP CALLED SOUTHSIDE INSTITUTIONS NEIGHBORHOOD ALLIANCE AND THE UNITED WAY SOUTHSIDE INSTITUTIONS NEIGHBORHOOD ALLIANCE ("SINA") IS A PARTNERSHIP BETWEEN CONNECTICUT CHILDREN'S MEDICAL CENTER, HARTFORD HOSPITAL AND TRINITY COLLEGE WE SHARE ONE OF HARTFORD'S POOREST NEIGHBORHOODS EACH INSTITUTION PAYS DUES THAT ACT AS THE FOUNDATION FOR SINA'S ANNUAL OPERATING BUDGET THREE EMPLOYEES OF CT CHILDREN'S ARE ON SINA'S BOARD OF DIRECTORS, AND IN 2012, 30 EMPLOYEES PARTICIPATED IN COMMITTEES AND ACTIVITIES THAT PROMOTED EDUCATION, IMPROVED HOUSING, AND PUBLIC SAFETY IN OUR SURROUNDING NEIGHBORHOODS A FEW OF THE WAYS THAT WE SUPPORTED EDUCATION THROUGH SINA INCLUDED THE SPONSORSHIP OF THE CITY-WIDE SCIENCE FAIR OUR GOAL WAS TO SUPPORT THE HARTFORD BOARD OF EDUCATION IN THEIR ENCOURAGEMENT OF PROMOTING STUDENT INTEREST IN THE SCIENCES ALONG WITH A FINANCIAL SPONSORSHIP, 17 EMPLOYEES ACTED AS JUDGES FOR THE EVENT AND 4 ADDITIONAL EMPLOYEES SERVED AS VOLUNTEERS TO HELP WITH THE EVENT COORDINATION WE DEVELOPED A COMPLIMENTARY ROLE MODELING PROGRAM WHEREBY STAFF FROM THE INSTITUTIONS VISITED A LOCAL SCHOOL TO TALK TO CLASSROOMS ABOUT HOW SCIENCE HAS BEEN USED IN THEIR JOBS SINA HAS ALSO SET UP TWO SCHOLARSHIP PROGRAMS IN 2012, THREE GRADUATES FROM THE LOCAL HIGH SCHOOL RECEIVED SCHOLARSHIPS FOR THEIR COMMUNITY SERVICE CONTRIBUTIONS, AND THREE ADULTS FROM THE NEIGHBORHOOD WHO ATTEND CAPITAL COMMUNITY COLLEGE RECEIVED A "SINA STUDENT SUPPORT SCHOLARSHIP" TO SUPPORT THEIR EFFORTS IN GETTING INTO A CAREER IN EITHER HEALTHCARE OR EDUCATION SINA'S HOUSING PROGRAM HAS FOCUSED ON TAKING BLIGHTED BUILDINGS, RAZING THEM, AND THEN BUILDING NEW SINGLE AND TWO-FAMILY HOMES SINA HAS BEEN ABLE TO BRING TOGETHER FEDERAL, STATE, AND CITY FINANCIAL SUPPORT TO CONSTRUCT OVER 50 HOMES DURING THE PAST 6 YEARS, 6 OF THEM COMPLETED IN 2012 ASIDE FROM IMPROVING THE NEIGHBORHOOD WITH 50 FIRST TIME HOMEOWNERS, WE ESTIMATE THAT THIS HAD ADDED MORE THAN \$250,000 TO THE TAX ROLL FOR THE CITY SINA CONTINUES TO OWN RENTAL PROPERTIES THAT WERE OBTAINED SOME YEARS AGO TO ADDRESS THE NEED OF INADEQUATE QUALITY LOW-COST HOUSING FOR THE NEIGHBORHOOD, AND THROUGH SINA, WE CONTINUE TO DIALOGUE WITH THE COMMUNITY ON STRATEGIES TO BALANCE ALL OF OUR HOUSING EFFORTS TO MEET THE GREATEST COMMUNITY NEED PUBLIC SAFETY IS PROMOTED IN A NUMBER OF WAYS SINA STAFF AND STAFF FROM CT CHILDREN'S PARTICIPATE IN ONE OF HARTFORD'S NEIGHBORHOOD REVITALIZATION ZONE (NRZ) MEETINGS WE PARTICIPATE ON THE NRZ'S PUBLIC SAFETY COMMITTEE SUPPORTING BLOCK WATCH PROGRAMS SINA ORGANIZES REGULAR MEETINGS WITH THE HARTFORD POLICE DEPARTMENT AND THE CAMPUS SAFETY MANAGERS OF THE THREE INSTITUTIONS TO DISCUSS COLLABORATIVE EFFORTS FOR PATROLLING THE NEIGHBORHOOD IN 2012 SINA DONATED SPECIAL BIKES TO THE HARTFORD POLICE DEPARTMENT TO SUPPORT THEIR EFFORTS IN COMMUNITY POLICING IN OUR NEIGHBORHOOD OUR WORK WITH THE UNITED WAY EXTENDS BEYOND A YEARLY EMPLOYEE CAMPAIGN TO RAISE MONEY THAT IS INVESTED IN THE COMMUNITY IN SEPTEMBER OF 2012, MORE THAN 50 EMPLOYEES WERE INVOLVED IN "DAY OF CARING" ACTIVITIES THAT INCLUDED CREATING AND SERVING A MEAL AT A LOCAL HOMELESS SHELTER, CLEANING UP ONE OF HARTFORD'S HIGHLY VISIBLE PARKS, AND HELPING WITH CLEANING AND MAINTENANCE PROJECTS AT A LOCAL BOYS AND GIRLS CLUB FOR THESE ACTIVITIES, EMPLOYEES PARTICIPATING WERE ABLE TO USE AN EMPLOYEE BENEFIT ALLOWING FOR 8 HOURS OF PAID TIME TO CONTRIBUTE TOWARD THE COMMUNITY CT CHILDREN'S WAS ALSO REPRESENTED IN THE UNITED WAY'S COMMUNITY INVESTMENT PROCESS, HELPING TO EVALUATE COMMUNITY PROGRAMS RECEIVING UNITED WAY FUNDS
BAD DEBT EXPENSE	SCHEDULE H, PART III, SECTION A, QUESTION 4	BAD DEBT EXPENSE WAS CALCULATED USING THE PROVIDERS' BAD DEBT EXPENSE FROM FINANCIAL STATEMENT, NET OF ACCOUNTS WRITTEN OFF AT CHARGES CONNECTICUT CHILDREN'S MEDICAL CENTER ("CONNECTICUT CHILDREN'S") AND ITS SUBSIDIARIES PREPARE AND ISSUE AUDITED CONSOLIDATED FINANCIAL STATEMENTS CONNECTICUT CHILDREN'S ALLOWANCE FOR DOUBTFUL ACCOUNTS (BAD DEBT EXPENSE) METHODOLOGY AND CHARITY CARE POLICIES ARE CONSISTENTLY APPLIED ACROSS ALL HOSPITAL FACILITIES THE ATTACHED TEXT WAS OBTAINED FROM THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENTS OF CONNECTICUT CHILDREN'S AND SUBSIDIARIES PATIENT ACCOUNTS RECEIVABLE PATIENT ACCOUNTS RECEIVABLE AND REVENUES ARE RECORDED WHEN PATIENT SERVICES ARE PERFORMED AMOUNTS RECEIVED FROM CERTAIN PAYORS ARE DIFFERENT FROM ESTABLISHED BILLING RATES OF THE MEDICAL CENTER, AND THE DIFFERENCE IS ACCORDED FOR AS ALLOWANCES THE MEDICAL CENTER RECORDS ITS PROVISION FOR BAD DEBTS BASED UPON A REVIEW OF ALL OF ITS OUTSTANDING RECEIVABLES WRITE-OFFS OF RECEIVABLE BALANCES ARE RELATED TO ITS POPULATION OF UNDERINSURED PATIENTS AN UNDERINSURED PATIENT IS ONE WHO HAS COMMERCIAL INSURANCE WHICH LEAVES A SIGNIFICANT PORTION OF THE MEDICAL CENTER'S REIMBURSEMENT TO BE PAID BY THE PATIENT, EITHER THROUGH LARGE DEDUCTIBLES OR CO-PAY REQUIREMENTS SELF-PAY PATIENTS ARE RARE IN THE PEDIATRIC ENVIRONMENT, AS MEDICAID IS READILY AVAILABLE TO CHILDREN SELF-PAY NET REVENUE APPROXIMATED \$4,400,000 AND \$4,380,000 FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012, RESPECTIVELY CHARITY CARE THE MEDICAL CENTER ACCEPTS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY A PATIENT IS CLASSIFIED AS A CHARITY PATIENT BY REFERENCE TO THE ESTABLISHED POLICIES OF THE MEDICAL CENTER ESSENTIALLY, THOSE POLICIES DEFINE CHARITY SERVICES AS THOSE SERVICES FOR WHICH NO PAYMENT IS ANTICIPATED IN ASSESSING A PATIENT'S INABILITY TO PAY, THE MEDICAL CENTER UTILIZES THE GENERALLY RECOGNIZED POVERTY INCOME LEVELS FOR THE STATE OF CONNECTICUT, BUT ALSO INCLUDES CERTAIN CASES WHERE INCURRED CHARGES ARE SIGNIFICANT WHEN COMPARED TO INCOMES THE COSTS OF CHARITY CARE INCURRED WERE \$626,607 AND \$346,815 FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012, RESPECTIVELY THE COSTS OF CHARITY CARE ARE DERIVED FROM BOTH ESTIMATED AND ACTUAL DATA THE ESTIMATED COST OF CHARITY CARE INCLUDES THE DIRECT AND INDIRECT COST OF PROVIDING SUCH SERVICES AND IS INDIRECT UTILIZING THE MEDICAL CENTER'S RATIO OF COST TO GROSS CHARGES, WHICH IS THEN MULTIPLIED BY THE GROSS UNCOMPENSATED CHARGES ASSOCIATED WITH PROVIDING CARE TO CHARITY PATIENTS

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT	SCHEDULE H, PART III, SECTION B, QUESTION 8	MEDICARE COSTS WERE DERIVED FROM THE 2012 MEDICARE COST REPORT. MEDICARE UNDERPAYMENTS AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THE ORGANIZATION FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. AS OUTLINED MORE FULLY BELOW, THE ORGANIZATION BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE HEALTH OF THE COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE ORGANIZATION'S CHARITABLE TAX-EXEMPT PURPOSES AND MISSION IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION, OR ABILITY TO PAY AND CONSISTENT WITH THE COMMUNITY BENEFIT STANDARD PROMULGATED BY THE IRS. THE COMMUNITY BENEFIT STANDARD IS THE CURRENT STANDARD FOR A HOSPITAL FOR RECOGNITION AS A TAX-EXEMPT AND CHARITABLE ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC") 501(C)(3). THE ORGANIZATION IS RECOGNIZED AS A TAX-EXEMPT ENTITY AND CHARITABLE ORGANIZATION UNDER 501(C)(3) OF THE IRC. ALTHOUGH THERE IS NO DEFINITION IN THE TAX CODE FOR THE TERM "CHARITABLE," A REGULATION PROMULGATED BY THE DEPARTMENT OF THE TREASURY PROVIDES SOME GUIDANCE AND STATES THAT "[T]HE TERM CHARITABLE IS USED IN 501(C)(3) IN ITS GENERALLY ACCEPTED LEGAL SENSE," AND PROVIDES EXAMPLES OF CHARITABLE PURPOSES, INCLUDING THE RELIEF OF THE POOR OR UNPRIVILEGED, THE PROMOTION OF SOCIAL WELFARE, AND THE ADVANCEMENT OF EDUCATION, RELIGION, AND SCIENCE. NOTE IT DOES NOT EXPLICITLY ADDRESS THE ACTIVITIES OF HOSPITALS. IN THE ABSENCE OF EXPLICIT STATUTORY OR REGULATORY REQUIREMENTS APPLYING THE TERM "CHARITABLE" TO HOSPITALS, IT HAS BEEN LEFT TO THE IRS TO DETERMINE THE CRITERIA HOSPITALS MUST MEET TO QUALIFY AS IRC 501(C)(3) CHARITABLE ORGANIZATIONS. THE ORIGINAL STANDARD WAS KNOWN AS THE CHARITY CARE STANDARD. THIS STANDARD WAS REPLACED BY THE IRS WITH THE COMMUNITY BENEFIT STANDARD, WHICH IS THE CURRENT STANDARD. CHARITY CARE STANDARD IN 1956, THE IRS ISSUED REVENUE RULING 56-185, WHICH ADDRESSED THE REQUIREMENTS HOSPITALS NEEDED TO MEET IN ORDER TO QUALIFY FOR IRC 501(C)(3) STATUS. ONE OF THESE REQUIREMENTS IS KNOWN AS THE "CHARITY CARE STANDARD." UNDER THE STANDARD, A HOSPITAL HAD TO PROVIDE, TO THE EXTENT OF ITS FINANCIAL ABILITY, FREE OR REDUCED-COST CARE TO PATIENTS UNABLE TO PAY FOR IT. A HOSPITAL THAT EXPECTED FULL PAYMENT DID NOT, ACCORDING TO THE RULING, PROVIDE CHARITY CARE BASED ON THE FACT THAT SOME PATIENTS ULTIMATELY FAILED TO PAY. THE RULING EMPHASIZED THAT A LOW LEVEL OF CHARITY CARE DID NOT NECESSARILY MEAN THAT A HOSPITAL HAD FAILED TO MEET THE REQUIREMENT SINCE THAT LEVEL COULD REFLECT ITS FINANCIAL ABILITY TO PROVIDE SUCH CARE. THE RULING ALSO NOTED THAT PUBLICLY SUPPORTED COMMUNITY HOSPITALS WOULD NORMALLY QUALIFY AS CHARITABLE ORGANIZATIONS BECAUSE THEY SERVE THE ENTIRE COMMUNITY, AND A LOW LEVEL OF CHARITY CARE WOULD NOT AFFECT A HOSPITAL'S EXEMPT STATUS IF IT WAS DUE TO THE SURROUNDING COMMUNITY'S LACK OF CHARITABLE DEMANDS. COMMUNITY BENEFIT STANDARD IN 1969, THE IRS ISSUED REVENUE RULING 69-545, WHICH "REMOVE[D]" FROM REVENUE RULING 56-185 "THE REQUIREMENTS RELATING TO CARING FOR PATIENTS WITHOUT CHARGE OR AT RATES BELOW COST." UNDER THE STANDARD DEVELOPED IN REVENUE RULING 69-545, WHICH IS KNOWN AS THE "COMMUNITY BENEFIT STANDARD," HOSPITALS ARE JUDGED ON WHETHER THEY PROMOTE THE HEALTH OF A BROAD CLASS OF INDIVIDUALS IN THE COMMUNITY. THE RULING INVOLVED A HOSPITAL THAT ONLY ADMITTED INDIVIDUALS WHO COULD PAY FOR THE SERVICES (BY THEMSELVES, PRIVATE INSURANCE, OR PUBLIC PROGRAMS SUCH AS MEDICARE), BUT OPERATED A FULL-TIME EMERGENCY ROOM THAT WAS OPEN TO EVERYONE. THE IRS RULED THAT THE HOSPITAL QUALIFIED AS A CHARITABLE ORGANIZATION BECAUSE IT PROMOTED THE HEALTH OF PEOPLE IN ITS COMMUNITY. THE IRS REASONED THAT BECAUSE THE PROMOTION OF HEALTH WAS A CHARITABLE PURPOSE ACCORDING TO THE GENERAL LAW OF CHARITY, IT FELL WITHIN THE "GENERALLY ACCEPTED LEGAL SENSE" OF THE TERM "CHARITABLE," AS REQUIRED BY TREAS. REG. 1.501(C)(3)-1(D)(2). THE IRS RULING STATED THAT THE PROMOTION OF HEALTH, LIKE THE RELIEF OF POVERTY AND THE ADVANCEMENT OF EDUCATION AND RELIGION, IS ONE OF THE PURPOSES IN THE GENERAL LAW OF CHARITY THAT IS DEEMED BENEFICIAL TO THE COMMUNITY AS A WHOLE. EVEN THOUGH THE CLASS OF BENEFICIARIES ELIGIBLE TO RECEIVE A DIRECT BENEFIT FROM ITS ACTIVITIES DOES NOT INCLUDE ALL MEMBERS OF THE COMMUNITY, SUCH AS INDIGENT MEMBERS OF THE COMMUNITY, PROVIDED THAT THE CLASS IS NOT SO SMALL THAT ITS RELIEF IS NOT OF BENEFIT TO THE COMMUNITY. THE IRS CONCLUDED THAT THE HOSPITAL WAS "PROMOTING THE HEALTH OF A CLASS OF PERSONS THAT IS BROAD ENOUGH TO BENEFIT THE COMMUNITY" BECAUSE ITS EMERGENCY ROOM WAS OPEN TO ALL AND IT PROVIDED CARE TO EVERYONE WHO COULD PAY, WHETHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT. OTHER CHARACTERISTICS OF THE HOSPITAL THAT THE IRS HIGHLIGHTED INCLUDED THE FOLLOWING: ITS SURPLUS FUNDS WERE USED TO IMPROVE PATIENT CARE, EXPAND HOSPITAL FACILITIES, AND ADVANCE MEDICAL TRAINING, EDUCATION, AND RESEARCH; IT WAS CONTROLLED BY A BOARD OF TRUSTEES THAT CONSISTED OF INDEPENDENT CIVIC LEADERS, AND HOSPITAL MEDICAL STAFF PRIVILEGES WERE AVAILABLE TO ALL QUALIFIED PHYSICIANS. MEDICARE UNDERPAYMENTS AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THE AMERICAN HOSPITAL ASSOCIATION ("AHA") FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THIS ORGANIZATION AGREES WITH THE AHA POSITION. AS OUTLINED IN THE AHA LETTER TO THE IRS DATED AUGUST 21, 2007, WITH RESPECT TO THE FIRST PUBLISHED DRAFT OF THE NEW FORM 990 AND SCHEDULE H, THE AHA FELT THAT THE IRS SHOULD INCORPORATE THE FULL VALUE OF THE COMMUNITY BENEFIT THAT HOSPITALS PROVIDE BY COUNTING MEDICARE UNDERPAYMENTS (SHORTFALL) AS QUANTIFIABLE COMMUNITY BENEFIT FOR THE FOLLOWING REASONS: - PROVIDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN ESSENTIAL PART OF THE COMMUNITY BENEFIT STANDARD. - MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE. RECENTLY, MEDICARE REIMBURSES HOSPITALS ONLY 92 CENTS FOR EVERY DOLLAR THEY SPEND TO TAKE CARE OF MEDICARE PATIENTS. THE MEDICARE PAYMENT ADVISORY COMMISSION ("MEDPAC") IN ITS MARCH 2007 REPORT TO CONGRESS CAUTIONED THAT UNDERPAYMENT WILL GET EVEN WORSE, WITH MARGINS REACHING A 10-YEAR LOW AT NEGATIVE 54 PERCENT. - MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, ARE POOR. MORE THAN 46 PERCENT OF MEDICARE SPENDING IS FOR BENEFICIARIES WHOSE INCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL. MANY OF THOSE MEDICARE BENEFICIARIES ARE ALSO ELIGIBLE FOR MEDICAID -- SO CALLED "DUAL ELIGIBLES." THERE IS EVERY COMPELLING PUBLIC POLICY REASON TO TREAT MEDICARE AND MEDICAID UNDERPAYMENTS SIMILARLY FOR PURPOSES OF A HOSPITAL'S COMMUNITY BENEFIT AND INCLUDE THESE COSTS ON FORM 990, SCHEDULE H, PART I. MEDICARE UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE COMMUNITY'S ELDERLY AND POOR. THESE UNDERPAYMENTS REPRESENT A REAL COST OF SERVING THE COMMUNITY AND SHOULD COUNT AS A QUANTIFIABLE COMMUNITY BENEFIT. BOTH THE AHA AND THIS ORGANIZATION ALSO FEEL THAT PATIENT BAD DEBT IS A COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. LIKE MEDICARE UNDERPAYMENT (SHORTFALLS), THERE ALSO ARE COMPELLING REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED AS QUANTIFIABLE COMMUNITY BENEFIT AS FOLLOWS: - A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME PATIENTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILITY FOR HOSPITALS' CHARITY CARE OR FINANCIAL ASSISTANCE PROGRAMS. A 2006 CONGRESSIONAL BUDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATIENTS WITH INCOMES BELOW 200% OF THE FEDERAL POVERTY LINE." - THE REPORT ALSO NOTED THAT A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE. UNLIKE BAD DEBT IN OTHER INDUSTRIES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO THE COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDLESS OF ABILITY TO PAY. PATIENTS WHO HAVE OUTSTANDING BILLS ARE NOT TURNED AWAY, UNLIKE OTHER INDUSTRIES. BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STANDARDS ON REPORTING CHARITY CARE. MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXTENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS. AS A RESULT, ROUGHLY 40% OF BAD DEBT IS PENDING CHARITY CARE. - THE CBO CONCLUDED THAT ITS FINDINGS "SUPPORT THE VALIDITY OF THE USE OF UNCOMPENSATED CARE [BAD DEBT AND CHARITY CARE] AS A MEASURE OF COMMUNITY BENEFITS" ASSUMING THE FINDINGS ARE GENERALIZABLE NATIONWIDE, THE EXPE
COLLECTION POLICY	SCHEDULE H, PART III, SECTION B, QUESTION 9B	CONNECTICUT CHILDREN'S MEDICAL CENTER WILL ONLY REFER THOSE ACCOUNTS TO COLLECTION AGENCIES WHEN IT HAS BEEN DETERMINED THAT THE PATIENT/GUARANTOR HAS THE MEANS TO PAY THE BALANCE AND HAS CHOSEN NOT TO APPLY FOR PATIENT FINANCIAL ASSISTANCE.

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 1J	NOT APPLICABLE
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 3	When conducting our formal Community Health Needs Assessment ("CHNA"), we did take into account input from persons representing a broad range of interests in the community. We worked as part of a collaborative group, teaming with a number of organizations on a variety of levels. We began by inviting representatives from a number of city and state agencies to solicit input on our process. Representatives from Connecticut Children's, the City of Hartford's Health and Human Services Department, St. Francis Hospital, and Hartford Hospital made up the work team that took the input and developed a process and time-line for conducting the assessment. Our process incorporated a number of strategies. We hired an outside consultant to complete a community profile. They did so using secondary data sources that included - Connecticut Department of Public Health Vital Statistics and Health Outcomes, - Women's Health Quick Health Data Online via the Office on Women's Health, - Health Data Interactive via the Centers for Disease Control and Prevention, - Connecticut Labor Market Information via the Connecticut Department of Labor, and - U.S. Census Bureau, for local, state and national data. We compiled a list of 100 individuals who would act as "Key Informants", and asked that they take part in a survey. The list included 4-5 individuals from each of the three hospitals, representing departments such as Emergency Medicine, Primary Care, and Research. Human Service organizational leaders, representatives from Hartford's Board of Education, public health officials, Federally Qualified Health Care providers, and civic and community leaders. The consultant conducted the survey anonymously, with 60 out of the 100 taking part. Hartford was one of three pilot sites in the state that were selected to test and evaluate a Health Equity Index (HEI) project. This project attempted to improve the community's knowledge of health equity concepts, mobilize the community into action, and help create structural changes that can lead to better outcomes. Various Social Determinants of Health were measured on a neighborhood basis. Part of the process for this was the conducting of city-wide focus groups. Lead by the city's Health and Human Services Department, the timing was fortuitous for our collaborative, and feedback from the focus groups as well as the Social Determinant measures were incorporated into our assessment. Additionally, we benefited by the work of a group called the Urban Alliance in Hartford. They were in the process of conducting a survey project to try and identify needs and barriers to receiving human services throughout the city. They conducted a face-to-face survey with more than 400 residents from 12 different neighborhoods in Hartford. The Alliance was gracious in allowing our collaborative to include their results in our assessment. In addition to the CHNA, we continue to gather valuable sources of health information about Hartford, the Greater Hartford Area, the State of Connecticut, and the country from a variety of sources. Since our catchment area goes well beyond the city, the following list represents sources of data that also guides our decision making in how we can best direct our expertise and resources to children's health issues. - We partner with 2 other anchor institutions (Trinity College, Hartford Hospital) to address Public Health and Quality of Life issues through Southside Neighborhood Alliance (SINA). - We participate in the city's Public Health Advisory Committee. - CT Children's is represented on numerous Boards of Directors/Advisory Boards on a variety of local, state-wide, and national levels. - We monitor trends that we see in our Emergency Department, Primary Care Center, and specialty clinics. - We collaborate with our local United Way (representation on the Operations Committee), having access to information such as needs of people calling into the 2-1-1 call center. - We conduct research into health and public health issues. - We respond to Requests for Proposals if we feel our expertise can contribute and are asked to participate in collaborative efforts. - As members of Connecticut Hospital Association and the Children's Hospital Association, we are aware of trends in children's health issues and concerns. We've participated in other Connecticut hospital's CHNAs (Waterbury, Torrington), and through the Connecticut Hospital Association, we've had monthly dialogue with the hospital representatives responsible for the CHNAs for all other Connecticut hospitals.

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 4	We conducted our assessment with 2 other Hartford based hospitals, Hartford Hospital and St Francis Hospital
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 5C	The Community Health Needs Assessment has been available on our website and in hard copy to anyone requesting it. Additionally, copies were given to the Connecticut Children's Medical Center Board of Directors, Medical Center leaders, our local United Way, local political leaders, neighborhood groups (Neighborhood Revitalization Zones, Urban Alliance), as well as all who were listed as Key Informants for the purpose of the survey.

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 6I	In 2012, Connecticut Children's Medical Center began a five-year Strategic Plan. One key initiative of the plan was the creation of the Office of Community Child Health (OCCH). OCCH was created as a commitment to children's health and the community. OCCH has become our coordinating entity that improves upon our efforts in communities, whether it's improving the lives of children and families through direct service, extending best practices, improving the healthcare system, or making improvements through child health advocacy. There are twelve programs under the Office. They include: - The Primary Care Center - providing primary care to the largest number of Medicaid supported children in the state - Co-Management Program - developing expanded primary care management of conditions in collaboration with our specialists - Easy Breathing - implementation of primary care-based asthma management - Educating practices in the Communities (EPIC) - training for primary care office practice improvements - Hartford Childhood Wellness Alliance - Childhood obesity prevention coalition building - Help Me Grow National Center - Early detection and referral system for children at risk for developmental and behavioral problems - Hartford Youth HIV Identification and Linkage (HYHIL) Program - promoting HIV prevention among teens and youth - Injury Prevention Center - injury prevention work, research and education - Lead Action for Medicaid Primary Prevention (LAMPP) / Green and Health Homes - lead hazard assessment, education, and financial assistance, and also home visits for asthma triggers and environmental hazards for injury prevention - Maintenance of Certification/Quality Improvement - development and administration of practice-based quality improvement activities related to OCCH program areas - Resident Education in Community Health (REACH) - Pediatric resident training in advocacy, children's health systems, and child health policy - Special Kids Support Center/Hartford Area Care Coordination Collaborative - assisting primary care medical homes in connecting children with special health care needs to services In September of 2013, the Connecticut Children's Medical Center Board adopted our CHNA, and in February of 2014, the Board adopted our using OCCH as the vehicle to respond to community needs. The formal assessment identified a number of needs, many related to social determinants and many related to adult concerns. Through our neighborhood partners at SINA, we are addressing some of the local public health concerns in the areas of housing and public safety. We've been taking a block-by-block approach to leverage our resources with city, state and federal resources to work toward eliminating blighted properties and work more effectively with public officials to create safer neighborhoods. While we don't have the expertise to tackle the issues related to adult health needs identified in the CHNA, there were three issues related to children's health that we are working to address. Our leadership with the Hartford Childhood Wellness Alliance has resulted in 30 agencies coming together to look at issues related to childhood obesity. Our continued work with our Easy Breathing Program and LAMPP Project continues to provide support for concerns around childhood asthma. The third area identified is in the area of Maternal/Child health, and in 2013, we received a funding from the Hartford Foundation for Public Giving and the City of Hartford's Health and Human Services Department to develop a Blueprint for Maternal/Child Health supports and interventions. Other programs under OCCH have been developed over time in order to address needs that have been identified from sources outside of our CHNA. We understand the responsibility we have to use our resources and expertise wisely. The mission of the Office is to elevate the effectiveness and status of the medical center as a critical community resource by developing, promoting, supporting, evaluating, and disseminating innovative effective, community oriented programs and services to address children's critical health needs. We want the Children of Connecticut to be the healthiest in the country.
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 7	There are needs identified in the CHNA that we are not addressing, but those are needs related to adult health such as Diabetes and Heart Disease. We do not have the expertise in these areas, though we do understand the relationship that children's health does have to future adults being healthy. Many of the participants with the Alliance work with parents, foster parents and grandparents, so we do have an indirect influence in these areas.

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCH H, PART V, SECTION B, QUESTIONS 10,11,12H,16E,17E,18E,19C,19D,20D,21&22	NOT APPLICABLE
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 14G	THE BOTTOM OF ALL BILLING INVOICES INCLUDES A STANDARD NOTE INDICATING THE PATIENT FINANCIAL ASSISTANCE POLICY IS AVAILABLE ALONG WITH A PHONE NUMBER TO OBTAIN THE POLICY ALSO, THE POLICY IS POSTED ON THE HOSPITAL'S INTERNET WEBSITE

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H, PART VI, QUESTION 2	IN ADDITION TO THE INTERNAL REVENUE CODE 501(R) COMMUNITY HEALTH NEEDS ASSESSMENT INFORMATION OUTLINED IN FORM 990, SCHEDULE H, PART V, SECTION B, CONNECTICUT CHILDREN'S ALSO CONDUCTED THE FOLLOWING ACTIVITIES WITH RESPECT TO ITS CHNA IN MARCH OF 2012, THE COLLABORATIVE MADE UP OF CONNECTICUT CHILDREN'S MEDICAL CENTER, HARTFORD HOSPITAL, ST FRANCIS HOSPITAL, UNIVERSITY OF CONNECTICUT HEALTH CENTER AND THE CITY OF HARTFORD'S HEALTH AND HUMAN SERVICES DEPARTMENT RELEASED A COMMUNITY HEALTH NEEDS ASSESSMENT THE ASSESSMENT FOCUSED SPECIFICALLY ON HARTFORD USING DATA FROM THE CITY'S HEALTH EQUITY INDEX, SURVEYS FROM AREA KEY INFORMANTS, THE HARTFORD SURVEY PROJECT, AND SECONDARY DATA, MUCH OF WHICH CAME FROM CONNECTICUT'S DEPARTMENT OF PUBLIC HEALTH VITAL STATISTICS AND HEALTH OUTCOMES ADDITIONALLY, WE HAVE OPPORTUNITIES TO ASSESS NEEDS THROUGH A NUMBER OF OTHER VEHICLES THAT ALLOW US TO LOOK DEEPER INTO HARTFORD, BUT ALSO THE HEALTH OF CHILDREN THROUGHOUT THE STATE SOME OF THOSE VEHICLES INCLUDE - SITTING ON THE CITY'S PUBLIC HEALTH ADVISORY COMMITTEE, - COLLECTING INFORMATION ABOUT HEALTH TRENDS FROM OUR CLINICS AND EMERGENCY DEPARTMENT, - RESEARCHING LOCAL AND NATIONAL HEALTH RELATED ISSUES, - PARTICIPATING ON NEIGHBORHOOD, LOCAL, STATEWIDE AND NATIONAL COMMITTEES, COALITIONS, NETWORKS AND BOARDS OF DIRECTORS USING THOSE OPPORTUNITIES TO GUIDE OUR DECISION MAKING, AND - RESPONDING TO GRANT OPPORTUNITIES WHICH REQUIRE US TO ASSESS SPECIFIC NEEDS AS THEY RELATE TO A SPECIFIC GRANT OUR STATE HOSPITAL ASSOCIATION HAS DEVELOPED A NETWORK OF COMMUNITY BENEFIT REPORTERS WHO SHARE THEIR COMMUNITY HEALTH NEEDS ASSESSMENTS WE ARE ABLE TO LOOK TO SEE WHAT THEY HAVE IDENTIFIED AS NEEDS IN PEDIATRICS AT THEIR LOCAL LEVELS
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, QUESTION 3	AS WRITTEN IN THE CREDITS AND COLLECTIONS POLICY POSTED TEXT IN GENERAL PUBLIC AREAS AND OTHER COMMUNICATIONS (IN ENGLISH AND SPANISH) WILL NOTIFY PATIENTS AND THEIR GUARANTORS OF THE AVAILABILITY OF HOSPITAL-BASED ASSISTANCE AND OTHER PROGRAMS OF PUBLIC ASSISTANCE IF THE HOSPITAL DETERMINES THAT A PATIENT OR GUARANTOR IS POTENTIALLY ELIGIBLE FOR MEDICAID OR OTHER GOVERNMENT PROGRAM, IT WILL ENCOURAGE THE PATIENT OR GUARANTOR TO APPLY FOR SUCH PROGRAM AND THE FINANCIAL COUNSELORS WILL ASSIST PATIENT GUARANTORS IN APPLYING FOR MEDICAID, HOSPITAL-BASED ASSISTANCE, OR OTHER ASSISTANCE AND PAYMENT PLAN PROGRAMS WHEN APPROPRIATE CONNECTICUT CHILDREN'S MEDICAL CENTER OFFERS HOSPITAL-BASED ASSISTANCE FOR MEDICALLY NECESSARY INPATIENT AND OUTPATIENT SERVICES FOR THOSE PATIENTS UNABLE TO PAY WHO CAN DEMONSTRATE FINANCIAL NEED ACCORDING TO CONNECTICUT CHILDREN'S MEDICAL CENTER'S PATIENT FINANCIAL ASSISTANCE ELIGIBILITY DETERMINATION METHODOLOGY IT IS AVAILABLE AS A LAST RESORT AFTER ALL OTHER THIRD PARTY RESOURCES HAVE BEEN EXHAUSTED ONCE APPROVED, THE DURATION FOR ELIGIBILITY FOR FINANCIAL ASSISTANCE IS SIX MONTHS

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H, PART VI, QUESTION 4	CONNECTICUT CHILDREN'S MEDICAL CENTER'S MAIN CAMPUS IS LOCATED IN ONE OF THE POOREST NEIGHBORHOODS IN ONE OF THE STATE'S POOREST CITIES. THOUGH WE SERVE CHILDREN AND FAMILIES THROUGHOUT THE ENTIRE STATE, WE WORK WITH OUR PARTNERS AT SINA TO IMPROVE LIVING CONDITIONS FOR ABOUT 2,500 HOUSEHOLDS IN OUR IMMEDIATE 14 BLOCK NEIGHBORHOOD, AND WORK WITH OTHER PARTNERS ON HEALTH IMPROVEMENT PROGRAMS IN THE CITY OF HARTFORD AND THROUGHOUT CONNECTICUT. CONNECTICUT CHILDREN'S MEDICAL CENTER OPERATES AN INPATIENT UNIT IN WATERBURY. CONNECTICUT AT ST. MARY'S HOSPITAL. SOME INFORMATION DESCRIBING THE NEIGHBORHOOD, HARTFORD, WATERBURY AND THE STATE: NEIGHBORHOOD - 2,500 HOUSEHOLDS, 75% LATINO, 44% WITH HOUSEHOLD INCOMES UNDER \$25,000, 45% OF THE RESIDENTS 18 AND OLDER HAVE LESS THAN A HIGH SCHOOL DEGREE. HARTFORD - POPULATION OF 124,817, 54,635 HOUSEHOLDS, 37% AFRICAN AMERICAN/BLACK, 42% LATINO, MEDIAN HOUSEHOLD INCOME OF \$29,107. WATERBURY - POPULATION OF 110,075, 48,426 HOUSEHOLDS, 19% AFRICAN AMERICAN/BLACK, 30% LATINO, MEDIAN HOUSEHOLD INCOME OF \$41,499. CONNECTICUT - POPULATION OF 3,558,172, 1,482,798 HOUSEHOLDS, 9.8% AFRICAN AMERICAN/BLACK, 13% LATINO, MEDIAN HOUSEHOLD INCOME OF \$69,243.
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, QUESTION 5	CONNECTICUT CHILDREN'S MEDICAL CENTER HAS A VISION TO MAKE CONNECTICUT'S CHILDREN THE HEALTHIEST IN THE NATION. WHILE WE PROVIDE LEADING MEDICAL CARE, TREATMENT, AND FOLLOW-UP SUPPORT WITHIN OUR FACILITIES, SOME OF THE BEST WORK WE DO TO PROMOTE CHILDREN'S HEALTH HAPPENS WITHIN CONNECTICUT'S COMMUNITIES. THE OFFICE OF COMMUNITY CHILD HEALTH IS DEDICATED TO DEVELOPING AND SUPPORTING COMMUNITY-BASED PROGRAMS THAT PROMOTE CHILDREN'S OPTIMAL HEALTHY DEVELOPMENT. THIS UNIQUE APPROACH AMONG CHILDREN'S HOSPITALS BRINGS TOGETHER INTERNAL, LOCAL, STATE AND NATIONAL STAKEHOLDERS TO PROVIDE SPECIFIC PROGRAMS WHICH AIM TO PREVENT ILLNESS, INJURY, AND OTHER HARM AND ENSURE THAT ALL CHILDREN IN ALL COMMUNITIES RECEIVE THE BEST CARE POSSIBLE. THERE ARE CURRENTLY TWELVE COMMUNITY CHILD HEALTH PROGRAMS IN PROGRESS IN COMMUNITIES THROUGHOUT THE STATE. IN ADDITION TO THE OFFICE, THERE ARE A NUMBER OF OTHER VEHICLES IN PLACE THAT ARE USED TO PROMOTE COMMUNITY HEALTH. OUR CORPORATE COMMUNICATIONS OFFICE COORDINATES ALL EXTERNAL COMMUNICATIONS, MANY OF WHICH ARE DESIGNED FOR THE PURPOSE OF PROMOTING COMMUNITY HEALTH. OUR ANNUAL REPORT INFORMS THE COMMUNITY OF THE LATEST ADVANCES IN THE CARING FOR AND CURING OF CHILDHOOD ILLNESS AND DISEASES. OTHER PUBLICATIONS DESCRIBING THE PROGRAMS AND SERVICES AT CONNECTICUT CHILDREN'S MEDICAL CENTER ARE SENT OUT TO THE COMMUNITY THROUGHOUT THE YEAR. OUR CONTINUING MEDICAL EDUCATION OFFICE HOLDS PEDIATRIC GRAND ROUNDS THROUGHOUT THE YEAR WITH MANY OF THE ATTENDEES BEING COMMUNITY PROVIDERS. ADDITIONALLY, MANY OF OUR EMPLOYEES PARTICIPATE IN THE BOARDS OF DIRECTORS AND ADVISORY BOARDS AT THE LOCAL AND STATE-WIDE LEVEL.

Identifier	ReturnReference	Explanation
AFFILIATED HEALTHCARE SYSTEM	SCHEDULE H, PART VI, QUESTION 6	OUTLINED BELOW IS A SUMMARY OF THE ENTITIES WHICH COMPRISE CONNECTICUT CHILDREN'S CORPORATION AND SUBSIDIARIES NOT FOR-PROFIT ENTITIES CONNECTICUT CHILDREN'S CORPORATION CONNECTICUT CHILDREN'S CORPORATION IS THE TAX-EXEMPT PARENT OF AN INTEGRATED HEALTHCARE DELIVERY SYSTEM WHICH CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS CONNECTICUT CHILDREN'S CORPORATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) AS THE PARENT ORGANIZATION, CONNECTICUT CHILDREN'S CORPORATION STRIVES TO CONTINUALLY DEVELOP AND OPERATE A HEALTHCARE SYSTEM WHICH PROVIDES SUBSTANTIAL COMMUNITY BENEFIT THROUGH THE PROVISION OF A COMPREHENSIVE SPECTRUM OF HEALTHCARE SERVICES TO THE RESIDENTS OF CONNECTICUT AND SURROUNDING COMMUNITIES CONNECTICUT CHILDREN'S CORPORATION ENSURES THAT ITS SYSTEM PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY NO INDIVIDUALS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICES CONNECTICUT CHILDREN'S MEDICAL CENTER OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 1 IT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS, 2 IT OPERATES AN ACTIVE EMERGENCY DEPARTMENT FOR ALL PERSONS, WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR, 3 IT MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS, 4 CONTROL OF THE HOSPITAL RESTS WITH ITS BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS OF CONNECTICUT CHILDREN'S CORPORATION BOTH BOARDS ARE COMPRISED OF A MAJORITY OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY, AND 5 SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES CONNECTICUT CHILDREN'S MEDICAL CENTER FOUNDATION, INC CONNECTICUT CHILDREN'S MEDICAL CENTER FOUNDATION, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(1) THE ORGANIZATION SUPPORTS CONNECTICUT CHILDREN'S MEDICAL CENTER, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION, AND ITS AFFILIATES IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO THE COMMUNITY IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY CONNECTICUT CHILDREN'S AFFILIATES, INC CONNECTICUT CHILDREN'S AFFILIATES, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(2) THE ORGANIZATION PROVIDES SPECIALIZED EDUCATION AND CHILD DEVELOPMENT PROGRAMS TO CHILDREN OF CONNECTICUT AND THE SURROUNDING AREAS CONNECTICUT CHILDREN'S SPECIALTY GROUP CONNECTICUT CHILDREN'S SPECIALTY GROUP IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(2) THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY CHILDREN'S FUND OF CONNECTICUT, INC CHILDREN'S FUND OF CONNECTICUT, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) THE ORGANIZATION SUPPORTS CONNECTICUT CHILDREN'S MEDICAL CENTER, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION, AND ITS AFFILIATES IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY CHILDREN'S HEALTH AND DEVELOPMENT INSTITUTE, INC CHILDREN'S HEALTH AND DEVELOPMENT INSTITUTE, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(1) THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY NORTHEAST PEDIATRIC SPECIALISTS, INC NORTHEAST PEDIATRIC SPECIALISTS, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) THE ORGANIZATION SUPPORTS CONNECTICUT CHILDREN'S MEDICAL CENTER, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION, AND ITS AFFILIATES IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY CAPITAL AREA HEALTH CONSORTIUM, INC CAPITAL AREA HEALTH CONSORTIUM, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) THE ORGANIZATION SUPPORTS CONNECTICUT CHILDREN'S MEDICAL CENTER, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION, AND ITS AFFILIATES IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY FOR-PROFIT ENTITIES CONNECTICUT CHILDREN'S VENTURES, INC A FOR-PROFIT ENTITY WHOSE SOLE SHAREHOLDER IS CONNECTICUT CHILDREN'S CORPORATION THE ORGANIZATION IS LOCATED IN HARTFORD, CONNECTICUT THIS ENTITY IS CURRENTLY INACTIVE
STATE FILING OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, QUESTION 7	THE STATE OF CONNECTICUT REQUIRES HOSPITALS TO FILE A COMMUNITY BENEFIT REPORT WITH CONNECTICUT'S OFFICE OF THE HEALTHCARE ADVOCATE THE REPORT IS SUBMITTED EVERY OTHER YEAR A REPORT FOR FISCAL YEARS 2011 AND 2012 WAS SUBMITTED IN 2013

Identifier	ReturnReference	Explanation
FACILITY REPORTING GROUP(S)	SCHEDULE H, PART VI, QUESTION 8	THE ORGANIZATION HAS FOUR HOSPITAL FACILITIES INCLUDED IN ONE FACILITY REPORTING GROUP THESE ARE REFLECTED IN SCHEDULE H, PART V, SECTION A PLEASE REFER TO OUR RESPONSES IN SCHEDULE H, PART VI ABOVE

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 CONNECTICUT CHILDREN'S MEDICAL CENTER	Employer identification number 06-0646755
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Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☒ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
	b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	Yes	
	2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes	
	3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☒ Compensation committee	☐ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
☐ Form 990 of other organizations	☒ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
	a Receive a severance payment or change-of-control payment?	4a	Yes	
	b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		No
	c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c		No
5	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
	5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
	a The organization?	5a		No
	b Any related organization? If "Yes," to line 5a or 5b, describe in Part III	5b		No
6	6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
	a The organization?	6a		No
	b Any related organization? If "Yes," to line 6a or 6b, describe in Part III	6b		No
	7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes	
8	8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		No
	9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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
COMPENSATION INFORMATION	PART VII AND SCHEDULE J	TAXABLE COMPENSATION REPORTED HEREIN IS DERIVED FROM 2012 FORMS W-2 AND FORMS 1099 (IF APPLICABLE)
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTIONS 1A & 1B	THE ORGANIZATION'S CURRENT SENIOR VICE PRESIDENT OF QUALITY IMPROVEMENT AND BUSINESS DEVELOPMENT AND SENIOR DIRECTOR OF PERIOPERATIVE SERVICES BOTH RELOCATED FOR CONNECTICUT CHILDREN'S MEDICAL CENTER WORK PURPOSES. IN ORDER TO FACILITATE THE RELOCATION OF THEIR PRIMARY RESIDENCE, THE ORGANIZATION PROVIDED THEM WITH A HOUSING ALLOWANCE IN THE AMOUNT OF \$10,814 AND \$50,645, RESPECTIVELY, WHICH WAS INCLUDED IN THEIR 2013 FORM W-2, BOX 5 AS TAXABLE MEDICARE WAGES AND IN SCHEDULE J, PART II, COLUMN B(III) HEREIN.
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTION 3	EACH YEAR, TOWERS WATSON CONDUCTS A MARKET ANALYSIS OF CONNECTICUT CHILDREN'S MEDICAL CENTER'S ("CONNECTICUT CHILDREN'S") CEO, OFFICERS AND OTHER KEY EMPLOYEES TO AUGMENT THEIR PROPRIETARY DATA AND OTHER DATA TO WHICH THEY HAVE ACCESS, CONNECTICUT CHILDREN'S PROVIDES THE RESULTS DATA FROM SALARY SURVEYS IN WHICH WE PARTICIPATE. THE ANALYSIS AND PRESENTATION OF THE DATA IS PERFORMED BY THE TOWERS WATSON REPRESENTATIVE TO THE CEO AND THE MEMBERS OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS. ANNUALLY THE CEO AND THE BOARD THEN DISCUSS SALARY RECOMMENDATIONS FOR THE OFFICERS AND OTHER KEY EMPLOYEES AND SIGN OFF ON THE FINAL RECOMMENDATIONS. THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS MEETS INDEPENDENTLY WITH THE CEO TO DISCUSS HIS INDIVIDUAL PERFORMANCE. FOLLOWING THE PERFORMANCE EVALUATION, A SALARY RECOMMENDATION IS MADE AND COMMUNICATED TO THE VICE PRESIDENT OF HUMAN RESOURCES TO AUTHORIZE PROCESSING.
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTION 4A	DONNA M. MEGLIOLA, DIRECTOR OF HUMAN RESOURCES OF THE ORGANIZATION RECEIVED A SEVERANCE PAYMENT DURING 2012 IN THE AMOUNT OF \$71,220 WHICH WAS INCLUDED IN HER 2012 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES AND IN SCHEDULE J, PART II, COLUMN B(III) HEREIN.
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTION 7 AND CORE FORM, PART VII	CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED A BONUS DURING CALENDAR YEAR 2012 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2012 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.

Software ID:

Software Version:

EIN: 06-0646755

Name: CONNECTICUT CHILDREN'S MEDICAL CENTER

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				
PATRICK J GARVEY EFF 32013	(i)	152,642	10,035	310	11,731	22,418	197,136	0
	(ii)	0	0	0	0	0	0	0
MARTIN J GAVIN	(i)	446,390	214,691	36,193	22,250	16,475	735,999	0
	(ii)	0	0	0	0	0	0	0
RICHARD G WEISS MD	(i)	0	0	0	0	0	0	0
	(ii)	409,338	23,797	27,353	24,700	22,791	507,979	0
GERALD J BOISVERT JR	(i)	335,609	80,295	11,220	24,700	22,050	473,874	0
	(ii)	0	0	0	0	0	0	0
THERESA M HENDRICKSEN	(i)	301,212	65,472	12,350	27,150	22,671	428,855	0
	(ii)	0	0	0	0	0	0	0
KELLY STYLES	(i)	202,342	56,339	19,038	22,250	11,684	311,653	0
	(ii)	0	0	0	0	0	0	0
RICHELLE DEMAYO MD	(i)	237,443	0	451	16,575	13,643	268,112	0
	(ii)	0	0	0	0	0	0	0
ANN TAYLOR	(i)	243,032	68,406	19,622	24,700	21,936	377,696	0
	(ii)	0	0	0	0	0	0	0
ANDREA L BENIN MD	(i)	289,901	0	11,332	15,600	24,741	341,574	0
	(ii)	0	0	0	0	0	0	0
DEAN A RAPOZA	(i)	235,389	49,473	1,258	22,250	23,250	331,620	0
	(ii)	0	0	0	0	0	0	0
CHERYL HOEY	(i)	209,269	7,306	1,961	15,810	22,602	256,948	0
	(ii)	0	0	0	0	0	0	0
THOMAS RICHARDSON	(i)	156,300	27,514	495	15,218	24,076	223,603	0
	(ii)	0	0	0	0	0	0	0
ELIZABETH RUDDEN	(i)	85,130	37,497	9,260	17,410	4,793	154,090	0
	(ii)	100,519	0	9,603	16,541	5,926	132,589	0
FERNANDO FERRER MD	(i)	0	0	0	0	0	0	0
	(ii)	511,543	132,941	18,890	22,250	25,819	711,443	0
PAUL H DWORKIN MD	(i)	362,576	93,323	30,045	24,700	2,893	513,537	0
	(ii)	0	0	0	0	0	0	0
ELIZABETH CROUCH	(i)	150,948	0	51,972	16,344	16,958	236,222	0
	(ii)	0	0	0	0	0	0	0
DONNA M MEGLIOLA	(i)	73,927	8,751	103,053	6,412	24,132	216,275	0
	(ii)	0	0	0	0	0	0	0
BARBARA E BROWN	(i)	156,426	12,332	2,109	18,769	16,034	205,670	0
	(ii)	0	0	0	0	0	0	0
GEORGINE S BURKE	(i)	138,485	11,256	9,008	17,737	18,929	195,415	0
	(ii)	0	0	0	0	0	0	0
WILLIAM A AGOSTINUCCI	(i)	151,523	10,049	4,352	18,872	20,921	205,717	0
	(ii)	0	0	0	0	0	0	0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CONNECTICUT CHILDREN'S MEDICAL CENTER

Employer identification number
06-0646755

Part I

Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A CT HEALTH & EDUCATIONAL FACILITIES AUTHORITY	06-0806186		06-30-2011	41,580,000	REFI SER B&C BOND/LEASE FINANCINGS		X		X		X
B CT HEALTH & EDUCATIONAL FACILITIES AUTHORITY	06-0806186		10-12-2007	8,500,000	LEASE FINNACE VARIOUS EQUIPMENT		X		X		X
C CT HEALTH & EDUCATIONAL FACILITIES AUTHORITY	06-0806186		09-28-2012	8,800,000	ELECTRONIC MEDICAL RECORDS		X		X		X
D CT HEALTH & EDUCATIONAL FACILITIES AUTHORITY	06-0806186		10-18-2011	11,200,000	ELECTRONIC MEDICAL RECORDS		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	2,265,000		0		1,164,205		2,848,264	
2	Amount of bonds legally defeased	0		8,500,000		0		0	
3	Total proceeds of issue	41,580,000		8,500,000		8,800,000		11,200,000	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	10,255,050		0		0		0	
7	Issuance costs from proceeds	689,909		31,000		31,338		49,245	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	0		8,469,000		1,268,712		11,150,418	
11	Other spent proceeds	30,635,041		0		0		0	
12	Other unspent proceeds	0		0		7,499,950		0	
13	Year of substantial completion	2011		2010		2015		2014	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
		X			X		X		X
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		X
16	Has the final allocation of proceeds been made?	X		X			X	X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?		X	X		X		X	
c	No rebate due?								
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed									
3	Is the bond issue a variable rate issue?	X			X		X		X
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b	Name of provider	BANK OF AMERICA		0		0			
c	Term of hedge	208							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b	Name of provider	0		0		0		0	
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X				X	

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Identifier	Return Reference	Explanation
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Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI. ▶ Attach to Form 990. ▶ See separate instructions.	OMB No 1545-0047
		2012
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization CONNECTICUT CHILDREN'S MEDICAL CENTER	Employer identification number 06-0646755
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Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A CT HEALTH & EDUCATIONAL FACILITIES AUTHORITY	06-0806186		04-04-2013	13,500,000	CONSTRUCT & EQUIP ASC		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	505,917							
2	Amount of bonds legally defeased	0							
3	Total proceeds of issue	13,500,000							
4	Gross proceeds in reserve funds	0							
5	Capitalized interest from proceeds	0							
6	Proceeds in refunding escrows	0							
7	Issuance costs from proceeds	49,245							
8	Credit enhancement from proceeds	0							
9	Working capital expenditures from proceeds	0							
10	Capital expenditures from proceeds	3,942,383							
11	Other spent proceeds	0							
12	Other unspent proceeds	9,508,372							
13	Year of substantial completion	2015							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?		X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?	X							
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Identifier	Return Reference	Explanation
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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 CONNECTICUT CHILDREN'S MEDICAL CENTER	Employer identification number 06-0646755
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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) THE CONNECTICUT LIGHT AND POWER COM	TRUSTEE - SHIVERY	675,440	UTILITIES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	SCHEDULE L, PART IV	CHARLES W SHIVERY, DIRECTOR OF THIS ORGANIZATION IS THE PRESIDENT OF THE CONNECTICUT LIGHT AND POWER COMPANY, A SUBSIDIARY OF NORTHEAST UTILITES THIS ORGANIZATION UTILIZED THE SERVICES OF THE CONNECTICUT LIGHT AND POWER COMPANY DURING ITS FISCAL YEAR ENDED SEPTEMBER 30, 2013 SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARMS-LENGTH NEGOTIATIONS PLEASE NOTE THAT THE CONNECTICUT LIGHT AND POWER COMPANY IS THE SOLE PROVIDER OF POWER IN THE AREA SURROUNDING THE MEDICAL CENTER

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 CONNECTICUT CHILDREN'S MEDICAL CENTER	Employer identification number 06-0646755
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Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	BACKGROUND ===== CONNECTICUT CHILDREN'S MEDICAL CENTER ("CONNECTICUT CHILDREN'S") IS RECOGNIZED BY THE IRS AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION PURSUANT TO ITS CHARITABLE PURPOSES, CONNECTICUT CHILDREN'S PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE , COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY . MOREOVER, CONNECTICUT CHILDREN'S OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 : 1 CONNECTICUT CHILDREN'S PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY , INCLUDING CHARITY CARE, SELF-PAY , MEDICARE AND MEDICAID PATIENTS, 2 CONNECTICUT CHILDREN'S OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS WHICH IS OPEN 24 HOURS A DAY , 7 DAYS A WEEK, 365 DAYS PER YEAR, 3 CONNECTICUT CHILDREN'S MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS , 4 CONTROL OF CONNECTICUT CHILDREN'S RESTS WITH ITS BOARD OF TRUSTEES . ITS BOARD IS COMPRISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY , AND 5 SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES . THE OPERATIONS OF CONNECTICUT CHILDREN'S, AS SHOWN THROUGH THE FACTORS OUTLINED ABOVE AND OTHER INFORMATION CONTAINED HEREIN, CLEARLY DEMONSTRATE THE HOSPITAL PROVIDES SUBSTANTIAL COMMUNITY BENEFIT AND THAT THE USE AND CONTROL OF CONNECTICUT CHILDREN'S IS FOR THE BENEFIT OF THE PUBLIC, AND THAT NO PART OF THE INCOME OR NET EARNINGS OF THE ORGANIZATION INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL, NOR IS ANY PRIVATE INTEREST BEING SERVED OTHER THAN INCIDENTALLY . HISTORY ===== CONNECTICUT CHILDREN'S IS A NATIONALLY RECOGNIZED, 187-BED NOT-FOR-PROFIT CHILDREN'S HOSPITAL SERVING AS THE PRIMARY TEACHING HOSPITAL FOR THE UNIVERSITY OF CONNECTICUT SCHOOL OF MEDICINE DEPARTMENT OF PEDIATRICS . CONNECTICUT CHILDREN'S IS CONSISTENTLY NAMED AMONG THE BEST IN THE NATION FOR SEVERAL OF ITS PEDIATRIC SPECIALTIES IN THE ANNUAL U.S. NEWS & WORLD REPORT "BEST CHILDREN'S HOSPITALS" RANKINGS . THE HISTORY OF CONNECTICUT CHILDREN'S SPANS MORE THAN 100 YEARS . FOUNDED AS A 10-BED HOSPITAL FOR CHILDREN WHO SUFFERED THEN INCURABLE CONDITIONS SUCH AS CEREBRAL PALSY , SPINA BIFIDA AND POLIO, CONNECTICUT CHILDREN'S IS NOW ONE OF ONLY TWO FREESTANDING CHILDREN'S HOSPITALS IN NEW ENGLAND AND THE ONLY FREESTANDING CHILDREN'S HOSPITAL IN CONNECTICUT THAT OFFERS COMPREHENSIVE, WORLD-CLASS HEALTHCARE TO CHILDREN AND ADOLESCENTS IN A PATIENT- AND FAMILY-CENTERED ENVIRONMENT WITH A FOCUS ON RESEARCH, EDUCATION AND ADVOCACY . CONNECTICUT CHILDREN'S HAS APPROXIMATELY 1,700 EMPLOYEES WITH A MEDICAL STAFF OF NEARLY 1,100, PRACTICING IN MORE THAN 30 SPECIALTIES . CONNECTICUT CHILDREN'S IS A TERTIARY REFERRAL CENTER AND PROVIDES OUTSTANDING CARE TO CHILDREN OF ALL AGES AFFECTED BY A WIDE RANGE OF CONDITIONS . CONNECTICUT CHILDREN'S PROVIDES A COMPREHENSIVE ARRAY OF PEDIATRIC SERVICES IN LOCATIONS ACROSS CONNECTICUT AND IN MASSACHUSETTS, INCLUDING ITS HOSPITALS IN HARTFORD AND WATERBURY, NEONATAL INTENSIVE CARE UNITS IN HARTFORD AND FARMINGTON, FIVE SPECIALTY CARE CENTERS IN DANBURY , HARTFORD, FARMINGTON, GLASTONBURY AND SHELTON, AND SEVERAL PRACTICES CONVENIENTLY LOCATED THROUGHOUT THE STATE . ITS LEVEL 1 PEDIATRIC TRAUMA CENTER AND PRIMARY CARE CENTER ARE THE BUSIEST BETWEEN BOSTON AND NEW YORK . MISSION ===== CONNECTICUT CHILDREN'S IS DEDICATED TO IMPROVING THE PHYSICAL AND EMOTIONAL HEALTH OF CHILDREN THROUGH FAMILY-CENTERED CARE, RESEARCH, EDUCATION AND ADVOCACY . CONNECTICUT CHILDREN'S EMBRACES DISCOVERY , TEAMWORK, INTEGRITY AND EXCELLENCE IN ALL THAT IT DOES . PROGRAMS OF EXCELLENCE ===== CONNECTICUT CHILDREN'S OFFERS THE HIGHEST LEVEL OF CARE TO CHILDREN AND HAS BEEN CONSISTENTLY RECOGNIZED BY U.S. NEWS & WORLD REPORT IN ITS ANNUAL "BEST CHILDREN'S HOSPITALS" RANKINGS . FOR 2013-14, SIX OF ITS SPECIALTIES WERE RANKED AMONG THE BEST IN THE NATION : DIABETES & ENDOCRINOLOGY (#35), GASTROENTEROLOGY & GI SURGERY (#49), NEONATOLOGY (#43), ORTHOPEDICS (#41), PULMONOLOGY (#39), AND UROLOGY (#25) . THE RANKINGS ARE BASED ON THREE MAJOR COMPONENTS, EACH OF WHICH COUNTS AS ONE-THIRD OF A HOSPITAL'S SCORE - OUTCOMES . NOTHING MATTERS MORE THAN OUTCOMES-KEEPING KIDS HEALTHY , PROTECTING THEM FROM SURGICAL COMPLICATIONS, AND IMPROVING THE QUALITY OF LIFE OF THOSE WITH CHRONIC CONDITIONS - PROCESS OF CARE . SEVERAL ELEMENTS ARE CONSIDERED, INCLUDING HOSPITAL COMPLIANCE WITH BEST PRACTICES AND A COMMITMENT TO INFECTION CONTROL - MIX OF CARE-RELATED INDICATORS . CONDITION-SPECIFIC PROGRAMS, SURGICAL VOLUME AND NURSE/PATIENT RATIO ARE JUST A FEW EXAMPLES OF AN ASSORTED 38 MEASURES AND SUB-MEASURES USED IN THE SPECIALTY RANKINGS . IN ADDITION TO CONNECTICUT CHILDREN'S NATIONALLY RANKED SPECIALTIES, THERE ARE SEVERAL PROGRAMS OF EXCELLENCE AT THE MEDICAL CENTER .

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	HAT HAVE TIME AND AGAIN EARNED NATIONAL AND INTERNATIONAL HONORS AND ACCOLADES DIABETES & ENDOCRINOLOGY, GASTROENTEROLOGY, NEONATOLOGY, ORTHOPAEDICS, RECONSTRUCTIVE AND SOLID TUMOR SURGERY, SURGERY, AND UROLOGY EACH OF OUR PROGRAMS OF EXCELLENCE OFFERS SUPERIOR PEDIATRIC CLINICAL CARE AND HAS DEMONSTRATED THE ABILITY TO - EXPAND ACCESS TO SERVICES TO MEET THE GROWING NEEDS OF CHILDREN AND FAMILIES - INTEGRATE VARIOUS DISCIPLINES OF CLINICAL PRACTICE TO PROVIDE EXPANDED, ADVANCED CARE - DEVELOP OPPORTUNITIES TO EXPAND BASIC AND CLINICAL RESEARCH - CREATE OPPORTUNITIES TO BE AN INNOVATIVE LEADER IN EDUCATION AND TRAINING RESEARCH ===== COMMITTED TO MAKING CHILDREN AND FAMILIES HEALTHIER, CONNECTICUT CHILDREN'S TALENTED MEDICAL PROFESSIONALS ARE AT THE FOREFRONT OF RESEARCH AND CLINICAL TRIALS SUCH SCIENTIFIC INQUIRIES CHANGE THE FUTURE OF CHILDREN'S HEALTHCARE FROM FUNDAMENTAL MOLECULAR SCIENCE THAT HELPS US UNDERSTAND DISEASES AT THE MOST BASIC LEVEL, TO MOTION STUDIES DESIGNED TO DISCOVER NEW WAYS FOR YOUNG ATHLETES TO AVOID INJURIES AND CLINICAL TRIALS THAT ESTABLISH THE MOST EFFECTIVE AND EFFICIENT PROTOCOLS FOR TREATING CHILDREN, CONNECTICUT CHILDREN'S IS A RESEARCH LEADER FOR EXAMPLE, CONNECTICUT CHILDREN'S DIVISION OF HEMATOLOGY & ONCOLOGY IS ENGAGED IN CONDUCTING 173 ACTIVE CLINICAL TRIALS THROUGH THE CHILDREN'S ONCOLOGY GROUP THIS NUMBER OF OPEN PROTOCOLS DISTINGUISHES CONNECTICUT CHILDREN'S HEMATOLOGY & ONCOLOGY DIVISION AMONG THE TOP ONE PERCENT OF ITS PEERS, WORLDWIDE. ADDITIONALLY, THE DIVISION IS IN THE TOP THIRD PERCENTILE FOR TOTAL PEDIATRIC CANCER PATIENTS ENROLLED IN TRIALS THIS IS ESPECIALLY IMPRESSIVE GIVEN THAT CONNECTICUT CHILDREN'S IS ONE OF THE SMALLER FREE-STANDING CHILDREN'S HOSPITALS IN THE COUNTRY

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	AWARDS AND RECOGNITION ===== CONNECTICUT CHILDREN'S NAMED AMONG TOP WORKPLACES IN CONNECTICUT CONNECTICUT CHILDREN'S WAS NAMED AS THE #4 BEST PLACE TO WORK IN CONNECTICUT BY THE HARTFORD COURANT AND FOX61 TV ONE OF CONNECTICUT'S TOP 10 LARGE WORKPLACES, CONNECTICUT CHILDREN'S IS THE ONLY HOSPITAL IN THE STATE TO EARN THIS DESIGNATION U S NEWS & WORLD REPORT RANKED CONNECTICUT CHILDREN'S AMONG THE 2013-14 "BEST CHILDREN'S HOSPITALS" CONNECTICUT CHILDREN'S WAS RANKED AMONG THE BEST IN THE NATION ACCORDING TO THE U S NEWS & WORLD REPORT 2013-14 "BEST CHILDREN'S HOSPITALS" SURVEY FOR TWO OF ITS SPECIALTIES, DIABETES & ENDOCRINOLOGY (#37) AND NEONATOLOGY (#51) THIS IS THE FOURTH CONSECUTIVE YEAR THAT CONNECTICUT CHILDREN'S HAS BEEN NATIONALLY RECOGNIZED FOR CLINICAL EXCELLENCE CONNECTICUT CHILDREN'S AWARDED STATE'S 2012 KEEP KIDS SAFE GRANT THE INJURY PREVENTION CENTER AT CONNECTICUT CHILDREN'S WAS AWARDED A \$45,150 GRANT FROM THE STATE OF CONNECTICUT OFFICE OF POLICY AND MANAGEMENT AS PART OF THE CONNECTICUT KEEP KIDS SAFE GRANT PROGRAM THE GRANT WILL HELP CONNECTICUT CHILDREN'S INJURY PREVENTION CENTER DEVELOP AND DISSEMINATE INJURY PREVENTION INFORMATION FOR CHILDREN AND THEIR PARENTS VIA THE PEDIATRIC E-NETWORK, A COMPUTER TABLET-BASED SYSTEM BUILT FOR PROVIDING PRECISELY THIS KIND OF SAFETY INFORMATION CONNECTICUT CHILDREN'S AWARDED \$2M GRANT FROM NATIONAL INSTITUTES OF HEALTH CONNECTICUT CHILDREN'S WAS AWARDED A \$2M GRANT FROM THE NATIONAL INSTITUTE OF HEALTH-NATIONAL CANCER INSTITUTE FOR A FIVE-YEAR STUDY, "SPHINGOSINE-1- PHOSPHATE PATHWAY BASED THERAPY FOR NEUROBLASTOMA " THE STUDY, LED BY FERNANDO FERRER, M D , EXECUTIVE VICE PRESIDENT AND SURGEON-IN-CHIEF AT CONNECTICUT CHILDREN'S, WILL INVESTIGATE A NOVEL APPROACH TO TREATING NEUROBLASTOMA, A DEADLY CHILDHOOD TUMOR, BY TARGETING A LIPID SIGNALING PATHWAY ESSENTIAL TO TUMOR GROWTH INFECTIOUS DISEASES RECEIVED HIV PREVENTION GRANT CONNECTICUT CHILDREN'S INFECTIOUS DISEASES DEPARTMENT RECEIVED APPROVAL OF A HIV PREVENTION GRANT FOR THE NEXT THREE YEARS, THE \$140,000 DEPARTMENT OF PUBLIC HEALTH HIV PREVENTION GRANT WILL BE USED TO IMPLEMENT TWO CENTERS FOR DISEASE CONTROL (CDC) EVIDENCE-BASED INTERVENTIONS TARGETING AT-RISK YOUNG MEN HAVING SEX WITH MEN AND HIV-POSITIVE AFRICAN AMERICAN AND HISPANIC WOMEN TEEN PREGNANCY PREVENTION GRANT THE HARTFORD HEALTH DEPARTMENT'S TEEN PREGNANCY PREVENTION INITIATIVE GRANTED CONNECTICUT CHILDREN'S \$14,000 FOR THE IMPLEMENTATION OF MAKING PROUD CHOICES, AN EVIDENCE-BASED INTERVENTION WHICH TARGETS YOUTH YOUNGER THE AGE OF 19 THAT LIVE IN TARGETED HARTFORD NEIGHBORHOODS WITH HIGH TEEN PREGNANCY RATES BOYS & GIRLS CLUBS AWARD OUR INJURY PREVENTION CENTER'S INJURY FREE COALITION FOR KIDS OF HARTFORD WAS AWARDED THE "PROGRAM EXCELLENCE AWARD' BY THE BOYS & GIRLS CLUBS OF HARTFORD THE INJURY FREE COALITION FOR KIDS IS AMONG THE COUNTRY'S FASTEST GROWING AND MOST EFFECTIVE INJURY PREVENTION PROGRAMS, WORKING TO CHANGE THE WAY COMMUNITIES THINK ABOUT SAFETY AND INJURY PREVENTION U S ENVIRONMENTAL PROTECTION AGENCY RECOGNIZED LEADERSHIP IN ASTHMA MANAGEMENT CONNECTICUT CHILDREN'S WAS SELECTED TO RECEIVE THE U S ENVIRONMENTAL PROTECTION AGENCY'S (EPA) 2012 NATIONAL ENVIRONMENTAL LEADERSHIP AWARD IN ASTHMA MANAGEMENT THE AWARD RECOGNIZES 14 YEARS OF DEDICATED WORK, LED BY MICHELLE CLOUTIER, M D , DIRECTOR OF CONNECTICUT CHILDREN'S ASTHMA CENTER, TO IMPROVE ASTHMA MANAGEMENT AND OUTCOMES FOR CHILDREN RECENTLY, OUR EASY BREATHING PROGRAM, CREATED BY DR CLOUTIER, ENROLLED ITS 100,000TH CHILD IN THE PROGRAM CONNECTICUT CHILDREN'S AWARDED \$10 5M NIH GRANT FOR FIRST OF ITS KIND ULCERATIVE COLITIS STUDY JEFFERY S HYAMS, M D , DIVISION HEAD OF DIGESTIVE DISEASES, HEPATOLOGY & NUTRITION AT CONNECTICUT CHILDREN'S, ALONG WITH LEE "TED" DENSON, M D , FROM CINCINNATI CHILDREN'S HOSPITAL MEDICAL CENTER, RECEIVED A \$10 5M NIH GRANT FOR THE PREDICTING RESPONSE TO STANDARDIZED PEDIATRIC COLITIS THERAPY (PROTECT) STUDY , A FIVE YEAR PROJECT THAT WILL EXAMINE THE EFFECTS OF STANDARDIZED THERAPY FOR CHILDREN WITH ULCERATIVE COLITIS THE STUDY TEAM, LED BY DR HYAMS WILL INCLUDE 25 PRESTIGIOUS PEDIATRIC INSTITUTIONS FROM ACROSS THE UNITED STATES AND CANADA

Identifier	Return Reference	Explanation
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	CORE FORM, PART III, QUESTION 3	EFFECTIVE OCTOBER 1, 2012, CHS INSURANCE LIMITED ("CHS"), A CAPTIVE INSURANCE COMPANY, REPURCHASED ITS SHARES HELD BY CONNECTICUT CHILDREN'S MEDICAL CENTER, ELIMINATING THE MEDICAL CENTER'S INTEREST IN CHS

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT AND DISCLOSURE	CORE FORM, PART VI, SECTION A, QUESTION 4	ARTICLE II, OFFICERS, SECTION 3 1 OF THE ORGANIZATION'S BYLAWS WAS AMENDED TO SPECIFY THAT THE MEMBER SHALL ELECT FROM THE CORPORATION'S BOARD OF DIRECTORS A CHAIR OR TWO CO-CHAIRS THE INCLUSIONS OF "TWO CO-CHAIRS" WAS AMENDED ON JANUARY 22, 2014

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION A, QUESTIONS 6 & 7	CCMC CORPORATION IS THE SOLE MEMBER OF THIS ORGANIZATION. CCMC CORPORATION HAS THE RIGHT TO ELECT THE MEMBERS OF THIS ORGANIZATION'S BOARD OF DIRECTORS AND HAS CERTAIN RESERVED POWERS AS DEFINED IN THIS ORGANIZATION'S BYLAWS

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION B, QUESTION 11B	THE ORGANIZATION IS AN AFFILIATE WITHIN CCMC CORPORATION AND SUBSIDIARIES, A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. THE ORGANIZATION'S FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF ITS GOVERNING BODY (ITS BOARD OF DIRECTORS) PRIOR TO THE FILING WITH THE INTERNAL REVENUE SERVICE ("IRS"). AS PART OF THE ORGANIZATION'S FEDERAL FORM 990 TAX RETURN PREPARATION PROCESS, THE ORGANIZATION HIRED A PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S FINANCE PERSONNEL, INCLUDING THE CHIEF FINANCIAL OFFICER, DIRECTOR OF ACCOUNTING AND VARIOUS OTHER INDIVIDUALS TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN. THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE ORGANIZATION'S INTERNAL WORKING GROUP, INCLUDING THOSE INDIVIDUALS OUTLINED ABOVE FOR THEIR REVIEW. THE ORGANIZATION'S INTERNAL WORKING GROUP REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY, AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S INTERNAL WORKING GROUP FOR FINAL REVIEW AND APPROVAL. THE FORM 990 WAS THEN PROVIDED TO THE ORGANIZATION'S FINANCE COMMITTEE PRIOR TO FILING. SUBSEQUENTLY, THE FINAL FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO THE FILING OF THE TAX RETURN WITH THE IRS.

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION B, QUESTION 12	THE ORGANIZATION IS AN AFFILIATE WITHIN CCMC CORPORATION AND SUBSIDIARIES, A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. THE SYSTEM REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY. ANNUALLY, ALL MEMBERS OF THE BOARD OF DIRECTORS, OFFICERS AND SENIOR MANAGEMENT PERSONNEL ARE REQUIRED TO REVIEW THE EXISTING CONFLICT OF INTEREST POLICY AND COMPLETE A QUESTIONNAIRE. THE COMPLETED QUESTIONNAIRES ARE RETURNED TO THE ORGANIZATION AND SYSTEM'S GENERAL COUNSEL FOR REVIEW. GENERAL COUNSEL THEN PREPARES A SUMMARY OF THE COMPLETED QUESTIONNAIRES WHICH CONTAINS INFORMATION DISCLOSED ON AN INDIVIDUAL BY INDIVIDUAL BASIS. THEREAFTER, GENERAL COUNSEL PRESENTS THIS SUMMARY TO THE ORGANIZATION'S BOARD OF DIRECTORS FOR ITS REVIEW AND DISCUSSION.

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION B, QUESTION 15	THE ORGANIZATION IS AN AFFILIATE WITHIN CCMC CORPORATION AND SUBSIDIARIES, A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM CONNECTICUT CHILDREN'S MEDICAL CENTER'S ("CONNECTICUT CHILDREN'S") BOARD OF DIRECTORS HAS AN EXECUTIVE COMPENSATION COMMITTEE ("COMMITTEE") THE COMMITTEE HAS ADOPTED A WRITTEN EXECUTIVE COMPENSATION PHILOSOPHY WHICH IT FOLLOWS WHEN IT REVIEWS AND APPROVES OF THE COMPENSATION AND BENEFITS OF CONNECTICUT CHILDREN'S SENIOR MANAGEMENT, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER, EXECUTIVE VICE PRESIDENT/CHIEF FINANCIAL OFFICER AND EXECUTIVE VICE PRESIDENT/CHIEF OPERATING OFFICER CERTAIN CONNECTICUT CHILDREN'S SENIOR MANAGEMENT PERSONNEL, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER, EXECUTIVE VICE PRESIDENT/CHIEF FINANCIAL OFFICER AND EXECUTIVE VICE PRESIDENT/CHIEF OPERATING OFFICER ALSO SERVE AS OFFICERS OF THIS ORGANIZATION THE COMMITTEE REVIEWS THE "TOTAL COMPENSATION" OF THE INDIVIDUALS WHICH IS INTENDED TO INCLUDE BOTH CURRENT AND DEFERRED COMPENSATION AND ALL EMPLOYEE BENEFITS, BOTH QUALIFIED AND NON-QUALIFIED THE COMMITTEE'S REVIEW IS DONE ON AT LEAST AN ANNUAL BASIS AND ENSURES THAT THE "TOTAL COMPENSATION" OF SENIOR MANAGEMENT OF THE ORGANIZATION IS REASONABLE THE ACTIONS TAKEN BY THE COMMITTEE ENABLE THE ORGANIZATION TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF CERTAIN MEMBERS OF THE SENIOR MANAGEMENT TEAM, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER, EXECUTIVE VICE PRESIDENT/CHIEF FINANCIAL OFFICER AND EXECUTIVE VICE PRESIDENT/CHIEF OPERATING OFFICER THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING 1 THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A "CONFLICT OF INTEREST" WITH RESPECT TO THE COMPENSATION ARRANGEMENT, 2 THE AUTHORIZED BODY OBTAINED AND RELIED UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION, AND 3 THE AUTHORIZED BODY "ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION" CONCURRENTLY WITH MAKING THAT DETERMINATION THE COMMITTEE IS COMPRISED OF MEMBERS OF THE BOARD OF TRUSTEES EACH OF WHO ARE INDEPENDENT AND ARE FREE FROM ANY CONFLICTS OF INTEREST THE COMMITTEE RELIED UPON APPROPRIATE COMPARABLE DATA, SPECIFICALLY THE COMMITTEE OBTAINED A WRITTEN COMPENSATION STUDY FROM AN INDEPENDENT FIRM WHICH SPECIALIZES IN THE REVIEWING OF HOSPITAL AND HEALTHCARE SYSTEM EXECUTIVE COMPENSATION AND BENEFITS THROUGHOUT THE UNITED STATES THIS STUDY USED COMPARABLE GEOGRAPHIC AND DEMOGRAPHIC MARKET DATA INCLUDING BUT NOT LIMITED TO SIMILAR SIZED HOSPITALS, # OF LICENSED BEDS AND NET PATIENT SERVICE REVENUE, INCLUDING COMPLEXITY OF SERVICES THE COMMITTEE ADEQUATELY DOCUMENTED ITS BASIS FOR ITS DETERMINATION THROUGH THE TIMELY PREPARATION OF WRITTEN MINUTES OF THE COMPENSATION COMMITTEE MEETINGS DURING WHICH THE EXECUTIVE COMPENSATION AND BENEFITS WAS REVIEWED AND SUBSEQUENTLY APPROVED THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS ONLY APPLIES TO CERTAIN SENIOR MANAGEMENT PERSONNEL, INCLUDING BUT NOT LIMITED TO THE PRESIDENT/CHIEF EXECUTIVE OFFICER, EXECUTIVE VICE PRESIDENT/CHIEF FINANCIAL OFFICER AND EXECUTIVE VICE PRESIDENT/CHIEF OPERATING OFFICER THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE REVIEWED ANNUALLY BY THE PRESIDENT/CHIEF EXECUTIVE OFFICER WITH ASSISTANCE FROM THE ORGANIZATION'S HUMAN RESOURCES DEPARTMENT IN CONJUNCTION WITH THE INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION OTHER OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS, INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS PLEASE ALSO REFER TO OUR RESPONSE INCLUDED IN SCHEDULE J, PART III, QUESTION 3 FOR FURTHER INFORMATION ON HOW CONNECTICUT CHILDREN'S SATISFIES THE CRITERIA OUTLINED IN THE IRS REBUTTABLE PRESUMPTION OF REASONABLENESS

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION C, QUESTION 19	THE ORGANIZATION'S GOVERNING POLICIES AND CONFLICT OF INTEREST POLICY ARE AVAILABLE TO THE PUBLIC ON THE WEBSITE, WWW.CONNECTICUTCHILDRENS.ORG, OR BY REQUEST. THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST.

Identifier	Return Reference	Explanation
COMPENSATION INFORMATION DISCLOSURE	CORE FORM, PART VII AND SCHEDULE J	PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS RECEIVING COMPENSATION AND BENEFITS FROM THIS ORGANIZATION OR A RELATED ORGANIZATION PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME EMPLOYEES OF THIS ORGANIZATION OR THE RELATED ORGANIZATION, NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THE ORGANIZATION'S BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
RELATED HOURS DISCLOSURE	CORE FORM, PART VII, SECTION A, COLUMN B	THE ORGANIZATION IS AN AFFILIATE WITHIN CCMC CORPORATION AND SUBSIDIARIES ("SYSTEM"), A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. CERTAIN BOARD OF DIRECTOR MEMBERS, OFFICERS AND/OR DIRECTORS LISTED ON CORE FORM, PART VII AND SCHEDULE J OF THIS FORM 990 MAY HOLD SIMILAR POSITIONS WITH BOTH THIS ORGANIZATION AND OTHER AFFILIATES WITHIN THE SYSTEM. THE HOURS SHOWN ON THIS FORM 990 FOR BOARD MEMBERS WHO RECEIVE NO COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, REPRESENTS THE ESTIMATED HOURS DEVOTED PER WEEK FOR THIS ORGANIZATION. TO THE EXTENT THESE INDIVIDUALS SERVE AS A MEMBER OF THE BOARD OF DIRECTORS OF OTHER RELATED ORGANIZATIONS IN THE SYSTEM, THEIR RESPECTIVE HOURS PER WEEK PER ORGANIZATION ARE APPROXIMATELY ONE HOUR. THE HOURS REFLECTED ON PART VII OF THIS FORM 990, FOR BOARD MEMBERS WHO RECEIVE COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, PAID OFFICERS AND KEY EMPLOYEES, REFLECT TOTAL HOURS WORKED PER WEEK ON BEHALF OF THE SYSTEM, NOT SOLELY THIS ORGANIZATION.

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS	CORE FORM, PART XI, QUESTION 9	OTHER CHANGES IN NET ASSETS OR FUND BALANCES INCLUDE - NET TRANSFER TO AFFIIILIATED ORGANIZATIONS - (\$12,926,774), - CHANGE IN FUNDED STATUS OF PENSION AND POST-RETIREMENT PLANS - \$13,260,268, - CHANGE IN EQUITY INTEREST IN THE NET ASSETS OF CONNECTICUT CHILDREN'S MEDICAL CENTER FOUNDATION, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION - \$3,480,735, - TEMPORARILY RESTRICTED NET TRANSFER FROM AFFIIILIATED ORGANIZATIONS - \$6,948,301, - TEMPORARILY RESTRICTED CHANGE IN EQUITY INTEREST IN THE NET ASSETS OF CONNECTICUT CHILDREN'S MEDICAL CENTER FOUNDATION, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION - (\$1,897,540), - PERMANENTLY RESTRICTED CHANGE IN FUNDS HELD BY OTHERS - \$3,495,247, AND - PERMANENTLY RESTRICTED CHANGE IN EQUITY INTEREST IN THE NET ASSETS OF CONNECTICUT CHILDREN'S MEDICAL CENTER FOUNDATION, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION - \$271,830

Identifier	Return Reference	Explanation
AUDITED FINANCIAL STATEMENTS	CORE FORM, PART XII, QUESTION 2	AN INDEPENDENT CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CONNECTICUT CHILDREN'S MEDICAL CENTER AND SUBSIDIARIES, FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012, RESPECTIVELY THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS CONTAIN CONSOLIDATING SCHEDULES ON AN ENTITY BY ENTITY BASIS THE INDEPENDENT CPA FIRM ISSUED AN UNQUALIFIED OPINION WITH RESPECT TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS CONNECTICUT CHILDREN'S MEDICAL CENTER'S AUDIT COMMITTEE ASSUMES RESPONSIBILITY FOR THE AUDITED FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR

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
CONNECTICUT CHILDREN'S MEDICAL CENTER

Employer identification number
06-0646755

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
See Additional Data Table							

Part III

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

(a) 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	

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) CCMC VENTURES INC 282 WASHINGTON STREET HARTFORD, CT 06106 22-2619873	HEALTHCARE SVCS	CT	NA	C CORP					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

No

1b

No

1c

Yes

1d

Yes

1e

Yes

1f

No

1g

No

1h

No

1i

Yes

1j

No

1k

No

1l

No

1m

No

1n

Yes

1o

Yes

1p

Yes

1q

Yes

1r

Yes

1s

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) CONNECTICUT CHILDREN'S SPECIALTY GROUP	N	16,122,945	COST
(2) CONNECTICUT CHILDREN'S SPECIALTY GROUP	O	14,159,286	COST
(3) CONNECTICUT CHILDREN'S SPECIALTY GROUP	P	23,172,651	COST
(4) CONNECTICUT CHILDREN'S SPECIALTY GROUP	Q	18,491,853	COST
(5) CONNECTICUT CHILDREN'S SPECIALTY GROUP	R	4,763,683	COST

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: 06-0646755
Name: CONNECTICUT CHILDREN'S MEDICAL CENTER

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
TRANSACTIONS WITH RELATED ORGANIZATIONS	SCHEDULE R, PART V	THIS ORGANIZATION IS AN AFFILIATE IN A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM COMPRISED OF CONNECTICUT CHILDREN'S CORPORATION AND SUBSIDIARIES IN THE ORDINARY COURSE OF BUSINESS, THIS ORGANIZATION MAY PAY EXPENSES OR TRANSFER FUNDS AMONGST AND FOR VARIOUS AFFILIATES THESE RELATED PARTY TRANSACTIONS ARE RECORDED ON THE REVENUE/EXPENSE AND BALANCE SHEET STATEMENTS OF THIS ORGANIZATION AND ITS AFFILIATES THESE ENTITIES WORK TOGETHER TO DELIVER HIGH QUALITY HEALTHCARE AND WELLNESS SERVICES TO THE COMMUNITIES IN WHICH THEY ARE SITUATED



Approval Process for Connecticut Children's Community Health Needs Assessment

Federal requirements related to community health needs assessments

- Every three years, Connecticut Children's must conduct a community health needs assessment which must be approved by the Board of Directors.
 - Board approval was given at the September 2013 meeting.
- Within six months of Board approval of the assessment, Connecticut Children's must develop an improvement plan which also requires Board approval.
 - The deadline for this approval is February 15, 2014. The proposed process is to seek approval of the Community Relations Committee on behalf of the Board, which can be reported to the full Board at the end of the month.

Connecticut Children's Improvement Plan

The Office for Community Child Health (OCCH) represents Connecticut Children's community health needs assessment improvement plan. Connecticut Children's has taken its commitment to promoting children's healthy development to a new level through the establishment of OCCH, which serves as a coordinating entity for the Medical Center's existing community-oriented programs. It also functions as an incubator for innovative ideas that can broaden partnerships between the child health sector and other sectors that serve children and families to work toward systemic solutions to child health problems. Ultimately, OCCH will enable the Medical Center to play a role in optimizing the health of children across a broad array of community venues instead of simply preventing or treating disease.

Beyond serving as an explicit response to the results of the community health needs assessment, OCCH will provide Connecticut Children's with a foundation to operate effectively in the evolving healthcare marketplace where the expectation is that providers will keep people healthy rather than only treating them once they are sick. OCCH can also serve as a national model that permits children's hospitals to support community-based programs and promote each child's optimal healthy development.

Current OCCH activities

- Twelve programs housed in the Office of Community Child Health (OCCH) are doing community-level work.
 - The LAMPP Green and Healthy Homes Project positively impacts children's health by removing hazards and making their homes healthier, safer places to be.
 - Co-management programs improve children's health outcomes by teaming medical experts with pediatric primary care providers to make treatment more efficient for physicians, more comprehensive, and more convenient for families.
 - OCCH is developing and implementing tools that allow the programs to measure and report on their performance.
- OCCH has a contract with the City of Hartford to write the Maternal and Child Health blueprint with matching dollars from the Hartford Foundation for Public Giving.
- The State's early childhood systems grant initiative is being chaired by OCCH.
- The State Office of Early Childhood requested OCCH's assistance to build developmental screening into Connecticut's Race to the Top grant application.

Resolution for Board Approval

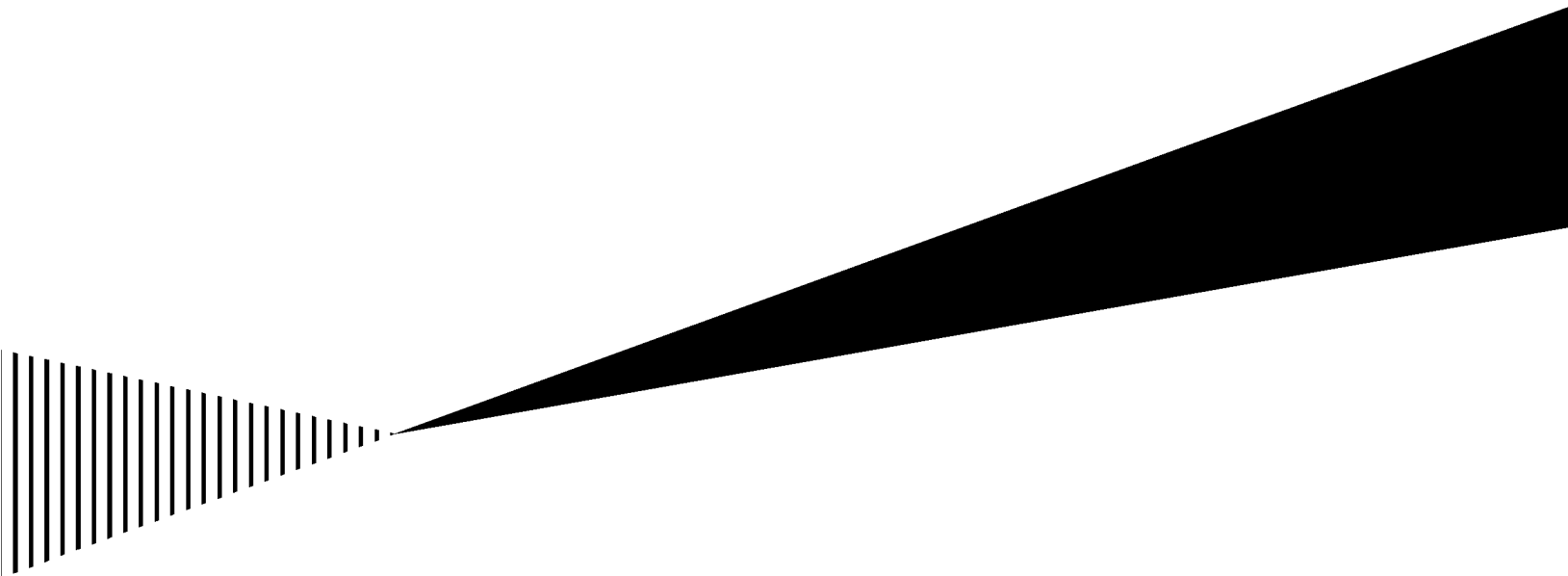
At the February 6, 2014 meeting of the Community Relations Committee, the following statement will be considered for approval.

On behalf of the Board of Directors of Connecticut Children's Medical Center, the Community Relations Committee hereby approves the designation of the Office for Community Child Health as the implementation plan for the Community Health Needs Assessment that was approved by the Board at the September 2013 meeting.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Connecticut Children's Medical Center and Subsidiaries
Years Ended September 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP



**Building a better
working world**

Connecticut Children's Medical Center and Subsidiaries

Audited Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2013 and 2012

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Report of Independent Auditors

Board of Directors
Connecticut Children's Medical Center and Subsidiaries

We have audited the accompanying consolidated financial statements of Connecticut Children's Medical Center and Subsidiaries (the Medical Center), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of The Children's Fund of Connecticut, Inc., a wholly-owned subsidiary, which statements reflect total assets of \$34,581,745 and \$33,897,082 as of September 30, 2013 and 2012, respectively, and total revenues and other income of \$5,272,385 and \$5,293,523 for the years then ended, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Children's Fund of Connecticut, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

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

Opinion

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Connecticut Children's Medical Center and Subsidiaries at September 30, 2013 and 2012, and the consolidated results of their operations and changes in net assets and their cash flows for the years then ended in conformity with U S generally accepted accounting principles

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating details appearing in conjunction with the consolidated financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, based on our audits and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ernst + Young LLP

January 28, 2014

Connecticut Children's Medical Center and Subsidiaries

Consolidated Balance Sheets

	September 30	
	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 3,249,955	\$ 2,360,811
Funds held by trustee under revenue bond agreement	17,008,322	10,408,581
Patient accounts receivable, less allowance of approximately \$7,544,000 in 2013 and \$7,409,000 in 2012	31,348,330	32,905,777
Due from affiliated entities	1,645,518	6,701,228
Due from third parties	—	4,899,895
Inventories	1,094,287	692,725
Other current assets	16,208,847	13,490,330
Total current assets	70,555,259	71,459,347
Assets whose use is limited		
Investments	33,796,624	31,294,271
Funds held in trust by others	79,200,328	75,705,081
Interest in Foundation	97,605,124	87,705,125
	210,602,076	194,704,477
Property, plant and equipment		
Buildings	122,797,003	121,350,082
Furniture and equipment	81,808,051	65,196,820
Construction in progress	29,060,602	19,750,929
	233,665,656	206,297,831
Less accumulated depreciation	(106,713,922)	(95,636,445)
	126,951,734	110,661,386
Other assets		
Bond issuance costs	732,242	730,892
Ground lease	2,387,390	2,416,682
Other	18,520,980	31,026,009
	21,640,612	34,173,583
Total assets	\$ 429,749,681	\$ 410,998,793

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Connecticut Children's Medical Center and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2013	2012
Revenues		
Net patient service revenue	\$ 292,447,537	\$ 277,604,755
Provision for bad debts	(5,933,509)	(5,875,039)
Net patient service revenue, less provision for bad debts	286,514,028	271,729,716
Other revenues	11,259,222	14,738,860
Net assets released from restrictions for operations	16,391,146	14,383,803
	314,164,396	300,852,379
Expenses		
Salaries	165,817,213	151,816,547
Benefits	42,639,049	36,552,982
Supplies and other	122,004,253	117,229,088
Depreciation and amortization	12,578,220	11,094,179
Interest	1,314,300	940,592
	344,353,035	317,633,388
Loss from operations	(30,188,639)	(16,781,009)
Other income		
Gain from investments, net	2,119,012	16,634,729
Income from trusts held by others	2,518,697	2,826,208
Change in equity interest in net assets of the Foundation	8,044,974	1,922,646
Other	1,634	(84,403)
	12,684,317	21,299,180
(Deficiency) excess of revenues over expenses	(17,504,322)	4,518,171

Continued on next page.

Connecticut Children's Medical Center and Subsidiaries

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

	Year Ended September 30	
	2013	2012
Unrestricted net assets		
(Deficiency) excess of revenues over expenses	\$ (17,504,322)	\$ 4,518,171
Unrealized gain on investments	2,157,451	3,687,051
Net assets released from restrictions for capital	556,091	3,078,733
Change in funded status of pension and post-retirement plans	13,260,268	(1,377,255)
Change in equity interest in the net assets of the Foundation	3,480,735	8,856,142
Increase in unrestricted net assets	<u>1,950,223</u>	<u>18,762,842</u>
Temporarily restricted net assets		
Transfer from affiliated organization	6,948,301	4,251,318
Net assets released from restrictions for operations	(16,391,146)	(14,383,803)
Net assets released from restrictions for capital	(556,091)	(3,078,733)
Bequests, gifts and grants	11,911,562	12,929,868
Change in equity interest in the net assets of the Foundation	(1,897,540)	961,200
Increase in temporarily restricted net assets	<u>15,086</u>	<u>679,850</u>
Permanently restricted net assets		
Change in funds held in trust by others	3,495,247	7,884,564
Change in equity interest in the net assets of the Foundation	271,830	306,275
Increase in permanently restricted net assets	<u>3,767,077</u>	<u>8,190,839</u>
Increase in net assets	<u>5,732,386</u>	<u>27,633,531</u>
Net assets at beginning of year	237,046,599	209,413,068
Net assets at end of year	<u>\$ 242,778,985</u>	<u>\$ 237,046,599</u>

See accompanying notes.

Connecticut Children's Medical Center and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2013	2012
Operating activities		
Increase in net assets	\$ 5,732,386	\$ 27,633,531
Adjustments to reconcile increase in net assets to net cash (used in) operating activities and other income		
Noncash items		
Provision for bad debts	5,933,509	5,875,039
Depreciation and amortization	12,578,220	11,094,179
Unrealized gain on investments	(2,157,451)	(3,687,051)
Change in value of funds held by others	(3,495,247)	(7,884,564)
Change in funded status of pension and post-retirement plans	(13,260,268)	1,377,255
Change in interest in Foundation	(9,899,999)	(12,046,263)
Other changes in net assets		
Bequests, gifts and grants	(11,911,562)	(12,929,868)
Transfer from affiliated organizations	(6,948,301)	(4,251,318)
Changes in operating assets and liabilities		
Patient accounts receivable	(4,376,062)	(12,476,085)
Due from affiliated entities, net	10,017,996	(6,776,526)
Due from third parties	4,899,895	(4,899,895)
Inventories	(401,562)	(91,893)
Other current assets	(2,718,517)	(6,315,610)
Investment in CHS Insurance Limited	109,961	(16,352,899)
Other long term assets	(226,583)	(17,094,214)
Accounts payable and accrued expenses	7,248,827	5,670,326
Accrued wages	885,534	4,130,024
Accrued interest payable and other current liabilities	(23,380)	(147,374)
Due to third parties	8,868,376	2,060,485
Pension liability	2,590,652	(1,127,056)
Other long term liabilities	(7,095,420)	18,206,692
Net cash used in operating activities and other income	(3,648,996)	(30,033,085)
Investing activities		
Purchases of property, plant and equipment, net	(28,868,568)	(21,663,292)
Distribution from CHS Insurance Limited	12,649,593	25,696,500
Increase in funds held by trustee under revenue bond agreement	(6,599,741)	(8,697,900)
Increase in investments	(344,902)	(254,565)
Net cash used in investing activities	(23,163,618)	(4,919,257)
Financing activities		
Bequests, gifts and grants	11,911,562	12,929,868
Transfer from affiliates	6,948,301	4,251,318
Principal payments on bonds and notes payable	(4,658,105)	(4,556,864)
New debt issued	13,500,000	20,000,000
Net cash provided by financing activities	27,701,758	32,624,322
Increase (decrease) in cash and cash equivalents	889,144	(2,328,020)
Cash and cash equivalents at beginning of year	2,360,811	4,688,831
Cash and cash equivalents at end of year	\$ 3,249,955	\$ 2,360,811

See accompanying notes

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2013

1. Organization and Accounting Policies

The Connecticut Children's Medical Center (the Medical Center) is a wholly-owned, tax-exempt subsidiary of CCMC Corporation. The Board of the Medical Center, appointed by CCMC Corporation, controls the operations of the Medical Center.

The Medical Center is the sole member of Connecticut Children's Specialty Group, Inc. (CCSG) and The Children's Fund of Connecticut, Inc. (the Children's Fund). CCSG was formed to provide and promote children's health care and to support the Medical Center. The Children's Fund was formed to further the charitable mission of the Medical Center and to improve pediatric care in the Hartford Region. All material intercompany accounts and transactions have been eliminated in the accompanying financial statements.

Regulatory Matters

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, such as estimated uncollectibles for patient accounts receivable, and liabilities, such as medical malpractice insurance liabilities and pension and postretirement liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash, money market funds and certificates of deposit. Restricted cash has been restricted by the donor to a specific time frame or purpose.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

Investments

Investments consist of fixed income securities, equity securities (including readily tradeable stocks, exchange traded funds and mutual funds), interests in common collective/commingled trusts and investments in funds of funds. All investments, including funds held by trustee under revenue bond agreements, are measured at fair value at the balance sheet dates (see Note 16). Investment income (including realized gains and losses on investments, interest and dividends) is included in other income unless the income or loss is restricted by donor or law. The cost of securities sold is based on the specific identification method. Unrealized gains and losses on investments are excluded from (deficiency) excess of revenues over expenses unless the loss is considered to be other-than-temporary. Other-than-temporary losses are included in other income which is a component of (deficiency) excess of revenues over expenses. Based on current market conditions, as well as the Medical Center's ability and intent to hold impaired assets to recovery, no other than temporary losses were recorded.

Inventories

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

Funds Held in Trust by Others

The Medical Center has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the Medical Center are unrestricted and included in income from trusts held by others in the statement of operations and changes in net assets. The Medical Center's interest in the fair value of the trust assets is included in assets whose use is limited. Changes in the market value of the trust assets are reported as increases or decreases to permanently restricted net assets.

Interest in Foundation

The Interest in Foundation represents the Medical Center's interest in the net assets of Connecticut Children's Medical Center Foundation, Inc. (the Foundation). This investment is accounted for in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-20, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. In 2013 and 2012, the Medical Center did not require and did not receive any unrestricted financial support from the Foundation. The Foundation will provide support in future fiscal years as necessary.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

Bond Issuance Costs

Bond issuance costs incurred to obtain financing for construction and renovation programs are being amortized using the straight-line method. The difference between the straight-line method and the effective-interest method is immaterial.

Property, Plant and Equipment

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

Pension Plan

The Medical Center has a noncontributory pension plan in effect covering all eligible employees. The Medical Center's funding policy is to contribute amounts to the plan sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974.

Donor Restricted Gifts

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

Interest Rate Swap Agreements

The Medical Center utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. The Medical Center is exposed to credit loss in the event of non-performance by the counterparties to its interest rate swap agreements. The Medical Center is

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

also exposed to the risk that the swap receipts may not offset its variable rate debt exposure

Temporarily and Permanently Restricted Net Assets

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

Medical Malpractice Insurance

Coverage for medical malpractice insurance is provided on a claims-made basis. Through September 30, 2012, the primary level of coverage was \$10,000,000 per claim and \$39,000,000 in the aggregate. The excess indemnity coverage was layered with four different insurance companies at \$15,000,000 per claim and \$60,000,000 in the aggregate. There were no deductibles. A portion of the primary coverage was reinsured by the carrier with CHS Insurance Limited (CHS), a captive insurance company. Through September 30, 2012, the Medical Center held a 26% ownership interest in CHS. The investment in CHS was reported using the equity method of accounting and is included in other assets in the consolidated balance sheets.

Effective October 1, 2012, CHS repurchased its shares held by the Medical Center for approximately \$12,900,000, eliminating the Medical Center's interest in CHS. The Medical Center recorded a loss of \$109,961 related to this sale which is included within gain from investments, net in the accompanying consolidated statements of operations and changes in net assets. In connection with the sale of its shares, the Medical Center reevaluated its malpractice coverage and enacted a new program under which the primary level of coverage is \$4,000,000 per claim and \$12,000,000 in the aggregate. There is an additional \$6,000,000 of professional liability purchased through an external insurance company. In addition, there are four layers of excess indemnity coverage with four different insurance companies at \$10,000,000 per claim on the first three layers and \$15,000,000 on the fourth layer, totaling \$45,000,000 in the aggregate. There are no deductibles. As a result, the Medical Center received a distribution of approximately \$5,400,000 representing a retro-premium adjustment which was recorded as an offset to malpractice expense included in supplies and other expenses in the accompanying consolidated statements of operations and changes in net assets. Additionally, the Medical Center purchased a loss capping policy to limit the exposure on existing claims as of September 30,

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

2012 Under this policy, any existing claim that settles for greater than the amount reserved for this claim is covered and paid by the insurance company, limiting the Medical Center's liability for increases in claims up to \$10,000,000 per claim and \$20,000,000 in the aggregate. Should claims settle for greater than the amount already reserved and the \$20,000,000 loss capping policy, the Medical Center is fully liable for the excess.

Insurance Recovery Receivable and Insurance Claims Liability

The Medical Center presents anticipated insurance recoveries separately from estimated insurance liabilities for medical malpractice claims and similar contingent liabilities on the consolidated balance sheets. The current portion of the insurance recovery receivable and related insurance claims liability totaled \$6,909,675 and \$5,040,532 at September 30, 2013 and 2012, respectively, and is included within other current assets and accounts payable and accrued expenses in the accompanying consolidated balance sheets. The non-current portion of the insurance recovery receivable and related insurance claims liability totaled \$14,945,240 and \$16,683,710 at September 30, 2013 and 2012, respectively, and is included within other assets and other long term liabilities in the accompanying consolidated balance sheets.

(Deficiency) Excess of Revenues over Expenses

The consolidated statements of operations and changes in net assets include (deficiency) excess of revenues over expenses as the performance indicator. Changes in unrestricted net assets which are excluded from (deficiency) excess of revenues over expenses include unrealized gains and losses on investments, net assets released from restrictions for capital, change in the equity interest in the net assets of the Foundation and changes in the funded status of the pension and postretirement plans.

Other Income

Activities, other than in connection with providing health care services, are considered to be nonoperating and are included in other income. Other income consists primarily of income on invested funds, unrestricted gifts and bequests, realized gains and losses on sales of securities and income from funds held in trust by others.

Advertising

The Medical Center's policy is to expense advertising costs as incurred. Total advertising expense was \$1,046,140 and \$1,058,681 for the years ended September 30, 2013 and 2012, respectively.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

Income Taxes

The Medical Center and its subsidiaries are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code

The Medical Center has net operating loss carryforwards from unrelated business activities of approximately \$586,000 which begin expiring on September 30, 2029. These net operating loss carryforwards result in a potential deferred tax asset of approximately \$234,400 which is offset by a valuation allowance of the same amount.

Subsequent Events

The Medical Center evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the consolidated financial statements are issued, for potential recognition in the consolidated financial statements as of the balance sheet date. For the year ended September 30, 2013, the Medical Center evaluated subsequent events through January 28, 2014, which is the date the consolidated financial statements were issued. No events occurred that require disclosure or adjustment to the consolidated financial statements.

Recently Issued Accounting Standard

In May 2011, the Financial Accounting Standards Board (FASB) issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU 2011-04 amended ASC 820, *Fair Value Measurement*, to converge the fair value measurement guidance in US GAAP and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The Medical Center adopted ASU 2011-04 in fiscal 2013 and has applied its provisions to the accompanying consolidated financial statements. The Medical Center's adoption of ASU 2011-04 did not have a significant effect on the consolidated financial statements and relates only to disclosures in the notes to the consolidated financial statements.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Net Revenue from Services to Patients and Charity Care

The Medical Center provides health care services primarily to residents of the region. Revenues from the Medicaid program accounted for approximately 37% and 40% of the Medical Center's net patient service revenue for the years ended September 30, 2013 and 2012, respectively. Laws and regulations governing the Medicaid programs are complex and subject to interpretation. The Medical Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicaid program. Changes in the Medicaid program and the reduction of funding levels could have an adverse impact on the Medical Center.

On January 1, 2012, the State of Connecticut shifted its Medicaid Managed Care population to true Medicaid through an Administrative Services Organization model (ASO). The ASO is responsible for enrolling participants, reviewing claims and approving payments under the Medicaid program. The Medical Center, as a result of this change, lost beneficial rate agreements that were in place with the Managed Care organizations.

The following table summarizes net revenues from services to patients:

	Year Ended September 30	
	2013	2012
Total gross revenues from patients	\$ 676,878,020	\$ 600,972,991
Less total contractual allowances	377,012,973	317,878,153
Less charity care	1,613,807	753,946
Less administrative and other allowances	5,803,703	4,736,137
Total allowances	384,430,483	323,368,236
Net patient service revenue	292,447,537	277,604,755
Less provision for bad debts	5,933,509	5,875,039
Net patient service revenue, less provision for bad debts	\$ 286,514,028	\$ 271,729,716

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Net Revenue from Services to Patients and Charity Care (continued)

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from certain payors are different from established billing rates of the Medical Center, and the difference is accounted for as allowances. The Medical Center records its provision for bad debts based upon a review of all of its outstanding receivables. Write-offs of receivable balances are related primarily to its population of underinsured patients. An underinsured patient is one who has commercial insurance which leaves a significant portion of the Medical Center's reimbursement to be paid by the patient, either through large deductibles or co-pay requirements. Self-pay patients are rare in the pediatric environment, as Medicaid is readily available to children. Self-pay net revenue approximated \$4,400,000 and \$4,380,000 for the years ended September 30, 2013 and 2012, respectively.

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Provisions for estimated third-party payor settlements and adjustments are estimated in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient service revenue for the year ended September 30, 2013 was decreased by approximately \$5,900,000 for net adjustments and settlements relating to prior years.

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

The Medical Center accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Medical Center. Essentially, those policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Medical Center utilizes the generally recognized poverty income levels for the state of Connecticut, but also includes certain cases where incurred charges are significant when compared to incomes.

The costs of charity care incurred were \$626,607 and \$346,815 for the years ended September 30, 2013 and 2012, respectively. The costs of charity care are derived from both estimated and actual data. The estimated cost of charity care includes the direct and indirect cost of providing such services and is estimated utilizing the Medical Center's ratio of cost to gross charges, which is then multiplied by the gross uncompensated charges associated with providing care to charity patients.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Related Party Transactions

Certain Medical Center employees render management and other services to affiliated entities for which the Medical Center is reimbursed. The amount of such reimbursement was \$223,128 and \$216,624 for the years ended September 30, 2013 and 2012, respectively.

4. Contributions Receivable

Contributions receivable, included within other current assets and other assets in the accompanying consolidated balance sheets, are expected to be realized in the following periods:

	September 30	
	2013	2012
Contributions receivable in one year or less	\$ 429,821	\$ 1,419,295
Contributions receivable in one to five years	—	53,120
Less discount	—	—
Net contributions receivable	<u>\$ 429,821</u>	<u>\$ 1,472,415</u>

The discount recognizes the estimated uncollectible portion of the contributions receivable and the discount of contributions receivable to net present value.

5. Concentrations of Credit Risk

The Medical Center's financial instruments that are exposed to concentrations of credit risk primarily consist of cash and cash equivalents, short-term investments and patient accounts receivable.

The Medical Center's cash and cash equivalents are placed with high credit quality financial institutions. The Medical Center's investment policy limits its exposure to concentrations of credit risk. In the normal course of business, the Medical Center maintains cash balances in excess of the Federal Deposit Insurance Corporation's (FDIC) insurance limit. Cash balances exceeded FDIC limits by approximately \$4.2 million and \$2.4 million at September 30, 2013 and 2012, respectively.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Concentrations of Credit Risk (continued)

The Medical Center provides health care services and grants credit without collateral to its patients, most of whom are Connecticut residents and are insured under third-party payor agreements. An estimated allowance for doubtful accounts as well as contractual allowances is maintained at levels considered adequate to reduce the account balances to net realizable value. The mix of receivables from patients and third-party payors at September 30 was as follows:

	2013	2012
Medicaid	34%	33%
Medicaid Managed Care	—	1
Commercial/Managed Care – Contracted	52	51
Commercial/Managed – Non-Contracted	6	2
Patients and other	8	13
	100%	100%

6. Investments

The composition of investments as of September 30, stated at fair value, is set forth in the following table:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Short-term investments	\$ 61,219	\$ 61,219	\$ 34,452	\$ 34,452
Marketable equity securities	292,686	447,661	284,111	384,452
Fixed income securities	100,299	104,734	107,447	116,625
Institutional managed equity funds	17,520,470	22,672,685	17,311,237	19,524,960
Institutional managed bond fund	10,342,169	10,443,625	10,212,527	11,129,725
Other	65,000	66,700	87,167	104,057
	\$ 28,381,843	\$ 33,796,624	\$ 28,036,941	\$ 31,294,271

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Investments (continued)

Investments consisted of mutual funds and individual securities that comprised approximately 68% equity securities and 32% fixed income investments at September 30, 2013, and 64% equity securities and 36% fixed income investments at September 30, 2012

The following table summarizes the unrealized losses on investments held at September 30, 2013

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Marketable equity securities	\$ —	\$ —	\$ 45,220	\$ 9,498	\$ 45,220	\$ 9,498
Fixed income securities	64,600	5,538	25,112	22	89,712	5,560
Institutional managed equity funds	3,471,840	102,854	1,162,952	122,522	4,634,792	225,376
Other	—	—	64,815	185	64,815	185
Total investments	<u>\$ 3,536,440</u>	<u>\$ 108,392</u>	<u>\$ 1,298,099</u>	<u>\$ 132,227</u>	<u>\$ 4,834,539</u>	<u>\$ 240,619</u>

The following table summarizes the unrealized losses on investments held at September 30, 2012

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Marketable equity securities	\$ —	\$ —	\$ 65,231	\$ 17,599	\$ 65,231	\$ 17,599
Institutional managed equity funds	666,803	64,193	3,019,499	1,026,043	3,686,302	1,090,236
Mutual funds	—	—	42,971	324	42,971	324
Other	19,185	409	—	—	19,185	409
Total investments	<u>\$ 685,988</u>	<u>\$ 64,602</u>	<u>\$ 3,127,701</u>	<u>\$ 1,043,966</u>	<u>\$ 3,813,689</u>	<u>\$ 1,108,568</u>

Management continually reviews its investment portfolio and evaluates whether declines in the fair value of securities should be considered other-than-temporary. Factored into this evaluation are the general market conditions, the issuer's financial condition and near-term prospects,

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Investments (continued)

conditions in the issuer's industry, the recommendation of advisors, the length of time and extent to which the market value has been less than cost along with the Medical Center's intent and ability to hold the investments. During the years ended September 30, 2013 and 2012, the Medical Center has not recorded any other-than-temporary declines in the fair value of investments, as the Corporation has the ability and intent to hold the securities to recovery.

Investment returns for the years ended September 30, 2013 and 2012 are as follows:

	2013	2012
Interest and dividend income	\$ 945,424	\$ 873,650
Realized gain	1,091,534	996,406
Gain on interest in CHS	—	16,352,899
Loss on sale of CHS	(109,961)	—
Net swap activity	318,026	(1,455,047)
Investment fees and other	(126,011)	(133,179)
	<u>\$ 2,119,012</u>	<u>\$ 16,634,729</u>

7. Restricted Net Assets

Endowments

The endowment consists of seven individual donor-restricted funds established for a variety of purposes which are held and controlled by the Foundation. As required by GAAP, net assets associated with endowment funds are classified and reported based on donor-imposed restrictions. At September 30, 2013 and 2012, the Medical Center had \$19,645,169 and \$18,169,769, respectively, in endowments held at the Foundation which are recorded by the Medical Center through its interest in the Foundation.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Restricted Net Assets (continued)

Interpretation of Relevant Law

The Medical Center's Board and senior management have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Medical Center classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard for expenditure prescribed by UPMIFA. In accordance with UPMIFA, the Medical Center 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 organization 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 organization
- (7) The investment policies of the organization

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Restricted Net 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 UPMIFA requires the Medical Center to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. Deficiencies at September 30, 2013 and 2012 were immaterial.

Return Objectives and Risk Parameters

The Medical Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce results that equal or exceed relevant benchmarks. The Medical Center expects its endowment funds, over time, to provide an average rate of return of at least 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Medical Center 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 Medical Center targets a diversified asset allocation strategy that places a greater emphasis on equity-based investments to achieve its long-term return objectives within the guidelines of its investment policy and prudent risk constraints.

Endowment Net Asset Composition by Type of Fund

All endowment net assets are donor-restricted endowment funds.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Restricted Net Assets (continued)

Changes in endowment net assets for the years ended September 30, 2013 and 2012 consisted of the following

	September 30, 2013		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning balance	\$ 1,534,913	\$ 16,634,856	\$ 18,169,769
Contributions	—	271,830	271,830
Investment return	74,390	—	74,390
Net appreciation (realized and unrealized)	1,596,451	—	1,596,451
Appropriation of endowment assets for expenditure	(467,271)	—	(467,271)
Endowment net assets, ending balance	<u>\$ 2,738,483</u>	<u>\$ 16,906,686</u>	<u>\$ 19,645,169</u>

	September 30, 2012		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning balance	\$ 1,273,958	\$ 16,328,581	\$ 17,602,539
Contributions	—	306,275	306,275
Investment return	474,812	—	474,812
Net appreciation (realized and unrealized)	157,910	—	157,910
Appropriation of endowment assets for expenditure	(371,767)	—	(371,767)
Endowment net assets, ending balance	<u>\$ 1,534,913</u>	<u>\$ 16,634,856</u>	<u>\$ 18,169,769</u>

Income from endowment funds is considered temporarily restricted until it meets the original donor's time or purpose restriction of the donation. These funds are commingled with other temporarily restricted contributions for the same purposes (see tables below for discussion of the purpose of restrictions) and invested until such time that the funds are utilized. The Medical Center's spending policy is that any expenditure associated with the endowment is appropriated based on the donor's intention.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Restricted Net Assets (continued)

Temporarily Restricted

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

	2013	2012
Equipment purchases	2%	2%
Education	7	7
Other health care services	91	91
	100%	100%

Permanently Restricted

Permanently restricted net assets at September 30 are restricted to

	2013	2012
Health care and children's services	82%	82%
Other health care services	13	13
Education	5	5
	100%	100%

8. Pension Plan

Effective January 1, 1993, the State of Connecticut mandated that individuals hired by the Medical Center were no longer eligible to participate in the State of Connecticut pension plan (State Plan). Employees who were participants in the State Plan as of December 31, 1992 can remain participants in the State Plan so long as they continue to remain employed by the Medical Center.

Effective January 1, 1994, the Medical Center adopted a defined benefit pension plan covering substantially all of its employees. Benefits for employees who are participants in the State Plan are reduced to reflect vested benefits provided under the State Plan.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Pension Plan (continued)

Effective January 1, 1999, the Medical Center converted its pension plan to a Cash Balance Retirement Plan (the Plan). Plan benefits are based on years of service and the employee's compensation. Contributions to the Plan are intended to provide for benefits attributed to services rendered to date and benefits expected to be earned in the future. Future benefits are earned and credited by participants based on a percentage of compensation (ranging from 2.5% to 12.5%) associated with years of service. Plan participants earn a return based on an interest rate established annually at the beginning of the pay year. Plan participants vest in their benefits after three years of service.

On February 26, 2009, the Board of Directors of the Medical Center adopted a resolution to freeze the Plan effective May 1, 2009.

Included in unrestricted net assets at September 30, 2013 and 2012 are unrecognized actuarial losses of \$16,096,254 and \$26,595,053, respectively. The actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2014 is \$1,254,183.

The following table presents a reconciliation of the beginning and ending balances of the Plan's projected benefit obligation and the fair value of plan assets, as well as the funded status of the plan and accrued pension liability included in the consolidated balance sheets.

	Year Ended September 30	
	2013	2012
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 84,989,182	\$ 75,131,688
Interest cost	2,886,841	3,260,049
Actuarial (gains) loss, including the effects of any assumption changes	(6,303,517)	7,941,856
Benefits paid	(1,597,819)	(1,344,411)
Benefit obligation at end of year	<u>\$ 79,974,687</u>	<u>\$ 84,989,182</u>

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Pension Plan (continued)

	Year Ended September 30	
	2013	2012
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 65,962,284	\$ 56,354,989
Contributions	1,425,000	1,480,000
Actual return on plan assets	5,827,940	9,471,706
Benefits paid	(1,597,819)	(1,344,411)
Fair value of plan assets at end of year	<u>\$ 71,617,405</u>	<u>\$ 65,962,284</u>
Funded status of the plan	<u>\$ (8,357,282)</u>	<u>\$ (19,026,898)</u>

The weighted-average assumptions used to develop the projected benefit obligation as of September 30 are as follows

	2013	2012
Discount rate	4.45%	3.60%
Rate of compensation	N/A	N/A
Cash balance interest credit	5.50	5.50
Return on plan assets	6.75	6.75

Net periodic pension costs for the years ended September 30 consist of the following

	2013	2012
Interest cost	\$ 2,886,841	\$ 3,260,049
Expected return on plan assets	(3,940,309)	(3,816,105)
Net amortization		
Net actuarial loss	2,307,651	1,655,222
Net periodic benefit costs	<u>\$ 1,254,183</u>	<u>\$ 1,099,166</u>

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Pension Plan (continued)

The weighted-average assumptions used to determine net periodic benefit costs at September 30 are as follows

	2013	2012
Discount rate	3.60%	4.60%
Cash balance interest credit	5.50	5.50
Expected long-term rate of return on plan assets	6.75	6.75
Rate of compensation	N/A	N/A

The expected long-term rate of return on plan assets was developed through analysis of historical market returns, current market conditions and the fund's past experience. Estimates of future market returns by asset category are lower than actual long-term historical returns in order to reflect current market conditions.

The accumulated benefit obligation at September 30, 2013 and 2012 was \$79,974,687 and \$84,989,182, respectively.

Plan Assets

The Plan assets are managed by outside investment managers. The investment strategy with respect to pension assets is to maximize return while protecting principal. The investment manager has the flexibility to adjust the asset allocation and move funds to the asset class that offers the most opportunity. The investment objective for Plan assets over a full market cycle time period is to generate a return in excess of the passive portfolio benchmark for each asset class.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Pension Plan (continued)

The asset allocations for the Plan at September 30, by asset category, are as follows

Asset Category	Percentage of Plan Assets at Year-End	
	2013	2012
Domestic equities	44%	34%
International equities	19	16
Debt securities	36	48
Other	1	2
Total	100%	100%

The fair values of the Plan assets at September 30, 2013, by asset category, are as follows

Assets	Level 1	Level 2	Level 3	Total
Money market mutual funds ^(a)	\$ 20,773	\$ —	\$ —	\$ 20,773
Fixed income securities				
U.S. government bonds ^(b)	1,909,958	—	—	1,909,958
Municipal bonds ^(c)	562,761	—	—	562,761
Corporate bonds ^(d)	4,710,792	—	—	4,710,792
Foreign bonds ^(e)	615,864	—	—	615,864
Fixed income mutual funds ^(f)	3,515,214	11,094,171	—	14,609,385
Equity mutual funds ^(g)	31,996,839	—	—	31,996,839
Multi-asset balanced mutual funds ^(h)	—	17,191,033	—	17,191,033
Total	\$ 43,332,201	\$ 28,285,204	\$ —	\$ 71,617,405

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Pension Plan (continued)

The fair values of the Plan assets at September 30, 2012, by asset category, are as follows

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 116.120	\$ —	\$ —	\$ 116.120
Money market mutual funds ^(a)	414.910	—	—	414.910
Fixed income securities				
U S government bonds ^(b)	1.896.913	—	—	1.896.913
Municipal bonds ^(c)	629.216	—	—	629.216
Corporate bonds ^(d)	5.193.637	—	—	5.193.637
Foreign bonds ^(e)	501.138	—	—	501.138
Fixed income mutual funds ^(f)	45.444	16.417.177	—	16.462.621
Equity mutual funds ^(g)	30.620.071	—	—	30.620.071
Multi-asset balanced mutual funds ^(h)	5.164.985	4.962.673	—	10.127.658
Total	<u>\$ 44.582.434</u>	<u>\$ 21.379.850</u>	<u>\$ —</u>	<u>\$ 65.962.284</u>

^(a) Includes investments in mutual funds that invest primarily in short-term debt securities including U S Treasury bills, commercial paper and certificates of deposits

^(b) Includes investments in publicly traded U S government and U S Agency bonds

^(c) Includes investments in publicly traded municipal bonds offered by U S states and cities

^(d) Includes investments in publicly offered and traded domestic corporate bonds, including both unsecured and asset-backed securities

^(e) Includes investments in publicly offered and traded unsecured foreign corporate bonds

^(f) Investment in a fixed income mutual fund that maintains a diverse portfolio of short-term high quality bonds, actively managed across the mortgage-backed security, U S Treasury, corporate and international fixed income sectors

^(g) Includes investments in domestic and international equity mutual funds and exchange traded funds

^(h) Investments in mutual funds that allocate assets among both fixed and equity investments, as well as other forms of investments with the intent of providing returns while diversifying assets and spreading risk over multiple asset classes

The Medical Center expects to contribute \$100,000 to its pension plan in fiscal 2014

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Pension Plan (continued)

The Medical Center expects to pay the following benefit payments, which reflect expected future service as appropriate

	<u>Pension Benefits</u>
Fiscal year	
2014	\$ 24,995,000
2015	2,308,000
2016	3,361,000
2017	3,947,000
2018	4,466,000
Years 2019 – 2023	22,527,000

9. Post-retirement Benefit Plan

The Medical Center sponsors the Connecticut Children's Medical Center Postretirement Welfare Plan (the PRW Plan), an unfunded plan which provides post-retirement medical benefits to retired employees who meet the specific criteria identified in the PRW Plan document. Historically, the Medical Center shared the coverage obligation for transferred employees with Hartford Hospital. At the end of 2012, this arrangement was reevaluated, and both parties agreed to end the co-obligation for transferred employees. As a result, each organization would take responsibility for those employees it hired as a transfer from the other party. This resulted in the Medical Center recording an additional liability of \$772,000 for all transferred employees which Hartford Hospital reimbursed them for as part of the agreement for the year ended September 30, 2012. The Medical Center's contribution toward cost of medical coverage varies by years of pension credited service at retirement, ranging from 25% for employees with ten years of credited service to 100% for those employees with 25 plus years of credited service. The Medical Center's maximum fixed dollar commitment is \$2,280 per year per retiree.

Included in unrestricted net assets at September 30, 2013 and 2012 are \$2,999,341 and \$237,872, respectively, of net unrecognized actuarial gains that have not yet been recognized in net periodic benefit cost. There is no actuarial gain included in unrestricted net assets that is expected to be recognized in net periodic pension cost during the year ending September 30, 2014.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Post-retirement Benefit Plan (continued)

The following table presents a reconciliation of the beginning and ending balances of the PRW Plan's projected benefit obligation and the fair value of plan assets, as well as the funded status of the plan and accrued post-retirement obligation included in the consolidated balance sheets

	Year Ended September 30	
	2013	2012
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 7,816,241	\$ 5,752,625
Service cost	394,911	316,704
Interest cost	312,324	295,826
Actuarial (gains) losses, including the effects of any assumption changes	(2,761,469)	703,041
Benefits paid	(103,900)	748,045
Benefit obligation at end of year	<u>\$ 5,658,107</u>	<u>\$ 7,816,241</u>
	Year Ended September 30	
	2013	2012
Change in plan assets		
Fair value of plan assets at beginning of year	\$ —	\$ —
Contributions	103,900	748,045
Benefits paid	(103,900)	(748,045)
Fair value of plan assets at end of year	<u>\$ —</u>	<u>\$ —</u>
Accrued post-retirement obligation included in other long-term liabilities	<u>\$ (5,658,107)</u>	<u>\$ (7,816,241)</u>

Benefits paid for the year ended September 30, 2012 is net of the additional liability of approximately \$772,000 recorded based on the change in obligation for employees transferring from Hartford Hospital discussed above

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Post-retirement Benefit Plan (continued)

The weighted-average assumptions used to develop the post-retirement benefit obligation as of September 30 are as follows

	2013	2012
Discount rate	4.80%	3.85%
Healthcare cost trend rate		
Current year	8.50	8.00
Ultimate	5.00	5.00
Number of years to reach ultimate	7	6

Net periodic benefits costs for the years September 30 consist of the following

	2013	2012
Service cost	\$ 394,911	\$ 316,704
Interest cost	312,324	295,826
Net amortization		
Net actuarial gain	—	(43,181)
Net periodic benefit cost	\$ 707,235	\$ 569,349

The weighted-average assumptions used to determine net periodic benefit costs are as follows for September 30

	2013	2012
Discount rate	3.85%	4.90%
Health care cost trend rate		
Initial rate	8.00	8.50
Ultimate rate	5.00	5.00
Years to ultimate	6	7

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Post-retirement Benefit Plan (continued)

A one-percentage point change in assumed health care cost trend rates would have the following effect on the post-retirement benefit plan

	One-percentage Point	
	Increase	Decrease
Effect on postretirement benefit obligation	\$ 130,999	\$ (115,297)
Effect on total of service and interest cost	28,165	(24,558)

The Medical Center expects to contribute \$170,000 to its post-retirement benefit plan in fiscal 2014

The Medical Center expects to pay the following benefit payments, which reflect expected future service as appropriate

	Post-retirement Benefits
Fiscal year	
2014	\$ 170,000
2015	191,000
2016	213,000
2017	246,000
2018	277,000
Years 2019 – 2023	1,901,000

10. Bonds Payable

A summary of long-term debt is as follows

	September 30	
	2013	2012
Hospital revenue bonds financed with the State of Connecticut Health and Educational Facilities Authority (CHEFA)		
Series D (4 19% effective interest rate)	\$ 39,315,000	\$ 40,530,000
	39,315,000	40,530,000
Less current portion	1,280,000	1,215,000
	\$ 38,035,000	\$ 39,315,000

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Bonds Payable (continued)

In June 2011, the Medical Center along with the Foundation (the Obligated Group) refinanced their existing State of Connecticut Health and Educational Facilities Authority (CHEFA) hospital revenue bonds with variable rate revenue bonds (the Series D Bonds) with a principal amount of \$41,580,000. The Series D Bonds were issued at par and directly placed with one investor. The investor has committed to holding the bonds for a ten year period, at the end of which, the investor may put the bonds back to the Obligated Group or extend their holding period at their discretion. The bonds mature in varying amounts through 2032, with interest rates based on 65% of LIBOR plus a spread of 1.52%, ranging from 1.66% to 1.71% in the current year.

The agreement and related documents provide, among other things, that the Series D Bonds and any additional bonds will be payable from payments to be made by the Obligated Group and that it will be obligated to make such payments so long as the Series D Bonds and any additional bonds are outstanding. The Series D Bonds are collateralized by an interest in revenues of the Medical Center and a mortgage on the facilities, ground lease, easements and other certain leases that comprise the overall hospital premises owned by the Medical Center.

Pursuant to the mortgage agreement and related documents, the Obligated Group is required to meet certain covenants including a days cash on hand, debt to capitalization and a debt service coverage ratio requirement. At September 30, 2013 and 2012, the Medical Center was in compliance with the covenants.

The Medical Center is required to make monthly interest and semi-annual principal repayments for the Series D Bonds. The next principal payment for the Series D bonds is due on January 1, 2014. Interest paid for 2013 and 2012 was \$669,182 and \$694,150, respectively.

The carrying value of the bonds payable approximates fair value. The Medical Center classifies bonds payable in Level 2 of the valuation hierarchy.

Principal payments for the next five years under the CHEFA obligations are as follows:

Year ended September 30	
2014	\$ 1,280,000
2015	1,350,000
2016	1,415,000
2017	1,500,000
2018	1,580,000
Aggregate thereafter	32,190,000
	<u>\$ 39,315,000</u>

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Bonds Payable (continued)

In November 2005, the Medical Center entered into an interest rate swap agreement (the 2005 swap) effectively converting \$23,700,000 of its then existing variable-rate debt (Series C debt) to a fixed-rate basis of 3.704% through June 2018. The fair value of the swap (a liability of \$1,359,365 and \$1,968,851 at September 30, 2013 and 2012, respectively) is reported in other long term liabilities. The change in value of \$609,486 and \$302,775 is reported as a component of income from investments for the years ended September 30, 2013 and 2012, respectively. The swap, while serving as an economic hedge, does not qualify for hedge accounting.

Upon the refunding of the Series C debt in June 2011, the Medical Center applied the 2005 swap against the newly issued Series D debt and entered into a new swap agreement (the 2011 swap), which along with the 2005 swap, effectively converts all of its outstanding Series D debt to a fixed-rate basis. The interest rate on the new swap is 4.6138%. The fair value of the 2011 swap (a liability of \$1,193,629 and \$2,107,558 as of September 30, 2013 and 2012, respectively) is reported in other long term liabilities. The change in value of \$913,929 and \$466,492 for fiscal 2012 is reported as a component of income from investments for the years ended September 30, 2013 and 2012, respectively. The swap, while serving as an economic hedge, does not qualify for hedge accounting.

The 2011 swap has an embedded option that gives the Medical Center the right to terminate the swap beginning July 1, 2016, and on the first business day of each month thereafter. If the option is exercised by the Medical Center, the transaction will terminate and neither party will owe a termination payment amount. There is no exercise premium.

The following table summarizes the Medical Center's interest rate swap agreements:

Swap Type	Expiration Date	Medical Center Receives	Medical Center Pays	Notional Amount at September 30	
				2013	2012
Series C – Fixed to Floating (2005 Swap)	July 1, 2018	70% of LIBOR	3.70%	\$ 15,675,000	\$18,550,000
Series D – Fixed to Floating (2011 Swap)	July 1, 2032	65% LIBOR + 1.52%	4.61%	22,665,000	20,827,000
				<u>\$ 38,340,000</u>	<u>\$39,377,000</u>

The total notional amount differs from the amount outstanding on the debt as a result of the different amounts that the Medical Center receives. The notional amount of the 2011 swap is modified to adjust for the differing percentage of LIBOR received under the 2005 swap.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Notes Payable

Notes payable at September 30, 2013 and 2012 consists of the following

	2013	2012
Notes payable to an independent financing company payable in semi-annual installments of \$199,606 through October 2015, interest free	\$ 798,422	\$ —
Notes payable to an independent financing company payable in monthly installments of \$27,889 through March 2014, interest free	167,334	—
Notes payable to a health care equipment manufacturing company in monthly installments of \$18,392 through December 2015, at 4 15% interest Secured by certain equipment	471,517	668,809
Notes payable to a bank in bi-annual installments of \$947,956 through October 2012 at 4 09% interest Secured by certain equipment	—	929,067
Notes payable to a bank in monthly installments of \$147,233 through October 2018 at 2 85% interest Secured by certain equipment	8,351,736	9,857,166
Notes payable to a bank in monthly installments of \$128,417 through October 2018 at 1 455% interest Secured by certain equipment	9,901,610	—
Notes payable to a bank in monthly installments of \$55,978 through June 2018 at 1 302% interest Secured by certain equipment	3,092,473	—
Notes payable to a bank in monthly installments of \$114,385 through September 2019 at 2 52% interest Secured by certain equipment	7,635,795	8,800,000
Note payable to landlord for leasehold improvements payable in monthly installments of \$1,431 through August 2019 at 6% Unsecured	85,336	97,003
Note payable to a hospital association payable in monthly installments of \$6,529, interest free	169,754	248,102
Other notes	—	16,935
	30,673,977	20,617,082
Less current portion	5,447,651	3,902,944
	\$ 25,226,326	\$ 16,714,138

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Notes Payable (continued)

The carrying value of the notes payable approximates fair value. The Medical Center classifies notes payable in Level 2 of the valuation hierarchy.

Interest paid on the notes was \$596,530 and \$390,009 for the years ended September 30, 2013 and 2012, respectively.

Principal payments on the notes for the next five years are as follows:

2014	\$ 5,447,651
2015	5,593,470
2016	5,273,160
2017	5,118,919
2018	5,063,427
Aggregate thereafter	4,177,350
	<u>\$ 30,673,977</u>

12. Contingencies

There have been malpractice claims that fall within the Medical Center's malpractice insurance which have been asserted against the Medical Center. In addition, there are known incidents that have occurred through September 30, 2013, that may result in the assertion of claims. Refer to Note 1.

The Medical Center is a party to various lawsuits incidental to its business. Management does not believe that the lawsuits will have a material adverse effect on the Medical Center's consolidated financial position.

The Medical Center and CCSG, in consultation with their actuaries, record as a liability the estimate for claims-made malpractice liabilities and the estimate for incurred but not reported claims. The estimate for incurred but not reported claims, discounted at 4.00% and 2.49%, totaled approximately \$6,101,000 and \$6,031,000 at September 30, 2013 and 2012, respectively. The Medical Center has recorded related insurance recoveries receivable of approximately \$21,855,000 and \$21,724,000 at September 30, 2013 and 2012, respectively, in consideration for the expected insurance recoveries for the total claims-made insurance.

The Medical Center, in consultation with its actuary, records as a liability an estimate of workers' compensation claims. Such liability, undiscounted at September 30, 2013 and discounted at 2.16% at September 30, 2012, totaled approximately \$2,065,000 and \$2,239,000 at September 30, 2013 and 2012, respectively.

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Commitments

Ground Lease

The Medical Center has a ground lease with Hartford Hospital to lease the site on which the Medical Center stands. The lease term is 99 years beginning November 1, 1993 with an optional extension for an additional 99-year term.

The Ground Lease was recorded as a prepaid asset in the original amount of \$2,900,000 and is amortized over the term of the lease. The net asset is recorded at \$2,387,390 and \$2,416,682 as of September 30, 2013 and 2012, respectively, and is included in other assets in the accompanying consolidated balance sheets. The lease includes certain covenants which restrict, among other things, the Medical Center's ability to be a party to mergers.

Parking Agreement

The Medical Center has a Parking Agreement with Hartford Hospital Real Estate Corporation (HHREC) for the use of 450 parking spaces on the Hartford Hospital campus. The agreement continues in full force and effect until the earlier of a written termination of the agreement by the Medical Center and HHREC or the termination of the ground lease.

14. Operating Leases

Rental and lease expense amounted to \$10,507,394 and \$9,870,230 for the years ended September 30, 2013 and 2012, respectively.

The minimum lease commitments under all noncancelable operating leases with initial or remaining terms of more than one year are as follows:

Fiscal years ending September 30	
2014	\$ 9,672,040
2015	9,676,403
2016	8,782,068
2017	7,827,473
2018	6,310,002
	<u>\$ 42,267,986</u>

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. Functional Expenses

The Medical Center provides health care services to residents within its geographic location including pediatric care and outpatient surgery. Expenses related to providing these services are as follows:

	Year Ended September 30	
	2013	2012
Health care services	\$ 276,723,729	\$ 261,157,525
General and administrative	67,629,306	56,475,863
	<u>\$ 344,353,035</u>	<u>\$ 317,633,388</u>

16. Fair Value of Financial Instruments

The Medical Center calculates fair value of its financial assets and liabilities, when applicable, based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are applied based on a unit of account from the Medical Center's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated). In order to increase consistency and comparability in fair value measurements, the Medical Center utilizes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

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

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

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

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

16. Fair Value of Financial Instruments (continued)

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

Financial assets and liabilities carried at fair value as of September 30, 2013 are classified in the table below in one of the three categories described above.

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 3,249,955	\$ —	\$ —	\$ 3,249,955
Fixed income securities ^(a)	104,734	—	—	104,734
Domestic fixed	13,457,731	—	—	13,457,731
International fixed	1,103,498	—	—	1,103,498
Marketable equity securities ^(b)	447,661	—	—	447,661
Domestic equity	18,250,152	—	—	18,250,152
International equity	3,298,668	—	—	3,298,668
Mutual Funds				
Domestic	7,188,520	—	—	7,188,520
International	2,092,701	—	—	2,092,701
Multi-Strategy	1,557,134	—	—	1,557,134
Equity				
Domestic growth ^(c)	6,131,402	—	—	6,131,402
Domestic value ^(c)	5,941,957	—	—	5,941,957
International ^(c)	6,705,662	—	—	6,705,662
Real estate, small cap and other ^(c)	223,001	—	—	223,001
International equity common trust fund	—	6,422,430	—	6,422,430
Domestic equity common trust fund	—	10,896,020	—	10,896,020
Fixed income				
International	612,673	—	—	612,673
Domestic	4,315,044	—	—	4,315,044
Intermediate term ^(c)	7,932,577	—	—	7,932,577
Global ^(c)	1,621,443	—	—	1,621,443
Short-term ^(c)	192,733	—	—	192,733
Inflation protected ^(c)	824,791	—	—	824,791
Common Trust Fund ^(d)	—	3,670,663	—	3,670,663
Domestic Fixed Common Trust Fund	—	4,445,606	—	4,445,606
Funds held by trustee under revenue bond agreement ^(e)	17,008,322	—	—	17,008,322
Fund of funds	—	2,275,089	—	2,275,089
Real estate investments	—	1,404,193	—	1,404,193
Foundation held funds and miscellaneous other investments ^(f)	—	1,880,869	—	1,880,869
Total	\$ 102,260,359	\$ 30,994,870	\$ —	\$ 133,255,229
Liabilities				
Interest rate swap agreements ^(g)	\$ —	\$ 2,552,994	\$ —	\$ 2,552,994

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

16. Fair Value of Financial Instruments (continued)

Financial assets and liabilities carried at fair value as of September 30, 2012 are classified in the table below in one of the three categories described above

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 2,360,811	\$ –	\$ –	\$ 2,360,811
Fixed income securities ^(a)	116,625	–	–	116,625
Domestic fixed	16,843,653	–	–	16,843,653
International fixed	1,113,280	–	–	1,113,280
Marketable equity securities ^(b)	384,452	–	–	384,452
Domestic equity	14,206,651	–	–	14,206,651
International equity	1,618,266	–	–	1,618,266
Mutual Funds				
Domestic	10,219,849	–	–	10,219,849
International	5,207,625	–	–	5,207,625
Multi-Strategy	1,090,899	–	–	1,090,899
Equity				
Domestic growth ^(c)	9,124,355	–	–	9,124,355
Domestic value ^(c)	1,261,127	–	–	1,261,127
International ^(c)	5,907,757	–	–	5,907,757
Real estate, small cap and other ^(c)	150,008	–	–	150,008
International equity common trust fund	–	2,897,088	–	2,897,088
Domestic equity common trust fund	–	8,566,520	–	8,566,520
Fixed income				
International	681,054	–	–	681,054
Domestic	5,589,697	–	–	5,589,697
Intermediate term ^(c)	8,184,672	–	–	8,184,672
Global ^(c)	166,339	–	–	166,339
Short-term ^(c)	1,583,873	–	–	1,583,873
Inflation protected ^(c)	1,229,293	–	–	1,229,293
Common Trust Fund ^(d)	–	3,185,770	–	3,185,770
Domestic Fixed Common Trust Fund	–	4,484,440	–	4,484,440
Funds held by trustee under revenue bond agreement ^(e)	10,408,581	–	–	10,408,581
Fund of funds	–	1,182,225	–	1,182,225
Real estate investments	–	127,362	–	127,362
Foundation held funds and miscellaneous other investments ^(f)	–	1,876,472	–	1,876,472
Total	\$ 97,448,867	\$ 22,319,877	\$ –	\$ 119,768,744
Liabilities				
Interest rate swap agreements ^(g)	\$ –	\$ 4,173,109	\$ –	\$ 4,173,109

Connecticut Children's Medical Center and Subsidiaries

Notes to Consolidated Financial Statements (continued)

16. Fair Value of Financial Instruments (continued)

- ^(a) Includes investments in publicly traded fixed income invests, which may include government, municipal or corporate bonds of varied duration
- ^(b) Includes investments in publicly traded stock of domestic corporations
- ^(c) Includes investments in domestic and international equity mutual funds and exchange traded funds. Investments are broken out into the underlying funds' asset type and investment goals
- ^(d) The common trust fund seeks to gain exposure to large cap U.S. companies by replicating the S&P 500 Tobacco Free Index, which excludes any company for which tobacco is one of its top five revenue producing industries. There are no liquidity restrictions as the redemption frequency and notice period is daily
- ^(e) These funds reflect proceeds from borrowings that are held in trust for the Medical Center's use. Funds are generally invested in money market mutual funds and may be drawn on by the Medical Center to purchase capital assets
- ^(f) These funds reflect the value of the Medical Center's interest in funds held in trust for the Medical Center's benefit. The Medical Center receives statements and records its portion of the trusts' statement value
- ^(g) The value of the Medical Center's swaps is determined by examining the present value of the future cash flows among other factors. The Medical Center utilizes an independent third party to calculate the value of the swaps based on all of the relevant factors

The following is a description of the Medical Center's valuation methodologies for assets measured at fair value. The fair value methodologies are not necessarily indicators of liquidity but are descriptive of the measures used to arrive at fair value pricing. Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers and brokers. The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Medical Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The amounts reported in the tables above exclude assets invested in the Medical Center's defined benefit pension plan (Note 8)

Supplementary Information

Connecticut Children's Medical Center and Subsidiaries

Consolidating Balance Sheets

September 30, 2013

	Connecticut Children's Medical Center	Effect of Adoption of ASC 958-20	Total	Connecticut Children's Specialty Group	Children's Fund	Eliminations	Total Consolidated
Assets							
Current assets							
Cash and cash equivalents	\$ 1,782,072	\$ —	\$ 1,782,072	\$ 449,658	\$ 1,018,225	\$ —	\$ 3,249,955
Funds held by trustee under revenue bond agreement	17,008,322	—	17,008,322	—	—	—	17,008,322
Patient accounts receivable, less allowance of approximately \$6,942,000 for the Medical Center and \$602,000 for Specialty Group	27,453,944	—	27,453,944	3,894,386	—	—	31,348,330
Due from affiliated entities	1,645,518	—	1,645,518	—	—	—	1,645,518
Inventories	1,056,206	—	1,056,206	38,081	—	—	1,094,287
Other current assets	9,708,252	—	9,708,252	5,722,163	778,432	—	16,208,847
Total current assets	58,654,314	—	58,654,314	10,104,288	1,796,657	—	70,555,259
Assets whose use is limited							
Investments				1,057,449	32,739,175	—	33,796,624
Funds held in trust by others	79,200,328	—	79,200,328	—	—	—	79,200,328
Interest in Foundation	—	97,605,124	97,605,124	—	—	—	97,605,124
	79,200,328	97,605,124	176,805,452	1,057,449	32,739,175	—	210,602,076
Property, plant and equipment							
Buildings	119,975,367	—	119,975,367	2,821,636	—	—	122,797,003
Furniture and equipment	80,271,130	—	80,271,130	1,399,881	137,040	—	81,808,051
Construction in progress	29,060,602	—	29,060,602	—	—	—	29,060,602
	229,307,099	—	229,307,099	4,221,517	137,040	—	233,665,656
Less accumulated depreciation	(104,192,282)	—	(104,192,282)	(2,425,020)	(96,620)	—	(106,713,922)
	125,114,817	—	125,114,817	1,796,497	40,420	—	126,951,734
Other assets							
Bond issuance costs	732,242	—	732,242	—	—	—	732,242
Ground lease	2,387,390	—	2,387,390	—	—	—	2,387,390
Other	12,984,181	—	12,984,181	5,531,306	5,493	—	18,520,980
	16,103,813	—	16,103,813	5,531,306	5,493	—	21,640,612
Total assets	\$ 279,073,272	\$ 97,605,124	\$ 376,678,396	\$ 18,489,540	\$ 34,581,745	\$ —	\$ 429,749,681

Connecticut Children's Medical Center and Subsidiaries

Consolidating Balance Sheets (continued)

September 30, 2013

	Connecticut Children's Medical Center	Effect of Adoption of ASC 958-20	Total	Connecticut Children's Specialty Group	Children's Fund	Eliminations	Total Consolidated
Liabilities and net assets (deficiency)							
Current liabilities							
Current portion of bonds payable	\$ 1,280,000	\$ —	\$ 1,280,000	\$ —	\$ —	\$ —	\$ 1,280,000
Current portion of notes payable	5,435,264	—	5,435,264	12,387	—	—	5,447,651
Accounts payable and accrued expenses	32,601,731	—	32,601,731	6,800,827	451,083	—	39,853,641
Accrued wages	11,973,983	—	11,973,983	5,236,706	—	—	17,210,689
Due to third parties	9,819,700	—	9,819,700	3,575,104	—	—	13,394,804
Due to affiliated entities	1,178,794	—	1,178,794	4,526,923	—	—	5,705,717
Accrued interest payable and other current liabilities	50,298	—	50,298	257,037	—	—	307,335
Total current liabilities	62,339,770	—	62,339,770	20,408,984	451,083	—	83,199,837
Bonds payable, less current portion	38,035,000	—	38,035,000	—	—	—	38,035,000
Notes payable, less current portion	25,153,377	—	25,153,377	72,949	—	—	25,226,326
Accrued pension liability	8,357,282	—	8,357,282	—	—	—	8,357,282
Other long-term liabilities	23,660,838	—	23,660,838	8,491,413	—	—	32,152,251
Total liabilities	157,546,267	—	157,546,267	28,973,346	451,083	—	186,970,696
Net assets (deficiency)							
Unrestricted	24,566,347	76,821,642	101,387,989	(10,483,806)	33,832,243	—	124,736,426
Temporarily restricted	17,760,330	3,876,796	21,637,126	—	298,419	—	21,935,545
Permanently restricted	79,200,328	16,906,686	96,107,014	—	—	—	96,107,014
Total net assets (deficiency)	121,527,005	97,605,124	219,132,129	(10,483,806)	34,130,662	—	242,778,985
Total liabilities and net assets (deficiency)	\$ 279,073,272	\$ 97,605,124	\$ 376,678,396	\$ 18,489,540	\$ 34,581,745	\$ —	\$ 429,749,681

Connecticut Children's Medical Center and Subsidiaries

Consolidating Balance Sheets

September 30, 2012

	Connecticut Children's Medical Center	Effect of Adoption of ASC 958-20	Total	Connecticut Children's Specialty Group	Children's Fund	Eliminations	Total Consolidated
Assets							
Current assets							
Cash and cash equivalents	\$ 482,737	\$ —	\$ 482,737	\$ 47,161	\$ 1,830,913	\$ —	\$ 2,360,811
Funds held by trustee under revenue bond agreement	10,408,581	—	10,408,581	—	—	—	10,408,581
Patient accounts receivable, less allowance of approximately \$6,149,000 for the Medical Center and \$1,260,000 for Specialty Group	29,412,780	—	29,412,780	3,492,997	—	—	32,905,777
Due from affiliated entities	6,701,228	—	6,701,228	61,449	—	(61,449)	6,701,228
Due from third parties	4,899,895	—	4,899,895	—	—	—	4,899,895
Inventories	655,745	—	655,745	36,980	—	—	692,725
Other current assets	8,432,268	—	8,432,268	3,392,685	1,665,377	—	13,490,330
Total current assets	60,993,234	—	60,993,234	7,031,272	3,496,290	(61,449)	71,459,347
Assets whose use is limited							
Investments	—	—	—	951,162	30,343,109	—	31,294,271
Funds held in trust by others	75,705,081	—	75,705,081	—	—	—	75,705,081
Interest in Foundation	—	87,705,125	87,705,125	—	—	—	87,705,125
	75,705,081	87,705,125	163,410,206	951,162	30,343,109	—	194,704,477
Property, plant and equipment							
Buildings	118,462,156	—	118,462,156	2,887,926	—	—	121,350,082
Furniture and equipment	63,710,820	—	63,710,820	1,339,739	146,261	—	65,196,820
Construction in progress	19,750,929	—	19,750,929	—	—	—	19,750,929
	201,923,905	—	201,923,905	4,227,665	146,261	—	206,297,831
Less accumulated depreciation	(93,582,827)	—	(93,582,827)	(1,959,547)	(94,071)	—	(95,636,445)
	108,341,078	—	108,341,078	2,268,118	52,190	—	110,661,386
Other assets							
Bond issuance costs	730,892	—	730,892	—	—	—	730,892
Ground lease	2,416,682	—	2,416,682	—	—	—	2,416,682
Other	24,335,538	—	24,335,538	6,684,978	5,493	—	31,026,009
	27,483,112	—	27,483,112	6,684,978	5,493	—	34,173,583
Total assets	\$ 272,522,505	\$ 87,705,125	\$ 360,227,630	\$ 16,935,530	\$ 33,897,082	\$ (61,449)	\$ 410,998,793

Connecticut Children's Medical Center and Subsidiaries

Consolidating Balance Sheets (continued)

September 30, 2012

	Connecticut Children's Medical Center	Effect of Adoption of ASC 958-20	Total	Connecticut Children's Specialty Group	Children's Fund	Eliminations	Total Consolidated
Liabilities and net assets (deficiency)							
Current liabilities							
Current portion of bonds payable	\$ 1,215,000	\$ —	\$ 1,215,000	\$ —	\$ —	\$ —	\$ 1,215,000
Current portion of notes payable	3,874,342	—	3,874,342	28,602	—	—	3,902,944
Accounts payable and accrued expenses	26,273,345	—	26,273,345	5,366,793	964,676	—	32,604,814
Accrued wages	11,564,942	—	11,564,942	4,760,213	—	—	16,325,155
Due to third parties	2,965,182	—	2,965,182	1,561,246	—	—	4,526,428
Due to affiliated entities	61,449	—	61,449	743,431	—	(61,449)	743,431
Accrued interest payable and other current liabilities	66,507	—	66,507	264,208	—	—	330,715
Total current liabilities	46,020,767	—	46,020,767	12,724,493	964,676	(61,449)	59,648,487
Bonds payable, less current portion	39,315,000	—	39,315,000	—	—	—	39,315,000
Notes payable, less current portion	16,628,802	—	16,628,802	85,336	—	—	16,714,138
Accrued pension liability	19,026,898	—	19,026,898	—	—	—	19,026,898
Other long-term liabilities	29,898,238	—	29,898,238	9,349,433	—	—	39,247,671
Total liabilities	150,889,705	—	150,889,705	22,159,262	964,676	(61,449)	173,952,194
Net assets (deficiency)							
Unrestricted	31,388,657	65,295,933	96,684,590	(5,223,732)	31,325,345	—	122,786,203
Temporarily restricted	14,539,062	5,774,336	20,313,398	—	1,607,061	—	21,920,459
Permanently restricted	75,705,081	16,634,856	92,339,937	—	—	—	92,339,937
Total net assets	121,632,800	87,705,125	209,337,925	(5,223,732)	32,932,406	—	237,046,599
Total liabilities and net assets (deficiency)	\$ 272,522,505	\$ 87,705,125	\$ 360,227,630	\$ 16,935,530	\$ 33,897,082	\$ (61,449)	\$ 410,998,793

Connecticut Children's Medical Center and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets

Year Ended September 30, 2013

	Connecticut Children's Medical Center	Effect of Adoption of ASC 958-20	Total	Connecticut Children's Specialty Group	Children's Fund	Eliminations	Total Consolidated
Revenues							
Net patient service revenue	\$ 243,860,268	\$ —	\$ 243,860,268	\$ 48,587,269	\$ —	\$ —	\$ 292,447,537
Provision for bad debts	(4,545,394)	—	(4,545,394)	(1,388,115)	—	—	(5,933,509)
Net patient service revenue, less provision for bad debts	239,314,874	—	239,314,874	47,199,154	—	—	286,514,028
Other revenues	3,079,721	—	3,079,721	8,404,096	1,964,153	(2,188,748)	11,259,222
Net assets released from restrictions for operations	14,927,504	—	14,927,504	—	1,463,642	—	16,391,146
	257,322,099	—	257,322,099	55,603,250	3,427,795	(2,188,748)	314,164,396
Expenses							
Salaries	107,630,278	—	107,630,278	49,935,722	1,480,547	6,770,666	165,817,213
Benefits	31,288,195	—	31,288,195	9,331,189	462,412	1,557,253	42,639,049
Supplies and other	115,779,254	—	115,779,254	13,857,166	2,884,500	(10,516,667)	122,004,253
Depreciation and amortization	11,801,840	—	11,801,840	763,211	13,169	—	12,578,220
Interest	1,294,274	—	1,294,274	20,026	—	—	1,314,300
	267,793,841	—	267,793,841	73,907,314	4,840,628	(2,188,748)	344,353,035
Loss from operations	(10,471,742)	—	(10,471,742)	(18,304,064)	(1,412,833)	—	(30,188,639)
Other income							
Gain from investments, net	238,221	—	238,221	36,201	1,844,590	—	2,119,012
Income from trusts held by others	2,518,697	—	2,518,697	—	—	—	2,518,697
Change in equity interest in net assets of the Foundation	—	8,044,974	8,044,974	—	—	—	8,044,974
Other	2,929	—	2,929	(1,295)	—	—	1,634
	2,759,847	8,044,974	10,804,821	34,906	1,844,590	—	12,684,317
Net assets (deficiency) at beginning of year	(7,711,895)	8,044,974	333,079	(18,269,158)	431,757	—	(17,504,322)

Continued on next page

Connecticut Children's Medical Center and Subsidiaries

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

Year Ended September 30, 2013

	Connecticut Children's Medical Center	Effect of Adoption of ASC 958-20	Total	Connecticut Children's Specialty Group	Children's Fund	Eliminations	Total Consolidated
Unrestricted net assets							
(Deficiency) excess of revenues over expenses	\$ (7,711,895)	\$ 8,044,974	\$ 333,079	\$ (18,269,158)	\$ 431,757	\$ -	\$ (17,504,322)
Transfer from affiliated organizations, net	(12,926,774)	-	(12,926,774)	12,926,774	-	-	-
Unrealized gain on investments	-	-	-	82,310	2,075,141	-	2,157,451
Net assets released from restrictions for capital	556,091	-	556,091	-	-	-	556,091
Change in funded status of pension and post-retirement plans	13,260,268	-	13,260,268	-	-	-	13,260,268
Change in equity interest in the net assets of the Foundation	-	3,480,735	3,480,735	-	-	-	3,480,735
(Decrease) increase in unrestricted net assets	(6,822,310)	11,525,709	4,703,399	(5,260,074)	2,506,898	-	1,950,223
Temporarily restricted net assets							
Transfer from affiliated organization	6,948,301	-	6,948,301	-	-	-	6,948,301
Net assets released from restrictions for operations	(14,927,504)	-	(14,927,504)	-	(1,463,642)	-	(16,391,146)
Net assets released from restrictions for capital	(556,091)	-	(556,091)	-	-	-	(556,091)
Bequests, gifts and grants	11,756,562	-	11,756,562	-	155,000	-	11,911,562
Change in equity interest in the net assets of the Foundation	-	(1,897,540)	(1,897,540)	-	-	-	(1,897,540)
Increase (decrease) in temporarily restricted net assets	3,221,268	(1,897,540)	1,323,728	-	(1,308,642)	-	15,086
Permanently restricted net assets							
Change in funds held by others	3,495,247	-	3,495,247	-	-	-	3,495,247
Change in equity interest in the net assets of the Foundation	-	271,830	271,830	-	-	-	271,830
Increase in permanently restricted net assets	3,495,247	271,830	3,767,077	-	-	-	3,767,077
(Decrease) increase in net assets	(105,795)	9,899,999	9,794,204	(5,260,074)	1,198,256	-	5,732,386
Net assets (deficiency) at beginning of year	121,632,800	87,705,125	209,337,925	(5,223,732)	32,932,406	-	237,046,599
Net assets (deficiency) at end of year	\$ 121,527,005	\$ 97,605,124	\$ 219,132,129	\$ (10,483,806)	\$ 34,130,662	\$ -	\$ 242,778,985

Connecticut Children's Medical Center and Subsidiaries
Consolidating Statements of Operations and Changes in Net Assets

Year Ended September 30, 2012

	Connecticut Children's Medical Center	Effect of Adoption of ASC 958-20	Total	Connecticut Children's Specialty Group	Children's Fund	Eliminations	Total Consolidated
Revenues							
Net patient service revenue	\$ 231,197,635	\$ –	\$ 231,197,635	\$ 46,407,120	\$ –	\$ –	\$ 277,604,755
Provision for bad debts	(4,548,780)	–	(4,548,780)	(1,326,259)	–	–	(5,875,039)
Net patient service revenue, less provision for bad debts	226,648,855	–	226,648,855	45,080,861	–	–	271,729,716
Other revenues	7,522,637	–	7,522,637	7,405,595	1,489,701	(1,679,073)	14,738,860
Net assets released from restrictions	12,253,353	–	12,253,353	–	2,130,450	–	14,383,803
	246,424,845	–	246,424,845	52,486,456	3,620,151	(1,679,073)	300,852,379
Expenses							
Salaries	98,472,704	–	98,472,704	45,345,416	1,360,821	6,637,606	151,816,547
Benefits	26,242,270	–	26,242,270	8,339,907	444,155	1,526,650	36,552,982
Supplies and other	111,079,149	–	111,079,149	12,667,842	3,325,426	(9,843,329)	117,229,088
Depreciation and amortization	10,408,276	–	10,408,276	672,653	13,250	–	11,094,179
Interest	910,866	–	910,866	29,726	–	–	940,592
	247,113,265	–	247,113,265	67,055,544	5,143,652	(1,679,073)	317,633,388
Loss from operations	(688,420)	–	(688,420)	(14,569,088)	(1,523,501)	–	(16,781,009)
Other income							
Gain from investments, net	14,932,864	–	14,932,864	28,493	1,673,372	–	16,634,729
Income from trusts held by others	2,826,208	–	2,826,208	–	–	–	2,826,208
Change in equity interest in net assets of the Foundation	–	1,922,646	1,922,646	–	–	–	1,922,646
Other	(84,403)	–	(84,403)	–	–	–	(84,403)
	17,674,669	1,922,646	19,597,315	28,493	1,673,372	–	21,299,180
Excess (deficiency) of revenues over expenses	16,986,249	1,922,646	18,908,895	(14,540,595)	149,871	–	4,518,171

Connecticut Children's Medical Center and Subsidiaries

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

Year Ended September 30, 2012

	Connecticut Children's Medical Center	Effect of Adoption of ASC 958-20	Total	Connecticut Children's Specialty Group	Children's Fund	Eliminations	Total Consolidated
Unrestricted net assets							
Excess (deficiency) of revenues over expenses	\$ 16,986,249	\$ 1,922,646	\$ 18,908,895	\$ (14,540,595)	\$ 149,871	\$ –	\$ 4,518,171
Transfer from affiliated organizations, net	(15,699,924)	–	(15,699,924)	15,699,924	–	–	–
Unrealized gain on investments	–	–	–	104,960	3,582,091	–	3,687,051
Net assets released from restrictions for capital	3,078,733	–	3,078,733	–	–	–	3,078,733
Change in funded status of pension and post-retirement plans	(1,377,255)	–	(1,377,255)	–	–	–	(1,377,255)
Change in equity interest in the net assets of the Foundation	–	8,856,142	8,856,142	–	–	–	8,856,142
Increase in unrestricted net assets	2,987,803	10,778,788	13,766,591	1,264,289	3,731,962	–	18,762,842
Temporarily restricted net assets							
Transfer from affiliated organization	4,251,318	–	4,251,318	–	–	–	4,251,318
Net assets released from restrictions for operations	(12,253,353)	–	(12,253,353)	–	(2,130,450)	–	(14,383,803)
Net assets released from restrictions for capital	(3,078,733)	–	(3,078,733)	–	–	–	(3,078,733)
Bequests, gifts and grants	10,489,646	–	10,489,646	–	2,440,222	–	12,929,868
Change in equity interest in the net assets of the Foundation	–	961,200	961,200	–	–	–	961,200
Increase in temporarily restricted net assets	(591,122)	961,200	370,078	–	309,772	–	679,850
Permanently restricted net assets							
Change in funds held by others	7,884,564	–	7,884,564	–	–	–	7,884,564
Change in equity interest in the net assets of the Foundation	–	306,275	306,275	–	–	–	306,275
Increase in permanently restricted net assets	7,884,564	306,275	8,190,839	–	–	–	8,190,839
Increase in net assets	10,281,245	12,046,263	22,327,508	1,264,289	4,041,734	–	27,633,531
Net assets (deficiency) at beginning of year	111,351,555	75,658,862	187,010,417	(6,488,021)	28,890,672	–	209,413,068
Net assets (deficiency) at end of year	\$ 121,632,800	\$ 87,705,125	\$ 209,337,925	\$ (5,223,732)	\$ 32,932,406	\$ –	\$ 237,046,599

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