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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 04-01-2013 , 2013, and ending 03-31-2014

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
HOSPITAL FOR SPECIAL CARE

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2150 CORBIN AVENUE

City or town, state or province, country, and ZIP or foreign postal code
NEW BRITAIN, CT 060532266

D Employer identification number
06-0646766

E Telephone number
(860) 223-2761

G Gross receipts $ 153,994,525

F Name and address of principal officer
JOHN VOTTO
2150 CORBIN AVENUE
NEW BRITAIN, CT 060532266

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates 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 HFSC ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1941

M State of legal domicile CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities
HOSPITAL FOR SPECIAL CARE IS A 228 BED REHABILITATION AND CHRONIC DISEASE HOSPITAL, SERVING PATIENTS IN THESE PRIMARY AREAS INPATIENT AND OUTPATIENT REHABILITATION, RESPIRATORY CARE, MEDICALLY COMPLEX AND PEDIATRICS

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	1,190
6	Total number of volunteers (estimate if necessary)	**6**	334
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	1,039,145	8,282,810
	9 Program service revenue (Part VIII, line 2g)	141,811,910	140,654,769
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,573,352	3,574,423
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,557,287	1,482,523
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	145,981,694	153,994,525
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	10,000	6,000
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	66,321,709	68,827,225
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	76,719,974	74,943,235
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	143,051,683	143,776,460
	19 Revenue less expenses Subtract line 18 from line 12	2,930,011	10,218,065

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	133,871,044	141,924,949
	21 Total liabilities (Part X, line 26)	79,705,258	80,836,007
	22 Net assets or fund balances Subtract line 21 from line 20	54,165,786	61,088,942

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

****** | 2014-11-11
Signature of officer | Date

LAURIE WHELAN SENIOR VP OF FINANCE/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ELIZABETH SOLECKI				P00235171

Firm's name ▶ BLUM SHAPIRO & COMPANY PC CPA'S | Firm's EIN ▶ 06-1009205

Firm's address ▶ 29 S MAIN STREET PO BOX 272000
WEST HARTFORD, CT 061272000 | Phone no (860) 561-4000

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☑

1 Briefly describe the organization's mission

HOSPITAL FOR SPECIAL CARE IS A 228 BED REHABILITATION AND CHRONIC DISEASE HOSPITAL, SERVING PATIENTS IN THESE PRIMARY AREAS INPATIENT AND OUTPATIENT REHABILITATION, RESPIRATORY CARE, MEDICALLY COMPLEX AND PEDIATRICS

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 46,380,570 including grants of $ 6,000) (Revenue $ 58,608,222)

INPATIENT CARE RESPIRATORY SERVICES INCLUDE CARING FOR PEOPLE WHO HAVE MADE CONSCIOUS DECISIONS TO LIVE ON LIFE SUPPORT THESE PATIENTS REQUIRE SIGNIFICANT MEDICAL ATTENTION ALONG WITH SERVICES TO ENHANCE QUALITY OF LIFE OUR GOAL IS TO LIBERATE PATIENTS FROM VENTILATOR DEPENDENCY SO THAT THEY CAN RESUME THEIR LIVES HOSPITAL FOR SPECIAL CARE IS RECOGNIZED FOR HAVING THE HIGHEST VENTILATOR-WEANING RATE IN CONNECTICUT AND CONSISTENTLY EXCEEDS THE NATIONAL AVERAGE SERVICES FOR THE CLINICAL MANAGEMENT OF PATIENTS WITH SERIOUS RESPIRATORY CONDITIONS ARE PROVIDED ON THREE DISTINCT UNITS HSC'S 36-BED LAURIE COLEMAN PUGLISI RESPIRATORY CARE UNIT AND THE 38-BED RESPIRATORY STEP-DOWN UNIT PROVIDE CARE FOR PATIENTS WITH MULTI-SYSTEM PROBLEMS AND ASSOCIATED RESPIRATORY FAILURE REQUIRING ARTIFICIAL AIRWAY AND VENTILATOR ASSISTANCE THE CLOSE OBSERVATION UNIT IS AN 11-BED UNIT PROVIDING TECHNOLOGICALLY ADVANCED CLINICAL MANAGEMENT OF ADULT PATIENTS WHO REQUIRE MECHANICAL VENTILATION, AND WHO HAVE POTENTIAL TO BE REMOVED FROM THE VENTILATOR HOSPITAL FOR SPECIAL CARE IS CERTIFIED BY AMERICAN ASSOCIATION FOR RESPIRATORY CARE (AARC) (29,420 PATIENT DAYS)

4b (Code) (Expenses $ 46,866,449 including grants of $) (Revenue $ 47,713,225)

INPATIENT CARE REHABILITATION SERVICES INCLUDE PROGRAMS FOR THOSE RECOVERING FROM A LIFE-THREATENING CONDITION, DEBILITATING INJURY OR SUFFERING FROM ACUTE CHRONIC ILLNESS HSC PROVIDES INTERDISCIPLINARY CARE FOR PATIENTS WITH AMPUTATIONS, NEUROLOGICAL CONDITIONS, ORTHOPEDIC DIAGNOSES, MUSCULOSKELETAL DIAGNOSES, MULTIPLE TRAUMA, AND COMPLICATIONS FROM PROLONGED HOSPITALIZATIONS COMPLEX MEDICAL AND COMPLEX REHABILITATION PROGRAMS LED BY A BOARD-CERTIFIED INTERNIST PROVIDES A WIDE RANGE OF SERVICES DESIGNED TO MAXIMIZE THE OUTCOMES OF PATIENTS WHO NO LONGER NEED INVASIVE OR ACUTE DIAGNOSTIC PROCEDURES, BUT WHO CONTINUE TO REQUIRE 24-HOUR NURSING CARE AND/OR MONITORING WE ALSO PROVIDE COMPREHENSIVE CARE FOR INDIVIDUALS WHO REQUIRE COMPLEX WOUND MANAGEMENT HSC TREATS ALL LEVELS OF SPINAL CORD DYSFUNCTION THROUGH ITS CONTINUUM OF CARE, FROM VENTILATOR MANAGEMENT AND INTERDISCIPLINARY THERAPIES TO PAIN MANAGEMENT AND COMMUNITY RE-ENTRY A COMPREHENSIVE TREATMENT PLAN IS TAILORED TO EACH INDIVIDUAL BY A DEDICATED REHABILITATION TEAM LED BY A BOARD-CERTIFIED SPINAL CORD INJURY SPECIALIST THE ACQUIRED BRAIN INJURY (ABI) PROGRAM TREATS INDIVIDUALS WITH TRAUMATIC OR NON-TRAUMATIC BRAIN INJURIES (I E , ANEURYSM, ANOXIA, TUMORS) WITH THE GOAL TO MAXIMIZE PATIENTS' FUNCTIONAL STATUS, INDEPENDENCE, PSYCHOSOCIAL ADJUSTMENT AND VOCATIONAL AND LEISURE SKILLS INCLUDING COMMUNITY REINTEGRATION CURRENTLY OUR BRAIN INJURY PROGRAM IS ACCREDITED BY COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES (CARF) THE NEUROBEHAVIORAL PROGRAM (NBP) IS A LONG-TERM, 25-BED INPATIENT REHABILITATION PROGRAM THAT SPECIALIZES IN THE TREATMENT OF INDIVIDUALS WHO HAVE SUSTAINED AN ACQUIRED BRAIN INJURY AND HAVE BEEN UNSUCCESSFUL LIVING IN THE COMMUNITY OR IN OTHER FACILITIES THE PURPOSE OF THE NBP IS TO ASSIST THESE INDIVIDUALS IN MANAGING THEIR BEHAVIORS APPROPRIATELY, IN LEARNING SKILLS TO MAXIMIZE THEIR INDEPENDENCE AND TO IMPROVE THEIR OVERALL QUALITY OF LIFE HSC'S CARDIAC MEDICAL UNIT CONSISTS OF TREATMENT, THERAPY, AND EDUCATION FOR PATIENTS WHO ARE STRIVING TO REGAIN, OR MAINTAIN THEIR FUNCTIONAL ABILITY WHILE DEALING WITH THE COMPLICATIONS FROM HEART FAILURE (27,561 PATIENT DAYS)

4c (Code) (Expenses $ 15,275,110 including grants of $) (Revenue $ 15,392,509)

INPATIENT CARE PEDIATRIC SERVICES IS A 30-BED PEDIATRIC UNIT THAT PROVIDES CARE TO CHILDREN (FROM NEWBORN TO 18 YEARS OF AGE), IN NEED OF REHABILITATION FOLLOWING AN ACCIDENT, SURGERY, SERIOUS ILLNESS OR PREMATURE BIRTH, MANY OF WHOM ARE TECHNOLOGY DEPENDENT HSC OFFERS PROGRAMS AND SERVICES TAILORED TO EACH CHILD'S INDIVIDUAL NEEDS TO HELP REGAIN LOST SKILLS OR DEVELOP BRAND NEW SKILLS THE ULTIMATE GOAL IS TO PROVIDE A BRIDGE BETWEEN ACUTE CARE AND A HOME SETTING (8,666 PATIENT DAYS)

(Code) (Expenses $ 6,422,625 including grants of $) (Revenue $ 6,463,129)

OUTPATIENT REHABILITATION SERVICES INCLUDE MULTIDISCIPLINARY SERVICES TO MEET THE NEEDS OF PATIENTS WHO REQUIRE ASSISTANCE BUT DO NOT REQUIRE HOSPITALIZATION PHYSICAL THERAPISTS FOCUS ON IMPROVING A PERSON'S MOVEMENT, MOBILITY AND STRENGTH TO RESTORE, MAINTAIN AND PROMOTE OPTIMAL PHYSICAL FUNCTION OCCUPATIONAL THERAPISTS FOCUS ON IMPROVING A PERSON'S ABILITY TO PERFORM DAILY SELF-CARE NEEDS AND ROUTINES WHICH MAY INCLUDE DIFFICULTY WITH SEQUENCING AND PLANNING, ARM AND HAND MOVEMENTS, AND FINE-MOTOR COORDINATION OUR SPEECH LANGUAGE PATHOLOGY SERVICES AND ASSESSMENTS ARE DESIGNED TO CONSIDER ALL OF THE VARIABLES THAT AFFECT A PATIENT'S ABILITY TO MEET HIS/HER GOALS, INCLUDING ORAL CARE, LEVEL OF INDEPENDENCE IN DAILY ACTIVITIES, MEDICATION AND QUALITY OF LIFE NEEDS HSC OUTPATIENT FACILITIES INCLUDE A 27,000 SQUARE FOOT AQUATIC REHABILITATION CENTER, FEATURING 2 WHEELCHAIR ACCESSIBLE POOLS A WARM WATER POOL TO HELP REDUCE PAIN DURING AQUATIC THERAPY AND A COOL WATER POOL FOR FITNESS, ATHLETIC TRAINING AND RECREATION, AS WELL AS A MODERN FITNESS CENTER WITH THE LATEST CARDIOVASCULAR AND STRENGTH-TRAINING EQUIPMENT THE NEUROMUSCULAR CENTER AT THE HOSPITAL FOR SPECIAL CARE IS THE LARGEST AND MOST COMPREHENSIVE IN THE STATE OF CONNECTICUT, INCLUDING MUSCULAR DYSTROPHY ASSOCIATION (MDA) CLINIC FOR ADULTS AND CHILDREN, AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION (ALSA) CERTIFIED CENTER PROGRAM & CLINIC, NEUROPATHY & GENERAL NEUROMUSCULAR DISEASE CLINIC, ELECTROMYOGRAPHY (EMG) & NEURODIAGNOSTIC LAB, UCHC-HSC MUSCLE & NERVE BIOPSY SERVICE, REHABILITATION SERVICES, SPEECH & LANGUAGE PATHOLOGY, MEDICAL NUTRITION SERVICES, SOCIAL WORK SERVICES, SUPPORT GROUPS, NEUROMUSCULAR AND PULMONARY CLINIC THE DEPARTMENT OF PSYCHOLOGY PROVIDES A VARIETY OF ASSESSMENT AND TREATMENT SERVICES IN ADULT NEUROPSYCHOLOGY, PEDIATRIC AND ADOLESCENT NEUROPSYCHOLOGY AND REHABILITATION PSYCHOLOGY AND COORDINATES SUPPORT GROUPS FOR INDIVIDUALS WITH TRAUMATIC BRAIN INJURY AND SPINAL CORD INJURY HSC ALSO OFFERS OUTPATIENT PULMONARY REHABILITATION PROGRAM TO HELP PERSONS WITH PULMONARY DISEASE REACH HIS/HER MAXIMUM LEVEL OF INDEPENDENCE AND FUNCTION IN THE COMMUNITY BY OFFERING ENDURANCE EXERCISE GROUPS FOR FITNESS TRAINING AND INDIVIDUAL ONE-TO-ONE THERAPY SESSIONS FOR EVALUATION AND TRAINING IN TECHNIQUES TO DECREASE ENERGY EXPENDITURE FOR WALKING, CLIMBING STAIRS, COMPLETING SELF-CARE AND PERFORMING CHORES IN FY14, HSC LAUNCHED A COMPREHENSIVE COPD DISEASE MANAGEMENT PROGRAM TO HELP PATIENTS WITH MODERATE TO VERY SEVERE COPD (CHRONIC OBSTRUCTIVE PULMONARY DISEASE) HSC'S AUTISM CENTER PROVIDES A VARIETY OF DIAGNOSTIC, PSYCHOLOGICAL AND ACADEMIC EVALUATIONS AND A FULL RANGE OF THERAPY OPTIONS IN OCCUPATIONAL, SPEECH AND LANGUAGE, AND PHYSICAL THERAPIES FOR CHILDREN AND ADOLESCENTS WITH AUTISM SPECTRUM DISORDERS (ASD) THE AUTISM CENTER STAFF ALSO ASSIST IN THE DEVELOPMENT OF EDUCATIONAL AND BEHAVIORAL PLANS, AS WELL AS THE TRAINING OF CAREGIVERS, TEACHERS OR OTHERS INVOLVED IN THE LIFE OF THE CHILD THESE SERVICES MAY BE CONTRACTED BY EITHER THE CHILD'S PARENTS OR THE SCHOOL SYSTEM IN FYE 2014, HSC STARTED OFFERING COMPREHENSIVE EVALUATIONS AND TREATMENT FOR PATIENTS DIAGNOSED WITH PARKINSON'S DISEASE AND RELATED NEUROLOGICAL DISORDERS HSC ALSO STARTED THE SWALLOWING DISORDERS CENTER TO OFFER COMPREHENSIVE EVALUATION AND TREATMENT FOR PATIENTS EXPERIENCING DYSPHAGIA UTILIZING ADVANCED EQUIPMENT HSC THERAPY PROGRAMS FEATURE THE LEE SILVERMAN VOICE TREATMENT (LSVT) BIG AND LOUD PROGRAM THAT INCORPORATES LOUD SPECIALISTS IN SPEECH PATHOLOGY AND BIG-CERTIFIED PHYSICAL THERAPISTS OTHER OFFERINGS THROUGH OUR SPEECH AND SWALLOWING CENTER INCLUDE EXPIRATORY MUSCLE STRENGTH TRAINING (EMST) AND MADISON ORAL STRENGTHENING THERAPEUTIC (MOST) DEVICE APPLICATION TO ASSESS TONGUE MUSCLE STRENGTH AND GUIDE ISOMETRIC PROGRESSIVE RESISTANCE TRAINING TO IMPROVE TONGUE STRENGTH NECESSARY FOR SWALLOWING (22,019 VISITS)

(Code) (Expenses $ 10,035,030 including grants of $) (Revenue $ 12,477,684)

INPATIENT CARE SATELLITE UNIT/HARTFORD LOCATION IS A 23-BED UNIT LOCATED WITHIN THE WALLS OF THE NORTH CAMPUS OF SAINT FRANCIS HOSPITAL AND MEDICAL CENTER IN HARTFORD THE SATELLITE UNIT IS SPECIFICALLY DESIGNED TO PROVIDE SOPHISTICATED TREATMENT AND SERVICES FOR PATIENTS NEEDING COMPREHENSIVE WOUND MANAGEMENT, VENTILATOR-WEANING, COMPLEX RESPIRATORY CARE, OR MANAGEMENT OF COMPLEX MEDICAL ISSUES THE GOAL IS TO MAXIMIZE THE OUTCOMES OF PATIENTS WHO NO LONGER NEED INVASIVE OR ACUTE DIAGNOSTIC PROCEDURES, BUT WHO CONTINUE TO REQUIRE 24-HR NURSING CARE AND/OR MONITORING (6,310 PATIENT DAYS)

4d Other program services (Describe in Schedule O)
(Expenses $ 16,457,655 including grants of $) (Revenue $ 18,940,813)

4e **Total program service expenses** ▶ 124,979,784

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**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? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**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 or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	255		
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	1,190		
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" to line 3b, 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			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			
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 or note to any line 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**	14		
	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**	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		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

▶LAURIE A WHELAN 2150 CORBIN AVENUE
NEW BRITAIN, CT 060532266 (860) 612-6309

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

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☑

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								5,194,092	120,154	515,670

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 ▶ 68

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ALLSCRIPTS HEALTHCARE LLC LOCKBOX 077133 PHILADELPHIA PA 19171	INFO TECH SERVICES/EQUIPMENT	1,795,122
THE HOSPITAL OF CENTRAL CONNECTICUT 100 GRAND ST NEW BRITAIN CT 06050	LABORATORY & RADIOLOGY SERVICES	1,078,230
SAINT FRANCIS HOSPITAL 114 WOODLAND STREET HARTFORD CT 06105	LEASE & PURCHASED SERVICES	447,498
KAESTLE BOOS ASSOCIATES INC 416 SLATER ROAD NEW BRITAIN CT 06050	ARCHITECTURAL & DESIGN	359,716
TOTAL LAUNDRY COLLABORATIVE 114 WOODLAND STREET HARTFORD CT 06105	LAUNDRY & LINEN SERVICES	286,410
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 ▶ 13		

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	5,870,413			
	e	Government grants (contributions)	1e	197,742			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,214,655			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		8,282,810			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REV	622000	140,320,253	140,320,253		
	b	MEMBERSHIP FEES	713940	334,516	334,516		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		140,654,769			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		3,566,923			3,566,923
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶		5,683			5,683
			(i) Real	(ii) Personal			
	6a	Gross rents	176,692				
	b	Less rental expenses	0				
	c	Rental income or (loss)	176,692				
	d	Net rental income or (loss) . . . . . ▶		176,692			176,692
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		7,500			
	b	Less cost or other basis and sales expenses		0			
	c	Gain or (loss)		7,500			
	d	Net gain or (loss) . . . . . ▶		7,500			7,500
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	DAYCARE SERVICES	624410	555,542			555,542
	b	CAFETERIA SALES	722210	195,953			195,953
	c	PROFESSIONAL SERVICES	541900	18,053			18,053
	d	All other revenue		530,600			530,600
	e	**Total.** Add lines 11a–11d . . . . . ▶		1,300,148			
	12	**Total revenue.** See Instructions . . . . . ▶		153,994,525	140,654,769	0	5,056,946

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 or note to any line 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				
2 Grants and other assistance to individuals in the United States See Part IV, line 22	6,000	6,000		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,602,074		3,602,074	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	50,501,239	45,530,036	4,971,203	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	494,359	445,696	48,663	
9 Other employee benefits	10,449,107	9,420,526	1,028,581	
10 Payroll taxes	3,780,446	3,408,309	372,137	
11 Fees for services (non-employees)				
a Management				
b Legal	277,759		277,759	
c Accounting	136,805		136,805	
d Lobbying	45,233		45,233	
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	3,647,980	2,419,773	1,228,207	
12 Advertising and promotion	312,574	312,574		
13 Office expenses	7,722,971	5,443,710	2,279,261	
14 Information technology	87,237		87,237	
15 Royalties . .				
16 Occupancy	1,347,971	1,289,586	58,385	
17 Travel	62,135	41,124	21,011	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	190,960	68,047	122,913	
20 Interest	2,212,451		2,212,451	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,589,219	3,235,906	353,313	
23 Insurance	763,616		763,616	
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 CONTRACTUAL ADJUSTMENTS	51,072,187	51,072,187		
b PHARMACY	2,286,310	2,286,310		
c MEDICAL/SURGICAL NON-CH	505,127		505,127	
d MISCELLANEOUS EXPENSES	370,606		370,606	
e All other expenses	312,094		312,094	
25 **Total functional expenses.** Add lines 1 through 24e	143,776,460	124,979,784	18,796,676	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☑

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		11,981,548	1	14,355,449
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		13,361,304	4	13,686,547
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		571,146	8	508,169
	9	Prepaid expenses and deferred charges		2,992,674	9	2,488,732
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 103,479,979			
	b	Less accumulated depreciation	10b 55,540,885	41,907,756	10c	47,939,094
	11	Investments—publicly traded securities		36,868,949	11	43,955,702
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		26,187,667	15	18,991,256
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		133,871,044	16	141,924,949
Liabilities	17	Accounts payable and accrued expenses		23,909,421	17	25,343,123
	18	Grants payable			18	
	19	Deferred revenue		0	19	144,737
	20	Tax-exempt bond liabilities		53,255,000	20	52,365,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		2,540,837	25	2,983,147
	26	**Total liabilities.** Add lines 17 through 25		79,705,258	26	80,836,007
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		48,201,839	27	59,910,251
	28	Temporarily restricted net assets		5,527,923	28	739,380
	29	Permanently restricted net assets		436,024	29	439,311
		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		54,165,786	33	61,088,942
	34	Total liabilities and net assets/fund balances		133,871,044	34	141,924,949

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	153,994,525
2	Total expenses (must equal Part IX, column (A), line 25)	2	143,776,460
3	Revenue less expenses Subtract line 2 from line 1	3	10,218,065
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	54,165,786
5	Net unrealized gains (losses) on investments	5	23,914
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-3,318,823
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	61,088,942

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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?	2a		No
	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			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	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			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID:
Software Version:
EIN: 06-0646766
Name: HOSPITAL FOR SPECIAL CARE

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			
BRADLEE BENN BOARD MEMBER	1 00 1 00	X						0	0	0
DIANE R CHACE ESQ BOARD MEMBER	1 00 1 30	X						0	0	0
GERALDINE DEVERS BOARD MEMBER	1 00 30	X						0	0	0
ELIZABETH FUMIATTI BOARD MEMBER	1 00 1 90	X						0	0	0
MICHAEL GENOVESI MD BOARD MEMBER	1 00 0 00	X						0	0	0
HUBERT DAVIS BOARD MEMBER	1 00 0 00	X						0	0	0
GEORGIAN F LUSSIER MSOB BOARD MEMBER	1 00 0 00	X						0	0	0
JAMES MAHONEY CHAIR	1 00 1 90	X		X				0	0	0
JOHN C KING ESQ BOARD MEMBER	1 00 30	X						0	0	0
LEE D NORDSTROM BOARD MEMBER	1 00 0 00	X						0	0	0
DAVID J KELLY BOARD MEMBER	1 00 1 90	X						0	0	0
JOSEPH G LAFFIN CCP BOARD MEMBER	1 00 0 00	X						0	0	0
ROSEMARY HATHAWAY PHD RN BOARD MEMBER	1 00 0 00	X						0	0	0
JOHN VOTTO DO PRESIDENT & CEO	36 90 3 10	X		X				1,265,528	9,589	70,339
CARL R FICKS JR ESQ BOARD MEMBER/DIRECTOR CORPORATE & DONOR RELATIONS	1 00 60	X						16,370	0	16,772
RITA E GRYGUS RN MSN VICE CHAIRMAN	1 00 30	X		X				0	0	0
WILLIAM E SCHUCH ASSISTANT TREASURER	1 00 90	X		X				0	0	0
SISTER MARY MARK PIZZOTTI DM BOARD MEMBER	1 00 30	X						0	0	0
PAUL SCALISE MD SR VP MED AFFAIRS & CHIEF CLINICAL OFFICER, CHIEF	44 40 60			X				372,480	0	59,514
LAURIE ANN WHELAN SENIOR VP FINANCE, CFO & TREASURER	35 70 4 30			X				264,785	40,223	38,956
FELICIA DEDOMINICIS SVP LEGAL AFFAIRS, CLO, SECRETARY & CORPORATE COMP	33 40 6 60			X				228,611	19,405	49,190
LYNN A RICCI SENIOR VP & COO	31 40 8 60			X				242,976	50,937	46,411
LISA A NEWTON VP OF PATIENT CARE SERVICES	39 40 60			X				211,793	0	18,340
DONALD CYR VP FACILITIES & HOSPITALITY SERVICES	39 40 60			X				169,633	0	17,609
JUDITH TRZCINSKI VP HUMAN RESOURCES	39 40 60			X				171,565	0	9,866

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			
STANISLAW JANKOWSKI VP CHIEF INFORMATION OFFICER	39 40 60			X				169,651	0	16,498
VICTORIA GOLAB VP QUALITY & PATIENT SAFETY OFFICER	39 40 60			X				120,965	0	20,368
CHRISTINE ULATOWSKI EXECUTIVE ASST/ASST SECRETARY	39 40 2 90			X				79,600	0	938
JASON JAKUBOWSKI VP EXTERNAL RELATIONS	40 00 0 00			X				151,337	0	21,056
BRENDA NURSE MD CHIEF, INFECTION DISEASE,EPIDEMIOLOGY	40 00 0 00					X		271,046	0	15,223
JOHN PELEGANO MD CHIEF OF PEDIATRICS	40 00 0 00					X		232,231	0	26,479
STEVEN PRUNK MD ASSOC CHIEF INTERNAL & PULMONARY MEDICINE	47 00 0 00					X		259,965	0	25,152
WILLIAM PESCE CHIEF OF PHYSICAL MEDICINE	40 00 0 00					X		247,246	0	25,042
THOMAS SOLTIS MD INTERNIST	42 00 0 00					X		217,707	0	25,213
DAVID CRANDALL FORMER PRESIDENT & CEO	0 00 0 00						X	500,603	0	12,704

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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.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HOSPITAL FOR SPECIAL CARE

Employer identification number
06-0646766

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

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

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

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

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

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

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

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

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

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

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

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

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

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?

	Yes	No
(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? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

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

(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** 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 III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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.** 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		
Return Reference	Explanation	

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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. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

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	Employer identification number
HOSPITAL FOR SPECIAL CARE	06-0646766

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)	226,983	
c Total lobbying expenditures (add lines 1a and 1b)	226,983	
d Other exempt purpose expenditures	124,979,784	
e Total exempt purpose expenditures (add lines 1c and 1d)	125,206,767	
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
h Subtract line 1g from line 1a If zero or less, enter -0-	0	
i Subtract line 1f from line 1c If zero or less, enter -0-	0	

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

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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount			1,000,000	1,000,000	2,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					3,000,000
c Total lobbying expenditures			274,556	226,983	501,539
d Grassroots nontaxable amount			250,000	250,000	500,000
e Grassroots ceiling amount (150% of line 2d, column (e))					750,000
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) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total Add lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HOSPITAL FOR SPECIAL CARE

Employer identification number
06-0646766

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	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

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

(ii) Assets included in Form 990, Part X ▶ $ _____

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

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	7,641,397	7,205,185	5,173,186	3,549,365	1,551,107
b	Contributions	688,610	467,933	2,097,219	1,497,531	1,593,206
c	Net investment earnings, gains, and losses	424,280	373,757	93,071	309,864	689,552
d	Grants or scholarships	6,000	10,000	2,500	5,000	2,500
e	Other expenditures for facilities and programs	5,725,265	395,478	147,354	169,416	246,810
f	Administrative expenses			8,437	9,158	35,190
g	End of year balance	3,023,022	7,641,397	7,205,185	5,173,186	3,549,365

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

- a Board designated or quasi-endowment ▶ 61 000 %
- b Permanent endowment ▶ 15 000 %
- c Temporarily restricted endowment ▶ 24 000 %

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		363,049		363,049
b Buildings		60,169,696	28,623,116	31,546,580
c Leasehold improvements		590,526	216,113	374,413
d Equipment		31,318,739	24,451,897	6,866,842
e Other		11,037,969	2,249,759	8,788,210
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				47,939,094

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) INSURANCE RESERVES	1,850,957
(2) PRESENT VALUE OF RETIREMENT BENEFITS	2,827,871
(3) CHEFA OBLIGATION & DISCOUNT AND ISSUANCE EXPENSE	2,428,449
(4) DEBT SERVICES FUND	7,164,981
(5) DUE FROM AFFILIATES	1,543,778
(6) STOP LOSS RECEIVABLES	3,175,220
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	18,991,256

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
DUE TO THIRD PARTY PAYORS	2,983,147
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	2,983,147

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	99,665,624
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	23,914		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-54,352,815		
e	Add lines **2a** through **2d**			2e	-54,328,901
3	Subtract line **2e** from line **1**			3	153,994,525
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	0
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	153,994,525

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	92,742,468
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	0
3	Subtract line **2e** from line **1**			3	92,742,468
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	51,033,992		
c	Add lines **4a** and **4b**			4c	51,033,992
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	143,776,460

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	FUNDS ARE HELD BY THE ORGANIZATION TO FUND FUTURE FACILITY MAINTENANCE, PURCHASE NEEDED FACILITY EQUIPMENT, PURCHASE EQUIPMENT AND SERVICES FOR PATIENT CARE, FUND LECTURES, RESEARCH AND EDUCATION AND IMPROVE THE QUALITY OF LIFE FOR OUR PATIENTS IN FY10, A FUND WAS ESTABLISHED FOR THE CONSTRUCTION OF A NEW OUTPATIENT FACILITY BEING FUNDED BY A CAPITAL CAMPAIGN, WHICH WAS MOSTLY COMPLETED IN FY14
PART XI, LINE 2D - OTHER ADJUSTMENTS	CHANGE IN EQUITY INTEREST IN AFFILIATES -4,555,155 CHANGE IN MINIMUM PENSION LIABILITY 1,596,052 CONTRACTUAL ADJUSTMENTS -51,033,990 EQUITY TRANSFERS TO AFFILIATES -359,722
PART XII, LINE 4B - OTHER ADJUSTMENTS	CONTRACTUAL ADJUSTMENTS 51,033,990 ROUNDING 2

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493317048324

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.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HOSPITAL FOR SPECIAL CARE

Employer identification number
06-0646766

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 *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☑ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 28000 0000000000 %	3b	Yes	
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"?	4		No
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a		No
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		
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 eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

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)			683		683	0 %
b Medicaid (from Worksheet 3, column a)			62,066,832	61,959,006	107,826	0 070 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			62,067,515	61,959,006	108,509	0 070 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			67,097		67,097	0 050 %
f Health professions education (from Worksheet 5)			465,716	38,844	426,872	0 300 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			814,741	626,151	188,590	0 130 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			171,818		171,818	0 120 %
j **Total.** Other Benefits			1,519,372	664,995	854,377	0 600 %
k **Total.** Add lines 7d and 7j			63,586,887	62,624,001	962,886	0 670 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			4,928		4,928	0 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			2,002		2,002	0 %
9 Other						
10 **Total**			6,930		6,930	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
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 2 424,699			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	6,561,323
6	Enter Medicare allowable costs of care relating to payments on line 5	6	8,651,856
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-2,090,533
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	1 NOT APPLICABLE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, primary website address, and state license number	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
	See Additional Data Table										

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)

Name of hospital facility or facility reporting group HOSPITAL FOR SPECIAL CARE

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
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 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW HFSC ORG			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ 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 as of the end of the tax year)			
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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 280 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ 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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
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 individual'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 Section C)			
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 individual's eligibility under the facility's FAP?	**17**	Yes	
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☑ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

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 individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

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?	**19**	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 individual 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?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
HOSPITAL FOR SPECIAL CARE	PART V, SECTION B, LINE 3 THE CHNA WAS COMPRISED OF BOTH QUANTITATIVE AND QUALITATIVE RESEARCH COMPONENTS QUANTITATIVE DATA A HOUSEHOLD TELEPHONE SURVEY WAS CONDUCTED WITH 630 RANDOMLY-SELECTED COMMUNITY RESIDENTS THE SURVEY WAS MODELED AFTER THE CENTER FOR DISEASE CONTROL AND PREVENTION'S BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) WHICH ASSESSES HEALTH STATUS, HEALTH RISK BEHAVIORS, PREVENTIVE HEALTH PRACTICES, AND HEALTH CARE ACCESS PRIMARILY RELATED TO CHRONIC DISEASE AND INJURY QUALITATIVE DATA KEY INFORMANT INTERVIEWS WERE CONDUCTED WITH 21 KEY COMMUNITY LEADERS, REPRESENTING A VARIETY OF SECTORS INCLUDING PUBLIC HEALTH AND MEDICAL SERVICES, NON-PROFIT AND SOCIAL ORGANIZATIONS, CHILDREN AND YOUTH AGENCIES, AND THE BUSINESS COMMUNITY KEY INFORMANT INTERVIEW PARTICIPANT LIST DR MICHAEL GREY, DR JEFFREY FINKELSTEIN AND KATHY SCALISE, THE HOSPITAL OF CENTRAL CONNECTICUTPAUL HUTCHEON, CENTRAL CONNECTICUT HEALTH DEPARTMENTSERGIO LUPO AND FRANCINE TRUGLIO, NEW BRITAIN HEALTH DEPARTMENTSHANE LOCKWOOD, PLAINVILLE/SOUTHINGTON HEALTH DEPARTMENTWENDY DEANGELO, WHEELER CLINICRAY GORMAN, COMMUNITY MENTAL HEALTH AFFILIATESYVETTE HIGHSMITH FRANCIS, COMMUNITY HEALTH CENTERSELLEN ROTHBERG, VNA HEALTHCAREPAT CIARDULLO, NEW BRITAIN EMSGRACE DAMIO, HISPANIC HEALTH COUNSELFATMA ANTAR, BERLIN MOSQUEMONSIGNOR DANIEL PLOCHARCZYK, SACRED HEART CHURCH OF NEW BRITAINSTEPHEN J VARGA, NEW BRITAIN AREA INTER FAITH CONFERENCEJOHN MYERS, SOUTHINGTON YMCAROSEANNE BILODEAU, PATHWAY SENDEROSMARY ROYCE, NEW BRITAIN HOUSING AUTHORITYCAROL ZESUT, NEW BRITAIN POLICE DEPARTMENTTRISH WALDEN, CONNECTICUT SENIOR CARE
HOSPITAL FOR SPECIAL CARE	PART V, SECTION B, LINE 4 HOSPITAL FOR SPECIAL CARE (HSC) CONDUCTED THE CHNA WITH THE HOSPITAL OF CENTRAL CONNECTICUT (HOCC) IN NEW BRITAIN, CT THE TWO HOSPITALS OFTEN WORK TOGETHER TO MEET THE HEALTH NEEDS OF THE GREATER NEW BRITAIN COMMUNITY AS A LONG TERM ACUTE CARE HOSPITAL (LTACH) AND AN ACUTE CARE HOSPITAL RESPECTIVELY, OUR MISSIONS AND SERVICES OFFERED TO THE COMMUNITY ARE QUITE DIFFERENT HSC PRIORITIZED THE HEALTH NEEDS IDENTIFIED IN THE ASSESSMENT BY DEVELOPING STRATEGIES RELATED TO THE CLINICAL EXPERTISE AND SERVICES OFFERED BY HSC AS AN LTACH THE STRATEGIES DEVELOPED BY HOCC WILL ADDRESS THE HEALTH NEEDS OF OTHER MEMBERS OF OUR COMMUNITY BASED ON THE SERVICES PROVIDED BY AN ACUTE CARE FACILITY
HOSPITAL FOR SPECIAL CARE	PART V, SECTION B, LINE 7 HSC DID NOT ADDRESS COMMUNITY HEALTH ISSUES IDENTIFIED AS IT RELATES TO CERTAIN DEMOGRAPHIC GROUPS OF WHICH HSC DOES NOT HAVE EXISTING PROGRAMS OR EXPERTISE IN SERVING EXAMPLES INCLUDE, ACCESS TO HEALTH CARE FOR HISPANICS, SUBSTANCE ABUSE RELATED TO BINGE DRINKING WITH EMPHASIS ON EDUCATION, PREVENTION, TREATMENT, SUPPORTIVE SERVICES AND CARE OF PEOPLE WITH DIABETES HSC FOCUSED ITS RESOURCES IN AREAS OF NEED WHERE ITS EXISTING PROGRAMS AND EXPERTISE WOULD HAVE THE MOST IMPACT

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

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

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

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
PART I, LINE 6A - ANNUAL COMMUNITY BENEFIT	PER CONNECTICUT GENERAL STATUTE 19A-127K (A)(1) THE OFFICE OF THE HEALTHCARE ADVOCATE FOR THE STATE OF CONNECTICUT REQUIRES IT TO COLLECT DATA ON COMMUNITY BENEFIT PROGRAMS EVERY 2 YEARS, RATHER THAN ON AN ANNUAL BASIS OUR REPORTING IS DESIGNED TO CONFORM TO THIS STANDARD
PART I, LINE 7A & 7B - CHARITY CARE COST, UNREIMBURSED MEDICAID	OUR COST WAS DERIVED BASED ON USING WORKSHEET 2 COST TO CHARGE RATIO

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F) - PERCENT OF TOTAL EXPENSE	THE PERCENTAGE WAS CALCULATED USING PART IX, LINE 25, COLUMN (A) TOTAL EXPENSES OF $143,776,460 DIVIDED BY THE NET COMMUNITY BENEFIT EXPENSE LINE 7, COLUMN (E)
PART II, COMMUNITY BUILDING ACTIVITIES	COMMUNITY SUPPORT BASED ON EXPERIENCES WITH TRAGEDIES SUCH AS THE TERRORIST ATTACKS ON THE U S THAT OCCURRED ON 9-11-01 AND HURRICANE KATRINA, THE GOVERNMENT IDENTIFIED THAT HOSPITALS WERE A VITAL ELEMENT OF EMERGENCY RESPONSE BUT HAD NOT BEEN A PRIORITY IN REGARDS TO TRAINING AND USE OF THE NATIONAL INCIDENT MANAGEMENT SYSTEM (NIMS) IN ORDER TO ASSURE A COORDINATED EMERGENCY MANAGEMENT RESPONSE, THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ESTABLISHED A HOSPITAL PREPAREDNESS PROGRAM (HPP) THE GOAL OF THIS PROGRAM IS TO ASSURE ADEQUATE AND COORDINATED TRAINING, RESOURCES AND POLICY DEVELOPMENT FOR HOSPITALS SO THAT IN A TIME OF LOCAL, STATE OR REGIONAL DISASTER, HOSPITALS WILL READILY SYNERGIZE THEIR EFFORTS VIA UNIFIED COMMAND WITH OTHER LOCAL, STATE AND FEDERAL EMERGENCY AGENCIES AND SERVICES HOSPITAL FOR SPECIAL CARE (HSC) IS A MEMBER OF THE REGIONAL EMERGENCY SUPPORT PLAN, DESIGNATED AS A MEMBER OF EMERGENCY FUNCTION 8 ALONG WITH ALL AREA ACUTE CARE, LONG TERM CARE, MEDICAL OFFICES, COMMUNITY HEALTH SERVICES AND MEDICAL EMERGENCY RESPONSE ENTITIES IN TOTAL, THERE ARE 20 EMERGENCY FUNCTIONS THAT ARE A PART OF THIS REGIONAL EMERGENCY SUPPORT PLAN THAT INCLUDES TRANSPORTATION, PUBLIC WORKS, ENGINEERING AND FIREFIGHTING FOR EXAMPLE REGIONAL ESF 8 MEMBERS MEET QUARTERLY, COORDINATED BY THE DEPARTMENT OF PUBLIC HEALTH EMERGENCY MANAGEMENT SERVICES, TO WORK ON SHARED PROJECTS SUCH AS ALTERNATE CARE FACILITIES POLICIES, EVACUATION PLANS, PANDEMIC FLU PLANNING AND STATEWIDE DRILL PLANNING HSC PARTICIPATES IN THE WARN COMMUNICATION SYSTEM THAT ALLOWS IMMEDIATE COMMUNICATION AMONGST ESF 8 MEMBERS THROUGHOUT THE STATE OF CONNECTICUT HSC IS LOCATED IN THE HHS-DESIGNATED REGION 3 AND IS ALSO A MEMBER OF THE CAPITAL REGION EMERGENCY PLANNING COMMITTEE THAT MEETS MONTHLY TO ALLOW EFFECTIVE PLANNING AMONG THE ESP 8 MEMBERS IN THE CAPITOL REGION HSC IS ALSO ACTIVE IN THE LOCAL ESF 8 THAT INCLUDES ESF 8 MEMBERS FROM NEW BRITAIN AND SOUTHINGTON EDUCATION AND DRILLS ARE ESSENTIAL COMPONENTS TO TEST OUR ORGANIZATIONAL ABILITY TO RESPOND TO EMERGENCY SITUATIONS AT A MINIMUM TWICE A YEAR DRILLS INVOLVING OUR COMMUNITY, STATE, AND/OR REGIONAL EMERGENCY MANAGEMENT PARTNERS ARE COMPLETED TO ALLOW TESTING OF PLANS/COMMUNICATIONS AND IDENTIFY OPPORTUNITIES FOR ENHANCING RESPONSES AND/OR COORDINATION OF EFFORT WORKFORCE DEVELOPMENT THE NEW BRITAIN ACADEMY FOR HEALTH PROFESSIONS (HEALTH ACADEMY) WAS ESTABLISHED DECEMBER 7, 2009 THE HEALTH ACADEMY EDUCATES AND PREPARES HIGH SCHOOL STUDENTS FOR CAREERS IN THE HEALTHCARE SERVICE INDUSTRY IN NEW BRITAIN AND IS A COLLABORATIVE EFFORT BETWEEN THE BUSINESS COMMUNITY, THE CONSOLIDATED SCHOOL DISTRICT OF NEW BRITAIN, AND NEW BRITAIN'S TWO HOSPITALS, HOSPITAL FOR SPECIAL CARE AND THE HOSPITAL OF CENTRAL CONNECTICUT THE COMPREHENSIVE CURRICULUM PROVIDES STUDENTS WITH OPPORTUNITIES TO EXPLORE THE HEALTHCARE SERVICE INDUSTRY AND TO DEVELOP UP-TO-DATE SKILLS AND THE KNOWLEDGE-BASE NEEDED FOR CERTIFICATION IN A VARIETY OF HEALTHCARE OCCUPATIONS UPON GRADUATION FROM HIGH SCHOOL IN ADDITION, STUDENTS CAN START EARNING CREDITS TOWARD A TWO-YEAR AND/OR A FOUR-YEAR COLLEGE DEGREE AND BE PREPARED FOR A 21ST CENTURY CAREER WHILE STILL IN HIGH SCHOOL THE TARGET POPULATION OF THE ACADEMY IS NEW BRITAIN HIGH SCHOOL STUDENTS MANY ARE ECONOMICALLY DISADVANTAGED AND UNDERREPRESENTED IN THE HEALTH PROFESSIONS, AND SO THEY HAVE THE POTENTIAL TO BENEFIT GREATLY FROM THE ACADEMY'S WORK-BASED SKILLS AND CAREER COMPETENCY-BUILDING STRATEGIES

Form and Line Reference	Explanation
PART III, LINE 4	ACCOUNTS RECEIVABLE ARE CONSIDERED DELINQUENT AND WRITTEN OFF WHEN ALL ATTEMPTS TO COLLECT FROM INDIVIDUALS OR OTHER PAYOR SOURCES HAVE BEEN EXHAUSTED, AS DESCRIBED IN NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ON PAGE 7 OF THE AUDITED FINANCIAL STATEMENTS IT IS ALSO THE HOSPITAL'S PRACTICE TO REVIEW PATIENT ACCOUNTS REGULARLY AND RESERVE FOR ANY POTENTIAL BAD DEBTS
PART III, LINE 8	THE ORGANIZATION USES A COST TO CHARGE RATIO AS REPORTED ON THE MEDICARE COST REPORT TO DETERMINE ITS MEDICARE COSTS

Form and Line Reference	Explanation
PART III, LINE 9B	COLLECTION POLICIES ARE THE SAME FOR ALL PATIENTS OUR HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS FROM PATIENTS DETERMINED TO QUALIFY FOR CHARITY CARE OUR POLICY PROVIDES THAT WE WILL NOT REFER ANY ACCOUNTS FOR COLLECTION UNTIL WE CAN DETERMINE WHETHER THE INDIVIDUAL IS INSURED AND THEREFORE NOT ELIGIBLE FOR FINANCIAL ASSISTANCE
PART VI, LINE 2	THE HOSPITAL CONTINUALLY WORKS WITH COMMUNITY PARTNERS TO ASSESS THE HEALTH NEEDS OF THE COMMUNITY AND HAS PREPARED NEEDS ANALYSES RELATED TO SPECIFIC PROJECTS OVER THE PAST FOUR YEARS THE HOSPITAL HAS RETAINED OUTSIDE CONSULTING FIRMS TO ASSIST IN THESE STUDIES IN ADDITION, IT HAS REGULARLY WORKED WITH OTHER ORGANIZATIONS TO ASSIST IT TO DETERMINE THE ONGOING NEEDS OF THE COMMUNITY AS A RESULT OF THIS PROCESS, THE HOSPITAL HAS IDENTIFIED THE NEED FOR EXPANSION OF NEUROBEHAVIORAL SERVICES, DENTAL SERVICES FOR THE INDIGENT, SPORTS AND TRAINING PROGRAMS, INCLUDING A CAMP FOR THE DISABLED AND HOUSING FOR THE DISABLED RECENTLY, THE HOSPITAL HAS EXPANDED SERVICES TO MEET THE NEEDS OF THE BRAIN INJURED PATIENT IN THE COMMUNITY THE HOSPITAL CONDUCTS MEETINGS WITH STAKE HOLDERS TO DETERMINE GAPS IN SERVICE FOR THE POPULATIONS IT SERVES HSC HAS RECENTLY IDENTIFIED A NEED FOR ACCESS TO AUTISM SERVICES IN CONNECTICUT AND AS A RESULT HAS EXPANDED OUTPATIENT SERVICES WITH AN AUTISM CLINIC, IN PARTNERSHIP WITH UNIVERSITY OF SAINT JOSEPH AND IS PLANNING AN EXPANSION OF INPATIENT SERVICES FOR AUTISM IN THE FUTURE

Form and Line Reference	Explanation
PART VI, LINE 3	PATIENTS ARE NOTIFIED THAT FINANCIAL ASSISTANCE IS AVAILABLE AT THE TIME OF REGISTRATION A STATEMENT IS INCLUDED ON THE FINANCIAL DISCLOSURE PAPERWORK WHICH IS COMPLETED AT THE TIME OF ADMISSION AND ON EACH PATIENT BILL AND SUBSEQUENT STATEMENT FINANCIAL COUNSELING APPOINTMENTS ARE AVAILABLE UPON REQUEST AND INTERPRETER SERVICES ARE AVAILABLE FOR PATIENTS NEEDING INFORMATION IN LANGUAGES OTHER THAN ENGLISH THE HOSPITAL'S CHARITY CARE PROGRAM IS ALSO AVAILABLE ON THE HOSPITAL'S WEB SITE
PART VI, LINE 4	HOSPITAL FOR SPECIAL CARE (HSC) IS LICENSED BY STATE OF CONNECTICUT AS A CHRONIC-DISEASE HOSPITAL AND CERTIFIED BY MEDICARE AS A LONG TERM ACUTE CARE HOSPITAL UNLIKE ACUTE CARE FACILITIES THAT SERVE THEIR SURROUNDING TOWNS, HSC PATIENTS ARE ADMITTED FROM THROUGHOUT CONNECTICUT AND SOUTHERN NEW ENGLAND HOSPITAL FOR SPECIAL CARE IS THE ONLY LONG TERM ACUTE CARE HOSPITAL IN THE COUNTRY THAT PROVIDES A CONTINUUM OF CARE FROM PEDIATRICS THROUGH ADULTHOOD IT IS NATIONALLY RENOWNED FOR TREATMENT IN THE AREAS OF PULMONARY DISEASE, ACQUIRED BRAIN INJURIES, COMPLEX PEDIATRICS, NEUROMUSCULAR DISEASE AND SPINAL CORD INJURIES IN ADDITION TO ITS 205-BED INPATIENT FACILITY IN NEW BRITAIN, CONNECTICUT, HSC OPERATES A 23-BED SATELLITE SERVING THE GREATER HARTFORD AREA HOSPITAL FOR SPECIAL CARE OFFERS A FULL SPECTRUM OF MEDICAL TREATMENT FOR COMPLEX REHABILITATION AND CHRONIC DISEASE INPATIENT SERVICES ARE AUGMENTED BY A FULL ARRAY OF OUTPATIENT SERVICES INCLUDING A FULL FITNESS CENTER SPECIALLY DESIGNED FOR THOSE LIVING WITH PHYSICAL DISABILITIES AS WELL AS THOSE RECOVERING FROM VARIOUS INJURIES AND ILLNESSES HSC DOES NOT TARGET ANY SPECIFIC NEIGHBORHOOD, INCOME LEVEL, OR MINORITY OR IMMIGRANT POPULATIONS THE DISEASES AND INJURIES THAT ITS PATIENTS HAVE EXPERIENCED STRIKE ANYONE, ANYWHERE THE ONLY NEIGHBORHOOD-SPECIFIC PROGRAM THAT A SISTER ENTITY OF HSC PROVIDES IS THE SPECIAL CARE DENTAL CLINIC, OFFERING PREVENTIVE DENTAL CARE TO CHILDREN WITH TITLE 19 MEDICAID HEALTH COVERAGE MANY OF THE 1,115 CHILDREN SEEN ANNUALLY ARE FROM LIMITED INCOME, IMMIGRANT, INNER CITY FAMILIES HSC'S COMMUNITY EFFORTS EXTEND THROUGHOUT THE CITY OF NEW BRITAIN AND SURROUNDING TOWNS

Form and Line Reference	Explanation
PART VI, LINE 5	THE BOARD OF DIRECTORS IS MADE UP OF MEDICAL AND BUSINESS PROFESSIONALS, ALMOST ALL OF WHOM RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA THESE VOLUNTEERS GIVE COUNTLESS HOURS OF SERVICE TO THE HOSPITAL IN THEIR OVERSIGHT ROLE THEY ARE INVOLVED IN STRATEGIC PLANNING FOR THE HOSPITAL AND ITS SISTER ENTITIES IN FUNDRAISING, AND IN GENERAL STEWARDSHIP MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY THE HOSPITAL UTILIZES SURPLUS FUNDS TO MAINTAIN AND EXPAND ACCESS TO PATIENT SERVICES THROUGHOUT THE COMMUNITY INCLUDING, BUT NOT LIMITED TO THE FOLLOWING INPATIENT RESPIRATORY SERVICES, REHABILITATION SERVICES INCLUDING BRAIN INJURY AND SPINAL CORD INJURY, SPECIALIZED PEDIATRIC CARE AND A COMPLEMENT OF OUTPATIENT SERVICES FOR THE CHRONIC CONDITIONS HSC TREATS
PART VI, LINE 6	THE HOSPITAL'S SOLE CORPORATE MEMBER IS CENTER OF SPECIAL CARE, INC, A 501(C)(3) CORPORATION (THE "CENTER") THE CENTER PROVIDES GOVERNANCE OVERSIGHT AND STRATEGIC PLANNING FOR ITS SEVERAL WHOLLY OWNED SUBSIDIARIES THESE SUBSIDIARIES INCLUDE THE HOSPITAL, AND ITS SISTER ENTITIES, HSC COMMUNITY SERVICES, INC AND HOSPITAL FOR SPECIAL CARE FOUNDATION, INC ALL OF THESE ENTITIES ARE 501(C)(3) CORPORATIONS WHOSE COLLECTIVE FOCUS IS TO PROVIDE EXEMPLARY CARE THAT ASSISTS PATIENTS AND THEIR FAMILIES TO IMPROVE THEIR QUALITY OF LIFE AND TO RESPOND AND BE ACCOUNTABLE TO THE NEEDS OF THE COMMUNITIES THEY SERVE SPECIFIC EXAMPLES OF THESE AFFILIATED ENTITIES' SERVICE TO THESE COMMUNITIES INCLUDE THE OPERATION OF A DENTAL CLINIC SERVING INDIGENT CHILDREN AND DISABLED ADULTS, THE OPERATION OF A MULTI-FACETED SPORTS & TRAINING LEADERSHIP PROGRAM FOR DISABLED CHILDREN AND ADULTS, WHICH PROVIDES A SUMMER SPORTS CAMP FOR DISABLED CHILDREN AND SPORTS TEAMS THAT ENABLE WHEELCHAIR-BOUND ATHLETES TO PARTICIPATE IN TRAINING AND COMPETITION IN TRACK & FIELD, SOCCER, SWIMMING AND BASKETBALL, AND THE FUNDING OF SCHOLARSHIPS FOR NURSING AND RESPIRATORY CARE STUDENTS IN ADDITION, HSC COMMUNITY SERVICES, INC IS A CORPORATE MEMBER OF TWO OTHER 501(C)(3) CORPORATIONS, CSI RESIDENTIAL, INC , AND MANES & MOTIONS THERAPEUTIC RIDING CENTER, INC CSI RESIDENTIAL PROVIDES HUD-SUBSIDIZED HOUSING FOR DISABLED INDIVIDUALS IN THE COMMUNITY MANES & MOTIONS OPERATES A THERAPEUTIC HORSEBACK RIDING PROGRAM THAT SERVES CHILDREN WITH COGNITIVE AND PHYSICAL DISABILITIES, INCLUDING AUTISM, AND ADULTS AFFECTED BY TRAUMATIC BRAIN INJURY OR POST-TRAUMATIC STRESS DISORDER, INCLUDING COMBAT VETERANS

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HOSPITAL FOR SPECIAL CARE

Employer identification number
06-0646766

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

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

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIP	3	6,000			

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	SCHOLARSHIP FUNDS ARE DISTRIBUTED DIRECTLY TO THE INSTITUTION WHICH THE RECIPIENT ATTENDS

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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, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HOSPITAL FOR SPECIAL CARE

Employer identification number
06-0646766

Part I Questions Regarding Compensation

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

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

Return Reference	Explanation
PART I, LINES 4A-B	CERTAIN OFFICERS AND HIGHLY PAID EMPLOYEES ARE ENROLLED IN A NON-QUALIFIED BENEFIT PLAN PAYMENTS TO THE PLAN WERE AS FOLLOWS JOHN VOTTO $62,330 LAURIE WHELAN $21,070 FELICIA DEDOMINICIS $24,549 LYNN RICCI $39,607 PAUL SCALISE $24,568 DAVID CRANDALL RECEIVED SEVERANCE OF $500,603 AND NONTAXABLE BENEFITS OF $12,704 DURING CALENDAR YEAR 2013 FROM HOSPITAL FOR SPECIAL CARE JOHN VOTTO RECEIVED DEFERRED COMPENSATION OF $707,198, WHICH IS INCLUDED IN HIS OTHER COMPENSATION AMOUNT $505,675 OF THIS DISTRIBUTION WAS REPORTED AS A NONTAXABLE BENEFIT TO HIM ON PRIOR FORM 990'S

Additional Data

Software ID:
Software Version:
EIN: 06-0646766
Name: HOSPITAL FOR SPECIAL CARE

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				
JOHN VOTTO DO PRESIDENT & CEO	(I) (II)	536,731 9,589	0 0	728,797 0	30,909 1,716	37,032 682	1,333,469 11,987	505,675 0
PAUL SCALISE MD SR VP MED AFFAIRS & CHIEF CLINICAL	(I) (II)	368,689 0	0 0	3,791 0	35,361 0	24,153 0	431,994 0	0 0
LAURIE ANN WHELAN SENIOR VP FINANCE, CFO & TREASURER	(I) (II)	259,757 40,223	0 0	5,028 0	19,750 4,380	12,135 2,691	296,670 47,294	0 0
FELICIA DEDOMINICIS SVP LEGAL AFFAIRS, CLO, SECRETARY &	(I) (II)	228,332 19,405	0 0	279 0	24,052 2,405	20,092 2,641	272,755 24,451	0 0
LYNN A RICCI SENIOR VP & COO	(I) (II)	237,554 50,937	0 0	5,422 0	32,279 10,138	890 3,104	276,145 64,179	0 0
LISA A NEWTON VP OF PATIENT CARE SERVICES	(I) (II)	211,272 0	0 0	521 0	2,575 0	15,765 0	230,133 0	0 0
DONALD CYR VP FACILITIES & HOSPITALITY SERVICES	(I) (II)	167,284 0	1,584 0	765 0	2,761 0	14,848 0	187,242 0	0 0
JUDITH TRZCINSKI VP HUMAN RESOURCES	(I) (II)	133,181 0	0 0	38,384 0	2,777 0	7,089 0	181,431 0	0 0
STANISLAW JANKOWSKI VP CHIEF INFORMATION OFFICER	(I) (II)	167,730 0	639 0	1,282 0	2,129 0	14,369 0	186,149 0	0 0
JASON JAKUBOWSKI VP EXTERNAL RELATIONS	(I) (II)	147,999 0	0 0	3,338 0	1,172 0	19,884 0	172,393 0	0 0
BRENDA NURSE MD CHIEF, INFECTION DISEASE,EPIDEMIOLOG	(I) (II)	270,105 0	0 0	941 0	4,080 0	11,143 0	286,269 0	0 0
JOHN PELEGANO MD CHIEF OF PEDIATRICS	(I) (II)	231,126 0	0 0	1,105 0	3,789 0	22,690 0	258,710 0	0 0
STEVEN PRUNK MD ASSOC CHIEF INTERNAL & PULMONARY MED	(I) (II)	259,690 0	0 0	275 0	3,060 0	22,092 0	285,117 0	0 0
WILLIAM PESCE CHIEF OF PHYSICAL MEDICINE	(I) (II)	246,971 0	0 0	275 0	2,562 0	22,480 0	272,288 0	0 0
THOMAS SOLTIS MD INTERNIST	(I) (II)	217,186 0	0 0	521 0	3,446 0	21,767 0	242,920 0	0 0
DAVID CRANDALL FORMER PRESIDENT & CEO	(I) (II)	0 0	0 0	500,603 0	0 0	12,704 0	513,307 0	0 0

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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.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HOSPITAL FOR SPECIAL CARE

Employer identification number
06-0646766

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	CONNECTICUT HEALTH AND EDUCATION FACILITIES AUTHORITY	06-0806186	20774UNN1	06-28-2007	47,786,346	TO REFUND A PORTION OF A PRIOR ISSUE AND CONSTRUCTION		X		X		X
B	CONNECTICUT HEALTH AND EDUCATION FACILITIES AUTHORITY	06-0806186	20774U4T9	07-18-2010	11,098,250	TO REFUND A PORTION OF A PRIOR ISSUE AND CONSTRUCTION		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	3,108,035	11,098,250		
4	Gross proceeds in reserve funds	3,108,035			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	206,371	206,371		
8	Credit enhancement from proceeds	256,155	256,155		
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	6,169,513	6,169,513		
11	Other spent proceeds	4,466,211	4,466,211		
12	Other unspent proceeds				
13	Year of substantial completion	2009	2011		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 590 %		0 590 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5	0 590 %		0 590 %					
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HOSPITAL FOR SPECIAL CARE

Employer identification number
06-0646766

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4	THE BYLAWS AND CERTIFICATE OF INCORPORATION WERE REVISED
FORM 990, PART VI, SECTION A, LINE 6	HOSPITAL FOR SPECIAL CARE'S SOLE MEMBER IS THE CENTER OF SPECIAL CARE, INC CENTER OF SPEC IAL CARE, INC IS THE PARENT ORGANIZATION OF HOSPITAL FOR SPECIAL CARE AND ALL ITS RELATED SUBSIDIARIES
FORM 990, PART VI, SECTION A, LINE 7A	THE CENTER OF SPECIAL CARE, INC IS THE PARENT AND SOLE MEMBER OF THE HOSPITAL FOR SPECIAL CARE AS SUCH, IT APPROVES THE APPOINTMENT OF ALL NEW MEMBERS OF THE HOSPITAL'S BOARD
FORM 990, PART VI, SECTION A, LINE 7B	THE CENTER OF SPECIAL CARE, INC IS THE PARENT AND SOLE MEMBER OF HOSPITAL FOR SPECIAL CAR E AS SUCH, IT HAS FINAL APPROVAL OVER ALL STRATEGIC AND FINANCIAL DECISIONS MADE BY THE H OSPITAL'S BOARD
FORM 990, PART VI, SECTION B, LINE 11	THE ORGANIZATION PROVIDES THE 990 TO THE FINANCE COMMITTEE OF THE BOARD OF DIRECTORS FOR A N INDEPENDENT REVIEW ANY QUESTIONS OR CONCERNS ARE ADDRESSED PRIOR TO THE 990 BEING FILED PRIOR TO FILING, A COPY OF THE COMPLETED 990 IS PROVIDED TO THE BOARD OF DIRECTORS
FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION REQUIRES ALL OFFICERS, DIRECTORS, MANAGERS, AND OTHER KEY EMPLOYEES TO CO MPLETE A CONFLICT OF INTEREST STATEMENT ANNUALLY EVERY YEAR THE STATEMENT IS PRESENTED TO THOSE INDIVIDUALS REQUIRED TO COMPLETE THE FORM AND COMPLETION OF THE FORM IS MONITORED T O ENSURE COMPLIANCE
FORM 990, PART VI, SECTION B, LINE 15	THE PROCESS FOR DETERMINING THE COMPENSATION FOR THE ORGANIZATION'S CEO, OFFICERS, AND KEY EMPLOYEES IS AS FOLLOWS THE ORGANIZATION UTILIZES A COMPENSATION COMMITTEE CONSISTING EN TIRELY OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS ANNUALLY, THE COMMITTEE IS GIVEN RECOMMENDATIONS FROM AN INDEPENDENT CONSULTANT REGARDING THE COMPENSATION OF THOSE EMPLOYE ES IDENTIFIED ABOVE THE COMMITTEE HAS THE SOLE DISCRETION TO ACCEPT OR REVISE THE RECOMME NDATIONS OF THE CONSULTANT IN SETTING THE COMPENSATION OF THE PREVIOUSLY IDENTIFIED EMPLOY EES
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS FINANCIAL STATEMENTS AND OTHER OPERATING DATA AVAILABLE TO THE GENERAL PUBLIC IN ITS SEC REQUIRED CONTINUING DISCLOSURE ON ITS OUTSTANDING MUNICIPAL DEBT THESE FILINGS HAVE BEEN MADE TO THE NATIONALLY RECOGNIZED MUNICIPAL SECURITIES INFORMATI ON REPOSITORIES AS MANDATED BY THE SEC ALL OF THESE FILINGS HAVE BEEN AVAILABLE TO THE GE NERAL PUBLIC FOR REVIEW IN ADDITION, THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS AND C ONFLICT OF INTEREST POLICIES AVAILABLE TO THE PUBLIC UPON REQUEST
FORM 990, PART VII, SECTION A, LINE (11)	DURING THE FISCAL YEAR, CARL R FICKS, JR , ESQ RESIGNED FROM HIS POSITION AS A BOARD MEM BER OF THE ORGANIZATION AND WAS HIRED BY HOSPITAL FOR SPECIAL CARE AS DIRECTOR CORPORATE & DONOR RELATIONS THE COMPENSATION REPORTED ON FORM 990, PART VII, SECTION A, LINE (11) IS SOLELY RELATED TO HIS SERVICES AS DIRECTOR CORPORATE & DONOR RELATIONS HE WAS NOT COMPEN SATED FOR THE SERVICES HE PROVIDED AS A BOARD MEMBER
FORM 990, PART XI, LINE 9	EQUITY TRANSFERS TO AFFILIATES -359,722 CHANGE IN EQUITY INTEREST IN AFFILIATES -4,555,15 5 CHANGE IN MINIMUM PENSION LIABILITY 1,596,052 ROUNDING 2

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
HOSPITAL FOR SPECIAL CARE

Employer identification number
06-0646766

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on 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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) HOSPITAL FOR SPECIAL CARE FOUNDATION INC 2150 CORBIN AVENUE NEW BRITAIN, CT 06053 06-1534092	FUNDRAISING	CT	501(C)(3)	LINE 11B, II	N/A		No
(2) CENTER OF SPECIAL CARE INC 2150 CORBIN AVENUE NEW BRITAIN, CT 06053 06-1464177	PARENT ENTITY FOR HOSPITAL AND AFFILIATES	CT	501(C)(3)	LINE 11B, II	N/A		No
(3) HSC COMMUNITY SERVICES INC 2150 CORBIN AVENUE NEW BRITAIN, CT 06053 06-1464179	COMMUNITY SUPPORT	CT	501(C)(3)	LINE 9	N/A		No
(4) CSI RESIDENTIAL INC 2150 CORBIN AVENUE NEW BRITAIN, CT 06053 31-1584385	HOUSING FOR THE DISABLED	CT	501(C)(3)	LINE 9	N/A		No
(5) MANES AND MOTIONS THERAPEUTIC RIDING CENTER INC 2150 CORBIN AVENUE NEW BRITAIN, CT 06053 06-1550599	THERAPEUTIC HORSEBACK RIDING	CT	501(C)(3)	LINE 7	N/A		No

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

(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) Disproprtionate 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" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

		Yes	No
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 orgranization 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	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

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

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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		Yes	No	

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 06-0646766
Name: HOSPITAL FOR SPECIAL CARE

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
HOSPITAL FOR SPECIAL CARE FOUNDATION INC	B	497,800	AMOUNT TRANSFERRED
HSC COMMUNITY SERVICES INC	B	108,036	AMOUNT TRANSFERRED
MANES & MOTIONS THERAPEUTIC RIDING CENTER	B	69,227	AMOUNT TRANSFERRED
HOSPITAL FOR SPECIAL CARE FOUNDATION INC	C	5,870,413	AMOUNT TRANSFERRED
HOSPITAL FOR SPECIAL CARE FOUNDATION INC	M	313,793	FMV
HSC COMMUNITY SERVICES INC	O	327,894	SALARY ALLOCATION
HOSPITAL FOR SPECIAL CARE FOUNDATION INC	O	330,067	SALARY ALLOCATION
MANES & MOTIONS THERAPEUTIC RIDING CENTER	O	135,480	SALARY ALLOCATION
HSC COMMUNITY SERVICES INC	Q	447,052	AMOUNT OF REIMBURSEMENT
HOSPITAL FOR SPECIAL CARE FOUNDATION INC	Q	139,480	AMOUNT OF REIMBURSEMENT
HOSPITAL FOR SPECIAL CARE FOUNDATION INC	R	71,911	DONATIONS TRANSFERRED
HSC COMMUNITY SERVICES INC	S	315,341	IMPROVEMENTS TRANSFERRED

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014 AND 2013

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES

CONTENTS

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BlumShapiro

Accounting | Tax Business Consulting

Independent Auditors' Report

To the Board of Directors
Center of Special Care, Inc
New Britain, Connecticut

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Center of Special Care, Inc and Subsidiaries (the Center), which comprise the consolidated statements of financial position as of March 31, 2014 and 2013, and the related consolidated statements of activities 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Center of Special Care, Inc and Subsidiaries as of March 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 15, 2014 on our consideration of Center of Special Care, Inc and Subsidiaries' internal control over financial reporting and our tests of their compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center of Special Care, Inc and Subsidiaries' internal control over financial reporting and compliance

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
July 15, 2014

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2014 AND 2013

ASSETS

	2014	2013
Current Assets		
Cash and cash equivalents	$ 16,719,864	$ 17,557,299
Accounts receivable, less allowance for doubtful accounts of $1,650,178 in 2014 and $2,606,404 in 2013	12,999,536	14,332,309
Pledges receivable, less allowance of $8,387 in 2014 and $35,862 in 2013	329,797	496,589
Prepaid sinking fund	1,479,292	1,458,737
Prepaid expenses and other assets	2,011,318	1,983,028
Inventories of supplies	508,169	571,146
Total current assets	34,047,976	36,399,108
Other Assets		
Investments	46,346,205	43,739,004
Pledges receivable, less allowance and discount of $15,334 in 2014 and $38,438 in 2013, less current portion	250,228	291,672
Debt Service Reserve Fund	7,164,981	7,109,200
Debt obligations issuance expense, net of amortization	2,428,449	2,532,871
Insurance funds	1,890,957	1,944,601
Other assets	5,767,540	4,889,488
Total other assets	63,848,360	60,506,836
Property, Plant and Equipment, Net	48,932,201	42,896,930
Total Assets	$ 146,828,537	$ 139,802,874

LIABILITIES AND NET ASSETS

	2014	2013
Current Liabilities		
Current portion of long-term debt	$ 930,000	$ 890,000
Accounts payable	4,191,937	2,861,554
Salaries, wages, payroll taxes and amounts withheld from employee compensation	6,920,947	7,511,220
Accrued insurance costs	3,896,021	3,683,810
Accrued interest and other liabilities	4,177,403	5,000,713
Accrued pension cost	3,958,074	-
Total current liabilities	24,074,382	19,947,297
Long-Term Liabilities		
Long-term debt, less current portion	52,361,696	53,291,696
Accrued pension cost	-	3,352,678
Other long-term liabilities	5,767,540	4,889,487
Total long-term liabilities	58,129,236	61,533,861
Net Assets		
Unrestricted net assets	62,839,106	51,660,885
Temporarily restricted net assets	1,346,502	6,204,762
Permanently restricted net assets	439,311	456,069
Total net assets	64,624,919	58,321,716
Total Liabilities and Net Assets	$ 146,828,537	$ 139,802,874

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

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	2014	2013
Revenues		
Net revenues from services to patients	$ 89,324,653	$ 88,321,584
Other operating revenues	3,396,845	3,080,701
Bad debts	(44,413)	(232,290)
Net assets released from restrictions	309,898	383,939
Total revenues	92,986,983	91,553,934
Operating Expenses		
Salaries, wages and employee benefits	68,975,210	66,989,611
Supplies and other	19,104,002	18,844,308
Interest	2,212,451	2,240,750
Depreciation and amortization	3,630,935	3,434,616
Total operating expenses	93,922,598	91,509,285
Income (loss) from operations	(935,615)	44,649
Nonoperating Gains		
Other income, primarily investment income	3,704,968	1,518,044
Excess of revenues over expenses	2,769,353	1,562,693
Other Changes in Unrestricted Net Assets		
Change in net unrealized gains on investments	155,373	2,380,461
Net assets released for capital additions	7,439,653	244,719
Change in minimum pension liability, net	1,596,052	147,722
Increase in unrestricted net assets	11,960,431	4,335,595
Temporarily Restricted Net Assets		
Contributions	2,545,304	792,462
Net realized gains on investments	220,344	105,917
Change in net unrealized gains on investments	79,017	156,873
Net assets released from restrictions used for purchase of capital	(7,439,653)	(244,719)
Net assets released from restrictions used for operations	(238,786)	(206,339)
Transfer of assets to another entity	(30,133)	-
Increase (decrease) in temporarily restricted net assets	(4,863,907)	604,194
Permanently Restricted Net Assets		
Contributions	3,287	248
Transfer of assets to another entity	(20,045)	-
Increase (decrease) in permanently restricted net assets	(16,758)	248
Change in Total Net Assets from Continuing Operations	7,079,766	4,940,037
Loss from Discontinued Operations	(776,563)	(553,655)
Gain on Sale	-	780,814
Change in Net Assets	6,303,203	5,167,196
Net Assets - Beginning of Year	58,321,716	53,154,520
Net Assets - End of Year	$ 64,624,919	$ 58,321,716

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

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	2014	2013
Cash Flows from Operating Activities		
Change in total net assets	$ 6,303,203	$ 5,167,196
Adjustments to reconcile change in total net assets to net cash provided by operating activities		
Depreciation and amortization	3,630,935	4,126,083
Bad debt expense	14,481	391,822
Gain on disposal of property, plant and equipment	(7,500)	(714)
Net unrealized gains on investments	(234,390)	(2,537,334)
Change in minimum pension liability	605,396	(147,722)
Restricted contributions	(2,548,591)	(792,710)
(Increase) decrease in operating assets		
Accounts receivable	1,318,292	4,194,167
Pledges receivable, net	208,236	619,948
Prepaid sinking fund and debt service reserves	(76,336)	(3,843,648)
Prepaid expenses and other assets	(28,290)	(296,208)
Insurance funds	53,644	(153,049)
Inventories of supplies	62,977	(14,503)
Other assets	(878,052)	(855,692)
Increase (decrease) in operating liabilities		
Accounts payable	(471,461)	241,337
Salaries, wages, payroll taxes and amounts withheld from employee compensation	(590,273)	(756,689)
Accrued insurance costs	212,211	(509,962)
Pension contribution	-	(1,000,000)
Other long-term liabilities	878,053	855,691
Accrued interest and other liabilities	(823,310)	1,284,877
Net cash provided by operating activities	7,629,225	5,972,890
Cash Flows from Investing Activities		
Purchases of investments	(21,147,125)	(27,511,112)
Sales of investments	18,774,314	28,648,250
Purchases of property, plant and equipment	(9,546,784)	(2,844,869)
Proceeds from sale of property, plant and equipment	(7,500)	7,489,417
Increase in accounts payable related to construction	1,801,844	-
Net cash provided by (used in) investing activities	(10,125,251)	5,781,686
Cash Flows from Financing Activities		
Payments on long-term debt	(890,000)	(9,960,000)
Restricted contributions	2,548,591	792,710
Net cash provided by (used in) financing activities	1,658,591	(9,167,290)
Net Increase (Decrease) in Cash and Cash Equivalents	(837,435)	2,587,286
Cash and Cash Equivalents - Beginning of Year	17,557,299	14,970,013
Cash and Cash Equivalents - End of Year	$ 16,719,864	$ 17,557,299
Cash Paid During the Year for Interest	$ 2,220,294	$ 2,268,073

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Center of Special Care, Inc (the Center) is the parent company and sole member of three entities Hospital for Special Care (the Hospital), HSC Community Services, Inc , and Hospital for Special Care Foundation, Inc The Center was established to coordinate strategic planning for each of its subsidiaries and affiliates

The Hospital provides healthcare services as a chronic disease hospital HSC Community Services, Inc , is committed to developing, operating, managing and evaluating community-based and community-oriented chronic disease and long-term rehabilitation healthcare initiatives and includes Brittany Farms Health Center (Brittany Farms), a nursing home On October 1, 2012, Brittany Farms was sold (see discontinued operations) HSC Community Services, Inc , has established subsidiary corporations known as CSI Residential, Inc (CSI Residential) and Manes & Motions Therapeutic Riding Center, Inc (Manes & Motions) CSI Residential develops housing for persons with chronic physical and medical conditions Manes & Motions was established to promote the well-being of persons with disabilities through the benefits of therapeutic horseback riding

Hospital for Special Care Foundation, Inc (the Foundation) provides charitable, scientific and educational services, in particular to operate exclusively for the benefit of and to receive, raise, allocate, invest and expend funds in support of the mission of the Center and its subsidiaries and legal affiliates

The Center and its subsidiaries are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code

The Center, which serves as the parent organization of the subsidiary entities described above, currently conducts no significant business and has no employees

Principles of Consolidation - The accompanying consolidated financial statements present the financial position and results of activities of the Center and its subsidiaries In consolidating the financial statements of the parent company and its subsidiaries, all significant intercompany revenues and expenses and intercompany asset and liability amounts have been eliminated

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 Actual results could differ from those estimates

Financial statement areas where management applies the use of estimates consist primarily of accounts receivable reserves, the estimated net realizable value of receivables from contributions, accrued insurance costs, accrued pension costs and contractual allowances on revenues It is management's opinion that the estimates applied in the accompanying financial statements are reasonable

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents - The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents The Center maintains deposits in financial institution accounts that, at times, may exceed federal depository limits However, management believes that its deposits are not subject to significant credit risk

Accounts Receivable - Accounts receivable are considered delinquent and written off when all attempts to collect from individuals or other payor sources have been exhausted

Inventories of Supplies - Inventories are stated at the lower of cost (principally, the first-in, first-out method) or market

Investment Valuation and Income Recognition - Investments are reported at fair value Fair value is 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 See Note 14 for a discussion of fair value measurements

Purchases and sales of securities are recorded on the trade date basis Interest income is recorded on the accrual basis Dividends are recorded on the ex-dividend date Realized investment income or loss (including realized gains and losses, interest and dividends) from investments are included in other income in the consolidated statements of activities and changes in net assets unless the income or loss is restricted by donor or law

Debt Obligations Issuance Expense - The State of Connecticut Health and Educational Facilities Authority (CHEFA) obligations issuance expense represents costs incurred in connection with the issuance of the revenue bonds (see Note 9) These costs are being amortized on a straight-line basis over the terms of the associated bonds

Amortization of bond obligation issuance expense totaled $104,422 and $114,030 for the years ended March 31, 2014 and 2013, respectively The expected yearly amortization of bond issuance expense will be $104,422 for the next five years

Property, Plant and Equipment - Property, plant and equipment assets are recorded on the basis of cost Major improvements and betterments to existing plant and equipment in excess of $500 are capitalized Expenditures for maintenance and repairs that do not extend the life of the applicable asset are charged to expense as incurred Upon disposition or retirement of property, plant and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gains and losses are included in the results of operations

Depreciation is provided for using the straight-line method based on the estimated useful lives of the assets as follows

Buildings, building improvements and land improvements	5-30 years
Furniture, fixtures and equipment	3-20 years
Vehicles	4 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 net assets 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 restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities 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 treated as unrestricted contributions in the accompanying consolidated financial statements

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using an appropriate discount rate Amortization of the discounts is included in contribution revenue Conditional promises to give are not included as support until the conditions are substantially met

Revenues and Expenses - Transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenues and expenses

Investments in Foundation - Investments in Foundation represents the entities' interest in the temporarily and permanently restricted net assets of the Foundation

Nonoperating Gains - Activities other than in connection with providing healthcare services are considered to be nonoperating Nonoperating gains consist primarily of income earned on invested funds and realized gains and losses on marketable securities

Pension Plan - The Hospital has a defined benefit pension plan and a defined contribution pension plan that cover substantially all eligible employees The Hospital's defined benefit plan was amended during fiscal year 2005 to freeze future benefit accruals, which resulted in a plan curtailment (see Note 10) Brittany Farms has a 403(b) defined contribution plan and a money purchase pension plan that cover substantially all eligible employees In addition, the Hospital has a nonqualified supplemental employee retirement plan for certain executives

Temporarily and Permanently Restricted Net Assets - Temporarily restricted net assets include those assets whose use has been limited by donors to a specific time frame or purpose Permanently restricted net assets include those assets whose use has been restricted by donors to be maintained in perpetuity (see Note 6)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Retirement Obligations - GAAP requires that a liability be recognized for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made Certain of the Center's buildings contain asbestos that must be removed upon demolition or extensive renovations The Center expects to and has the ability to continue to maintain and operate these buildings without undertaking any activities that would require removal of the asbestos As a result, the Center is not able to estimate the date or range of potential dates of settlements of these obligations Accordingly, the liabilities associated with these obligations are not reasonably estimable, and the accompanying consolidated statements of financial position do not include a liability for asset retirement obligations

Income Taxes - The 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 pursuant to Section 501(a) of the Code Tax returns for the years ended March 31, 2011 through 2014 are subject to examination by the Internal Revenue Service and the State of Connecticut

Discontinued Operations - The Center sold Brittany Farms on October 1, 2012 This transaction meets the GAAP criteria for recording as discontinued operations in the consolidated financial statements As a result, the activities, including results of operations, of Brittany Farms are reflected as loss from discontinued operations

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The revenues and expense of the discontinued operations for the years ended March 31, 2014 and 2013, is as follows

	2014	2013
Revenues		
Net revenues from services to patients	$ -	$ 13,364,533
Other operating revenues	3,892	41,613
Bad debts	(151,392)	(180,000)
Total revenues	(147,500)	13,226,146
Operating expenses		
Salaries, wages and employees benefits	499,174	9,053,883
Supplies and other	136,127	4,378,119
Interest	-	17,229
Depreciation and amortization	-	336,571
Total operating expenses	635,301	13,965,802
Operating loss	(782,801)	(559,656)
Nonoperating gains		
Other income, primarily investment income	591	3,404
Deficiency of revenues over expenses	(782,210)	(556,252)
Other changes in unrestricted net assets		
Net assets released for capital additions	-	2,597
Loss from discontinued operations	(782,210)	(553,655)
Temporarily restricted net assets		
Change in equity interest in Foundation	(24,486)	(21,731)
Permanently restricted net assets		
Change in equity interest in Foundation	(20,045)	-
Change in total net assets from discontinued operations	(826,741)	(575,386)
Gain on sale	-	780,814
Net assets - beginning of year	869,438	664,010
Net Assets - End of Year	$ 42,697	$ 869,438

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications - Certain 2013 amounts have been reclassified to conform to the 2014 presentation

Subsequent Events - In preparing these consolidated financial statements, management has evaluated subsequent events through July 15, 2014, which represents the date the consolidated financial statements were available to be issued

NOTE 2 - REVENUE CONCENTRATIONS

During 2014 and 2013, approximately 70% and 71%, respectively, of net patient revenue was received under the Medicaid program, 12% and 13%, respectively, under the Medicare program, and 18% and 16%, respectively, from other third parties Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation Management believes that the Hospital 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 and Medicare programs Changes in the Medicaid and Medicare programs and the reduction of funding levels could have an adverse impact on the Hospital

Revenues derived from federal and state medical assistance programs were based, in part, on cost-reimbursement principles and are subject to audit

The following table summarizes net revenues from services to patients for the years ended March 31, 2014 and 2013

	2014	2013
Gross revenues from patients		
Routine services	$ 95,175,700	$ 96,897,400
Special services	45,204,736	44,588,180
	140,380,436	141,485,580
Allowances (primarily Medicare and Medicaid)	51,055,783	53,163,996
Net Revenues from Services to Patients	$ 89,324,653	$ 88,321,584

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 Hospital and other providers, and the differences are accounted for as allowances

NOTE 2 - REVENUE CONCENTRATIONS (Continued)

Net revenues from services to patients at the Hospital and other providers are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

It is the Hospital's policy to provide service to all patients within the reasonable limits of available resources Patients who apply for admission or seek outpatient services but lack a source of payment are considered on an individual basis for charity care

NOTE 3 - ENDOWMENT NET ASSETS

The Center's endowment consists of several funds established for a variety of purposes, mainly designated by donor restrictions As required by GAAP, net assets associated with endowment funds are classified and reported as permanently restricted net assets, temporarily restricted net assets or unrestricted net assets based on the existence or absence of donor-imposed restrictions

Interpretation of Relevant Law - The Board of Directors of the Center has interpreted the Connecticut Prudent Management of Institutional Funds Act (CTPMIFA) 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 Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time 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 of prudence prescribed by CTPMIFA In accordance with CTPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

There was one contribution to endowment net assets of $3,287 for the year ended March 31, 2014 There was one contribution to endowment net assets of $248 for the year ended March 31, 2013 See Note 6 for more information regarding the programs that the permanently restricted net assets support

NOTE 3 - ENDOWMENT NET ASSETS (Continued)

With the sale of Brittany Farms, the Center does not provide Alzheimer's patient care or Alzheimer's research The Center petitioned the State of Connecticut Court of Probate to allow the Center to deviate from administrative terms of restricted funds and transfer to another entity so they can accomplish the charitable intent of the two funds The State of Connecticut did not object to the Petition of Deviation and the Center transferred the two funds to the Alzheimer's Resource Center of Connecticut, Inc , who will accomplish the charitable intent of the two funds Temporarily and permanently restricted net assets transferred amounted to $30,133 and 20,045, respectively

NOTE 4 - PLEDGES RECEIVABLE

The Center's pledges receivable consist of unconditional promises to give and are expected to be collected as follows for the years ended March 31, 2014 and 2013, respectively

	2014	2013
Receivable in less than one year	$ 338,184	$ 532,451
Receivable in one to five years	265,562	330,112
Total pledges receivable	603,746	862,563
Less allowance for uncollectible promises	11,165	41,339
Less discounts to net present value	12,556	32,963
Net Pledges Receivable	$ 580,025	$ 788,261

The discount rate used in calculating the present value of pledges receivable for each of the years ended March 31, 2014 and 2013, was 3 00%

NOTE 5 - INVESTMENTS

The composition of investments at March 31, 2014 and 2013, is set forth below Investments are stated at market value

	2014			
	Cost	Market Value	Unrealized Gain	Unrealized Loss
Bond funds	$ 740,859	$ 747,735	$ 13,484	$ (6,608)
Mutual funds				
Domestic equity	21,219,734	23,176,883	2,057,378	(100,229)
Fixed income	21,540,158	21,554,701	242,169	(227,626)
International equity	791,873	866,886	75,144	(131)
	$ 44,292,624	$ 46,346,205	$ 2,388,175	$ (334,594)

NOTE 5 - INVESTMENTS (Continued)

	2013			
	Cost	Market Value	Unrealized Gain	Unrealized Loss
Bond funds	$ 710,682	$ 733,558	$ 23,145	$ (269)
Mutual funds				
Domestic equity	15,737,629	17,026,552	1,288,923	-
Fixed income	20,470,715	21,045,583	604,074	(29,206)
International equity	4,929,232	4,933,311	4,079	-
	$ 41,848,258	$ 43,739,004	$ 1,920,221	$ (29,475)

Investment income (including realized gains and losses, interest and dividends, net of investment fees) earned on investments amounted to $3,922,768 and $1,623,657 during the years ended March 31, 2014 and 2013, respectively This is included in nonoperating gains in the consolidated statements of activities and changes in net assets

At March 31, 2014, investments with market value below cost for 12 months or more included certain investments with a market value of $3,984,910 and an unrealized loss of $152,604 At March 31, 2014, investments with market value below cost for less than 12 months included bond funds with a market value of $6,926,859 and an unrealized loss of $181,990

At March 31, 2013, investments with market value below cost included in certain mutual and bond funds were immaterial

Management continually reviews its investment portfolio and evaluates whether declines in the market value of securities should be considered other-than-temporary Factored into this evaluation are general market conditions, the recommendation of advisors and the length of time and extent to which the market value has been less than cost The Center's investments are mainly in mutual funds managed by an outside investment manager The Investment Subcommittee of the Board oversees the activities of the investment manager The Center has the ability to and intends to hold the mutual funds until such time that the market losses recover As a result, there were no declines in market value deemed to be other-than-temporary in fiscal year 2014 or 2013

NOTE 6 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets at March 31, 2014 and 2013, are available for the following purposes

	2014	2013
Sports and fitness programs	$ 363,020	$ 354,281
Manes & Motions Capital Campaign	211,203	262,909
ALS Clinic/Neuromuscular Fund	109,384	98,088
Other	58,998	36,845
Timura Management Information Systems Scholarship Fund	57,000	53,708
Aquatic rehab	56,212	40,877
Paul Sutula Nursing Scholarship Fund	54,122	50,996
Gold Star Timura Healthcare Professions Scholarship Fund	52,142	-
Autism	44,266	30,399
Adaptive equipment	42,240	20,421
Pediatric	40,052	29,661
Pulmonary	37,610	45,411
Respiratory therapist education	29,303	25,866
Horticultural	28,633	27,547
H R Gossling Lecture Fund	27,865	29,646
Gustin Lecture	26,427	26,276
Manes & Motions Rider Assistance Programs	24,351	27,937
Research	19,651	16,728
Gait & Balance Training Fund	15,377	14,488
Patient Recreation Center	14,252	20,669
Joy of Art	12,817	12,224
Resource center	8,607	13,714
Lobby renovations	7,098	6,688
Satellite	3,048	2,872
Dental clinic	2,824	2,661
Outpatient Capital Campaign	-	4,924,686
Brittany Farms	-	29,164
	$ 1,346,502	$ 6,204,762

The Center maintains policies related to its permanently restricted net assets The policy indicates that all earnings are spent in the year earned Permanently restricted net assets of $439,311 and $456,069 at March 31, 2014 and 2013, respectively, are to be held in perpetuity, the income from which is used for unrestricted and temporarily restricted Center activities and is expendable to support healthcare services

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following at March 31, 2014 and 2013

	2014	2013
Buildings	$ 58,471,340	$ 58,767,790
Fixed and moveable equipment	34,917,637	32,896,574
Land and land improvements	3,212,268	3,012,495
	96,601,245	94,676,859
Less accumulated depreciation	56,249,346	53,246,327
	40,351,899	41,430,532
Construction in progress	8,580,302	1,466,398
Net Property, Plant and Equipment	$ 48,932,201	$ 42,896,930

Depreciation expense was $3,526,513 and $3,330,194 for the years ended March 31, 2014 and 2013, respectively

NOTE 8 - SELF-INSURED PROGRAMS

Medical Malpractice - The Hospital self-insures the deductible portion of its medical malpractice insurance The deductible limits are $1,000,000 per claim and $1,000,000 in the aggregate for the years ended March 31, 2014 and 2013 The Hospital has excess insurance in the form of an umbrella policy for claims settled in excess of $1,000,000

The malpractice liability was actuarially determined to be $1,531,097 and $1,343,986 for the years ended March 31, 2014 and 2013, respectively, and is included in accrued insurance costs on the consolidated statements of financial position This amount was calculated at a confidence level of 75% of the expected level for the years ended March 31, 2014 and 2013, with a 4% discount rate in 2014 and 2013 Management considers these reserves to be adequate as of March 31, 2014 and 2013 However, no assurance can be given that the ultimate settlement of losses may not vary materially from the liability recorded

The Hospital established an irrevocable trust for the purpose of setting aside assets to be used for the payment of malpractice losses, related expenses and the cost of administering the trust The trust balance was $1,750,957 and $1,804,601 at March 31, 2014 and 2013, respectively, and is based on actuarial funding recommendations and active claims These assets are included in insurance funds on the consolidated statements of financial position

Brittany Farms carries insurance for medical malpractice under a claims-made policy with an insurance company

NOTE 8 - SELF-INSURED PROGRAMS (Continued)

Workers' Compensation - The Center is self-insured for the deductible portion of workers' compensation claims The deductible amount per claim was $500,000 and $400,000 at March 31, 2014 and 2013, respectively The Center has purchased excess insurance from a commercial carrier that would cover claims settled above $500,000 The self-insurance workers' compensation liability was determined to be $4,062,687 and $2,775,700 at March 31, 2014 and 2013, respectively The current portion of $1,122,988 and $1,020,843 at March 31, 2014 and 2013, respectively, is included in accrued insurance costs on the consolidated statements of financial position The long-term portion of $2,939,699 and $1,754,857 at March 31, 2014 and 2013, respectively, is included in other long-term liabilities on the consolidated statements of financial position Receivables related to insurance on workers' compensation claims totaled $3,175,250 and $2,411,067 at March 31, 2014 and 2013, respectively The current portion of $235,551 and $656,210 at March 31, 2014 and 2013, respectively, is included in prepaid expenses and other assets on the consolidated statements of financial position The long-term portion of $2,939,699 and $1,754,857 at March 31, 2014 and 2013, respectively, is included in other assets on the consolidated statements of financial position

A letter of credit with a bank of $858,000 at March 31, 2014 and 2013, was established to cover the funding requirements of the self-insurance program The letter of credit has a variable per annum rate of interest equal to the prime rate plus 5% As of March 31, 2014 and 2013, the Center had not drawn on the letter of credit

Health Insurance - The Center is self-insured for its health insurance and carries a stop-loss policy for individual claims in excess of $250,000 The self-insurance liability was determined to be $1,241,936 and $1,318,981 for the years ended March 31, 2014 and 2013, respectively, and is included in accrued insurance costs on the consolidated statements of financial position

NOTE 9 - LONG-TERM DEBT OBLIGATIONS

On June 28, 2007, the Hospital issued Series C CHEFA revenue bonds (Series C) in the amount of $46,635,000 The Hospital received funds to repay its Series B CHEFA revenue bonds, to fund the required Debt Service Reserve Fund, to pay for cost of bond issuance and for future construction and renovations related to its existing facilities The Series C debt is secured by a pledge of the gross receipts of the Obligated Group, which is now defined as the Hospital, HSC Community Services, Inc , and the Hospital for Special Care Foundation, Inc , and a mortgage on the capital assets of the Obligated Group, subject to permitted encumbrances, and Series C debt is insured under a financial guaranty insurance policy

The Series C debt is fixed-interest debt with the following maturities

Yearly on July 1 from 2008-2022 in the total amount of $14,960,000 with interest rates ranging from 4% - 5 25%
July 1, 2027 in the amount of $8,000,000 with a 5 25% interest rate
July 1, 2032 in the amount of $10,330,000 with a 5 25% interest rate
July 1, 2037 in the amount of $13,345,000 with a 5 25% interest rate

NOTE 9 - LONG-TERM DEBT OBLIGATIONS (Continued)

On July 14, 2010, the Hospital issued Series E CHEFA revenue bonds (Series E) in the amount of $20,185,000 The Hospital received funds to repay its Series D CHEFA revenue bonds, to fund the required Debt Service Reserve Fund, to pay for cost of bond issuance, and to finance and refinance construction and renovations related to its existing facilities Interest shall be paid in consecutive monthly installments at the Weekly Rate, which is the rate of interest borne by bonds during any Weekly Rate period, which shall be determined by the Remarketing Agent on each Rate Determination Date for a Weekly Rate Bond as provided in the Indenture The interest rate at March 31, 2014 was 0 06% The Series E debt is secured by a pledge of the gross receipts of the Obligated Group, which is now defined as the Hospital, HSC Community Services, Inc , and the Hospital for Special Care Foundation, Inc , and a mortgage on the capital assets of the Obligated Group, subject to permitted encumbrances The Series E debt is secured by a letter of credit issued by the Federal Home Loan Bank of Boston in the amount of $10,706,082

Monthly payments by the Obligated Group to the trustee are based on the agreement and correspond in time and amount to the payments of principal and interest on the Series C and E bonds

The Obligated Group is also required to maintain debt service reserve funds for the Series C bonds The Debt Service Reserve Fund is equal in amount to the largest total debt service to be paid within a year During 2013, this amount was increased as the Center has agreed to post $4,000,000 as restricted cash to reduce future Series C long-term debt payments In 2014, the Center was approved to use this $4,000,000 to purchase its own Series C bonds back The fair value of these bonds is included in the debt service reserve fund on the consolidated statements of financial position until they can be redeemed The bonds are subject to redemption prior to maturity beginning on July 1, 2008 for Series C and July 1, 2011 for Series E, and annually on July 1 thereafter by operation of a sinking fund

The Series C and Series E debt contains certain financial debt covenant requirements, including maintenance of a debt service coverage ratio in excess of 1 25, maintenance of a debt-to-capital ratio not to exceed 75%, maintenance of fixed charge coverage ratio not to fall below 1 00 and days cash on hand in excess of 60 days

During fiscal year 2013, the proceeds from the sale of Brittany Farms were used to repay $9,000,000 in Series E long-term debt Deferred financing costs of $364,504 related to the Series E long-term debt were also written off, and are included in loss from discontinued operations on the consolidated statements of activities and changes in net assets

In addition, the Hospital has a $3,000,000 line of credit with a bank As of March 31, 2014 and 2013, the full amount of the remaining line was available Interest on the line accrues at the bank's prevailing prime rate, and amounts drawn are repayable on demand The line of credit has a revolving credit termination date of October 1, 2015

The availability of the line is reduced by the self-insurance letter of credit in place (see Note 8) In addition, the Hospital escrowed $1,075,000 in the form of a letter of credit against the line for a three-year period to satisfy any potential indemnification claims resulting from the sale of Brittany Farms The letter of credit has a termination date of October 1, 2015

NOTE 9 - LONG-TERM DEBT OBLIGATIONS (Continued)

During fiscal years 2014 and 2013, interest expense was $2,212,451 and $2,240,750, respectively

During fiscal year 2002, HSC Community Services, Inc , entered into a Capital Advance Program Mortgage Note with the United States Department of Housing and Urban Development (HUD) for $926,696 in connection with the acquisition of certain housing properties by CSI Residential, Inc This note matures on March 29, 2041, does not bear interest and repayment is not required as long as the housing remains available for very low-income persons with disabilities in accordance with Section 202 of the Housing Act of 1959 or Section 811 of the National Affordable Housing Act of 1990 until the maturity date

Principal payments and annual sinking fund payments for the next five years and thereafter are as follows

Year Ending March 31	Series C	Series E	HUD Mortgage	Total
2014	$ 930,000	$ -	$ -	$ 930,000
2015	965,000	-	-	965,000
2016	1,005,000	-	-	1,005,000
2017	1,060,000	-	-	1,060,000
2018	1,115,000	-	-	1,115,000
Aggregate thereafter	36,740,000	10,550,000	926,696	48,216,696
	41,815,000	10,550,000	926,696	53,291,696
Less current portion	930,000	-	-	930,000
Total Long-Term Debt	$ 40,885,000	$ 10,550,000	$ 926,696	$ 52,361,696

NOTE 10 - PENSION PLAN

General - The Hospital has a defined benefit plan covering many of its employees The benefits are based upon years of service, and employees are fully vested in the company contribution after five years of service The Hospital's policy is to contribute an amount sufficient to cover benefits to be paid as required by ERISA funding standards Contributions are intended to provide benefits attributed to service to date

GAAP requires companies to record a liability on the consolidated statements of financial position for the underfunded portion of its postretirement plans, defined as the amount by which the projected benefit obligation exceeds the fair value of the plan assets

Obligations and Funded Status - The plan was amended to freeze future benefit accruals in the plan effective June 30, 2004 The effect of this amendment was a plan curtailment

NOTE 10 - PENSION PLAN

The following table sets forth the plan's funded status and amounts recognized in the accompanying consolidated statements of financial position as of March 31, 2014 and 2013

	Pension Benefits	
	2014	2013
Change in benefit obligation		
Projected benefit obligation at beginning of year	$ (22,852,234)	$ (21,574,891)
Interest cost	(907,090)	(984,105)
Impact of assumption changes	922,354	(1,156,129)
Experience gain (loss)	(15,230)	246,583
Benefits paid	902,332	616,308
Settlement amount	7,010,644	-
Projected benefit obligation at end of year	(14,939,224)	(22,852,234)
Change in plan assets		
Fair value of plan assets at beginning of year	19,499,556	17,074,491
Actual return on plan assets	294,629	2,041,373
Employer contributions	-	1,000,000
Benefits paid	(902,332)	(616,308)
Settlement purchase	(7,910,703)	-
Fair value of plan assets at end of year	10,981,150	19,499,556
Unfunded Status	$ (3,958,074)	$ (3,352,678)

Net periodic pension costs for 2014 and 2013 included the following components

	Pension Benefits	
	2014	2013
Components of net periodic benefit cost		
Interest cost	$ 907,090	$ 984,105
Expected return on plan assets	(1,023,095)	(1,029,817)
Amortization of net loss	359,791	438,350
Net Periodic Pension Cost	$ 243,786	$ 392,638

NOTE 10 - PENSION PLAN (Continued)

Assumptions - The following assumptions were used in accounting for the plan

Assumptions used to determine benefit obligations and net periodic benefit cost at March 31, 2014 and 2013, are as follows

	2014	2013
Discount rate	4 54%	4 32%
Long-term rate of return	6%	6%

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

Plan Assets - The percentage of the fair value of total plan assets held as of March 31, 2014 and 2013, by asset category is as follows

	2014	2013
Equity mutual funds	-	63%
Fixed income mutual funds	100%	37%

Plan asset investments in U S Government issues and corporate and municipal issues are assets traded on active markets with readily available daily values The inputs are, therefore, Level 1 (see Note 14)

The Hospital's investment strategy is based on a portfolio comprised of assets held in mutual funds with an asset mix target based on an allocation of 100% fixed income funds and 47% equities and 53% fixed income funds at March 31, 2014 and 2013, respectively Investments held in mutual funds are diversified with the intent to minimize the risk of large losses to the plan The asset mix was determined by evaluating the expected return against the plan's long-term objectives Performance is monitored on a monthly basis and rebalanced back to target to ensure the targets are within range

The investment policy describes which securities are allowed in the portfolios and the financial objectives of the plan, which the Investment Subcommittee of the Center's Board oversees The Investment Subcommittee monitors the investment performance annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy During fiscal year 2014, the Investment Subcommittee moved all of the plan's investments into fixed income funds

NOTE 10 - PENSION PLAN (Continued)

The Board has approved the termination of the pension plan The termination of the plan will take place in two stages The first stage of the termination took place during fiscal year 2014 by purchasing annuities with pension plan assets for the benefit of the current retirees The second stage, to take place during fiscal year 2015, will be the purchase of the benefits of plan beneficiaries not currently retired The purchase of benefits will be done in part with the remaining plan assets and in part with funds provided by the Hospital The first stage resulted in the Hospital recognizing a loss of $2,201,448 in salaries, wages and employee benefits on the consolidated statements of activities and changes in net assets The loss was offset by a gain of $1,596,052 in change in minimum pension liability on the consolidated statements of activities and changes in net assets As part of the second stage, the Hospital expects to make a contribution to the pension plan in an amount up to $4,000,000 for the year ending March 31, 2015

Other Information - The Hospital also has a defined contribution 403(b) tax-free annuity savings plan covering all full-time and permanent part-time employees with at least 1 year of service and 1,000 hours worked Employees are allowed to contribute up to the maximum contribution allowable each year under Internal Revenue Service regulations The Hospital matches biweekly employee contributions at varying percentages based on age and years of service (maximum match is 40%) The Hospital's expense amounted to $494,359 and $476,852 for the years ended March 31, 2014 and 2013, respectively

The Hospital also has a capital accumulation 457(f) deferred compensation plan for certain executives The Hospital is not required to make any contributions to this plan In addition, the Hospital has a supplemental employee retirement plan for certain executives The plan provides for a targeted benefit and is funded through insurance policies and the 457(f) The Hospital's expense amounted to $233,868 and $317,762 in 2014 and 2013, respectively Assets and liabilities relating to this plan were $2,827,841 and $3,134,631 at March 31, 2014 and 2013, respectively, and are included in other assets and other long-term liabilities

Brittany Farms has a defined contribution pension plan that covers substantially all eligible nonunion employees Upon sale of Brittany Farms on October 1, 2012, the plan was frozen and participants became fully vested The Board has approved the termination of the plan, which will take place during fiscal year 2015

NOTE 11 - FUNCTIONAL EXPENSES

Functional expenses for the Center are as follows

	2014	2013
Health care services	$ 81,712,660	$ 79,613,078
General and administrative	12,209,938	11,896,207
	$ 93,922,598	$ 91,509,285

NOTE 12 - CONTINGENCIES

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

NOTE 13 - COMMITMENTS

Operating Leases - The Center leases certain office space and equipment under operating leases The future minimum annual payments under these agreements as of March 31, 2014 are as follows

Year Ending March 31	
2015	$ 626,652
2016	441,248
2017	332,154
2018	88,608
2019	27,832
Thereafter	105,545
	$ 1,622,039

Rent expense recorded by the Center for the years ended March 31, 2014 and 2013, was $1,420,359 and $1,320,189, respectively

Capital Commitments - The Center entered into a contract to purchase new software for electronic medical records The contract is estimated to be completed in fiscal year 2015 and is estimated to cost $3 6 million As of March 31, 2014, approximately $1 4 million in costs has been incurred and is included in construction in progress Related to this contract are licenses and support fees of approximately $530,000 that will be incurred over a seven-year period

The Center entered into a contract related to outpatient expansion The contract is estimated to be completed in fiscal year 2015 and is estimated to cost $7 4 million As of March 31, 2014, approximately $5 9 million in costs has been incurred and is included in construction in progress

Manes & Motions entered into a contract to build an indoor arena The contract is estimated to be completed in fiscal year 2015 and is estimated to cost $463,000 As of March 31, 2014, approximately $283,000 in costs has been incurred and is included in construction in progress

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Generally accepted accounting principles establish a framework for measuring fair value That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy are described below

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

Level 2 - Inputs to the valuation methodology include

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

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

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

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

Mutual Funds - Mutual funds are valued at the quoted net asset value of shares held by the Center at March 31, 2014

Bonds - Certain bonds are valued at the closing price reported in the active market in which the individual securities are traded Other bonds are valued based on yields currently available on comparable securities of issuers with similar durations and credit ratings

Insurance Funds - Insurance funds are stated at their net unit values as reported by the trustee of the fund based on the fair value of the underlying assets and liabilities at the measurement date

Long-Term Debt - The carrying amounts of the Series E bonds and HUD Mortgage approximate fair value based on yields currently available on comparable securities of issuers with similar durations and credit ratings The Series C bonds are valued based on yields currently available on comparable securities of issuers with similar durations and credit ratings The inputs are, therefore, Level 2

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The carrying amounts reflected in the accompanying consolidated statements of financial position for cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to short maturities of those instruments The inputs are, therefore, Level 1

The following is a summary of the source of fair value measurements for assets that are measured at fair value as of March 31, 2014 and 2013

Description	Fair Value March 31, 2014	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments				
Bond funds	$ 747,735	$ 321,708	$ 426,027	$ -
Mutual funds				
Domestic equity	23,176,883	23,176,883	-	-
Fixed income	21,554,701	21,554,701	-	-
International equity	866,886	866,886	-	-
Insurance funds	1,890,957	-	-	1,890,957
Pledges receivable	580,025	-	-	580,025
Total	$ 48,817,187	$ 45,920,178	$ 426,027	$ 2,470,982

Description	Fair Value March 31, 2013	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments				
Bond funds	$ 733,558	$ 285,448	$ 448,110	$ -
Mutual funds				
Domestic equity	17,026,552	17,026,552	-	-
Fixed income	21,045,583	21,045,583	-	-
International equity	4,933,311	4,933,311	-	-
Insurance funds	1,944,601	-	-	1,944,601
Pledges receivable	788,261	-	-	788,261
Total	$ 46,471,866	$ 43,290,894	$ 448,110	$ 2,732,862

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3) - The following is a summary of the changes in the balances of assets measured at fair value on a recurring basis using significant unobservable inputs for the years ended March 31, 2014 and 2013

	Insurance Funds 2014	Insurance Funds 2013
Balance - beginning	$ 1,944,601	$ 1,791,552
Contributions	-	2,774,443
Fees	(12,403)	(12,392)
Income	25,759	102,164
Withdrawals	(67,000)	(2,711,166)
Balance - Ending	$ 1,890,957	$ 1,944,601

	Pledges Receivable 2014	Pledges Receivable 2013
Balance - beginning	$ 788,261	$ 1,408,209
New pledges receivable	478,048	159,459
Collections	(730,784)	(811,273)
Direct write-offs	(6,081)	(22,422)
Change in allowance and discount	50,581	54,288
Balance - Ending	$ 580,025	$ 788,261

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The carrying amounts and estimated fair values of the Center's long-term debt at March 31, 2014 are as follows

Description	Carrying Amount at March 31, 2014	Fair Value at March 31, 2014
Financial liabilities		
Series C revenue bonds	$ 41,815,000	$ 43,368,056
Series E revenue bonds	10,550,000	10,550,000
HUD mortgage	926,696	926,696

The carrying amounts and estimated fair values of the Center's long-term debt at March 31, 2013 are as follows

Description	Carrying Amount at March 31, 2013	Fair Value at March 31, 2013
Financial liabilities		
Series C revenue bonds	$ 42,705,000	$ 44,529,402
Series D revenue bonds	10,550,000	10,550,000
HUD mortgage	926,696	926,696

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Independent Auditors' Report on Supplementary Information

To the Board of Directors
Center of Special Care, Inc
New Britain, Connecticut

We have audited the consolidated financial statements of Center of Special Care, Inc and Subsidiaries (the Center) as of and for the years ended March 31, 2014 and 2013, and our report thereon dated July 15, 2014, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2 Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating information on the following pages is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
July 15, 2014

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014

ASSETS	Brittany Farms	Other HSC Community Services, Inc. Subsidiaries	HSC Community Services, Inc. Consolidated	Hospital for Special Care	Center of Special Care, Inc.	Hospital for Special Care Foundation, Inc.	Elimination	Consolidated
Current assets								
Cash and cash equivalents	$ 374,449	$ 428,106	$ 802,555	$ 14,355,449	$ -	$ 1,561,860	$ -	$ 16,719,864
Accounts receivable, less allowance of $1,650,178	-	44,383	44,383	12,955,153	-	-	-	12,999,536
Pledges receivable, net of allowance and discount of $8,387	-	11,951	11,951	-	-	317,846	-	329,797
Prepaid sinking fund	-	-	-	1,479,292	-	-	-	1,479,292
Prepaid expenses and other assets	22,357	8,170	30,527	1,976,600	-	4,191	-	2,011,318
Inventories of supplies	-	-	-	508,169	-	-	-	508,169
Due from affiliates	-	12,412	12,412	1,543,778	-	-	(1,556,190)	-
Total current assets	396,806	505,022	901,828	32,818,441	-	1,883,897	(1,556,190)	34,047,976
Other assets								
Investments	-	-	-	39,498,691	286,134	6,561,380	-	46,346,205
Pledges receivable, net of allowance and discount of $15,334, less current portion	-	-	-	-	-	250,228	-	250,228
Investments in Foundation	-	423,111	423,111	4,456,796	-	-	(4,879,907)	-
Debt Service Reserve Fund	-	-	-	7,164,981	-	-	-	7,164,981
Debt obligations issuance expense, net of amortization	-	-	-	2,428,449	-	-	-	2,428,449
Insurance funds	40,000	-	40,000	1,850,957	-	-	-	1,890,957
Other assets	-	-	-	5,767,540	-	-	-	5,767,540
Total other assets	40,000	423,111	463,111	61,167,414	286,134	6,811,608	(4,879,907)	63,848,360
Property, plant and equipment, net	-	993,107	993,107	47,939,094	-	-	-	48,932,201
Total Assets	$ 436,806	$ 1,921,240	$ 2,358,046	$ 141,924,949	$ 286,134	$ 8,695,505	$ (6,436,097)	$ 146,828,537

(Continued on next page)

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
MARCH 31, 2014

	Brittany Farms	Other HSC Community Services, Inc. Subsidiaries	HSC Community Services, Inc. Consolidated	Hospital for Special Care	Center of Special Care, Inc.	Hospital for Special Care Foundation, Inc.	Elimination	Consolidated
LIABILITIES AND NET ASSETS								
Current liabilities								
Current portion of long-term debt	$ -	$ -	$ -	$ 930,000	$ -	$ -	$ -	$ 930,000
Accounts payable	11,894	25,208	37,102	4,154,835	-	-	-	4,191,937
Salaries, wages, payroll taxes and amounts withheld from employee compensation	-	-	-	6,920,947	-	-	-	6,920,947
Accrued insurance costs	298,853	-	298,853	3,597,168	-	-	-	3,896,021
Due to affiliates	83,362	4,859	88,221	-	-	1,467,969	(1,556,190)	-
Accrued interest and other liabilities	-	60,912	60,912	4,072,443	-	44,048	-	4,177,403
Accrued pension cost	-	-	-	3,958,074	-	-	-	3,958,074
Total current liabilities	394,109	90,979	485,088	23,633,467	-	1,512,017	(1,556,190)	24,074,382
Long-term liabilities								
Long-term debt, less current portion	-	926,696	926,696	51,435,000	-	-	-	52,361,696
Other long-term liabilities	-	-	-	5,767,540	-	-	-	5,767,540
Total long-term liabilities	-	926,696	926,696	57,202,540	-	-	-	58,129,236
Net assets								
Unrestricted net assets	42,697	296,443	339,140	59,910,251	286,134	2,530,249	(226,668)	62,839,106
Temporarily restricted net assets	-	607,122	607,122	739,380	-	4,213,928	(4,213,928)	1,346,502
Permanently restricted net assets	-	-	-	439,311	-	439,311	(439,311)	439,311
Total net assets	42,697	903,565	946,262	61,088,942	286,134	7,183,488	(4,879,907)	64,624,919
Total Liabilities and Net Assets	$ 436,806	$ 1,921,240	$ 2,358,046	$ 141,924,949	$ 286,134	$ 8,695,505	$ (6,436,097)	$ 146,828,537

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013

	Brittany Farms	Other HSC Community Services, Inc. Subsidiaries	HSC Community Services, Inc. Consolidated	Hospital for Special Care	Center of Special Care, Inc.	Hospital for Special Care Foundation, Inc.	Elimination	Consolidated
ASSETS								
Current assets								
Cash and cash equivalents	$ 836,146	$ 481,466	$ 1,317,612	$ 11,981,558	$ 259,059	$ 3,999,070	$ -	$ 17,557,299
Accounts receivable, less allowance of $2,606,404	950,420	20,585	971,005	13,361,304	-	-	-	14,332,309
Pledges receivable, net of allowance of $35,862	-	35,785	35,785	-	-	460,804	-	496,589
Prepaid sinking fund	-	-	-	1,458,737	-	-	-	1,458,737
Prepaid expenses and other assets	379,175	3,140	382,315	1,597,563	-	3,150	-	1,983,028
Inventories of supplies	-	-	-	571,146	-	-	-	571,146
Due from affiliates	-	14,555	14,555	675,717	-	-	(690,272)	-
Total current assets	2,165,741	555,531	2,721,272	29,646,025	259,059	4,463,024	(690,272)	36,399,108
Other assets								
Investments	-	-	-	36,868,949	-	6,870,055	-	43,739,004
Pledges receivable, net of allowance and discount of $38,438, less current portion	-	-	-	-	-	291,672	-	291,672
Investments in Foundation	49,209	385,954	435,163	9,012,164	-	-	(9,447,327)	-
Debt Service Reserve Fund	-	-	-	7,109,200	-	-	-	7,109,200
Debt obligations issuance expense, net of amortization	-	-	-	2,532,871	-	-	-	2,532,871
Insurance funds	40,000	-	40,000	1,904,601	-	-	-	1,944,601
Other assets	-	-	-	4,889,488	-	-	-	4,889,488
Total other assets	89,209	385,954	475,163	62,317,273	-	7,161,727	(9,447,327)	60,506,836
Property, plant and equipment, net	-	989,184	989,184	41,907,746	-	-	-	42,896,930
Total Assets	$ 2,254,950	$ 1,930,669	$ 4,185,619	$ 133,871,044	$ 259,059	$ 11,624,751	$ (10,137,599)	$ 139,802,874

(Continued on next page)

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
MARCH 31, 2013

	Brittany Farms	Other HSC Community Services, Inc. Subsidiaries	HSC Community Services, Inc. Consolidated	Hospital for Special Care	Center of Special Care, Inc.	Hospital for Special Care Foundation, Inc.	Elimination	Consolidated
LIABILITIES AND NET ASSETS								
Current liabilities								
Current portion of long-term debt	$ -	$ -	$ -	$ 890,000	$ -	$ -	$ -	$ 890,000
Accounts payable	333,708	26,232	359,940	2,501,614	-	-	-	2,861,554
Salaries, wages, payroll taxes and amounts withheld from employee compensation	-	-	-	7,511,220	-	-	-	7,511,220
Accrued insurance costs	167,733	-	167,733	3,516,077	-	-	-	3,683,810
Due to affiliates	673,216	5,773	678,989	-	-	11,283	(690,272)	-
Accrued interest and other liabilities	210,855	44,466	255,321	4,679,182	-	66,210	-	5,000,713
Total current liabilities	1,385,512	76,471	1,461,983	19,098,093	-	77,493	(690,272)	19,947,297
Long-term liabilities								
Long-term debt, less current portion	-	926,696	926,696	52,365,000	-	-	-	53,291,696
Accrued pension cost	-	-	-	3,352,678	-	-	-	3,352,678
Other long-term liabilities	-	-	-	4,889,487	-	-	-	4,889,487
Total long-term liabilities	-	926,696	926,696	60,607,165	-	-	-	61,533,861
Net assets								
Unrestricted net assets	824,907	275,149	1,100,056	48,201,839	259,059	2,326,589	(226,658)	51,660,885
Temporarily restricted net assets	24,486	652,353	676,839	5,527,923	-	8,764,600	(8,764,600)	6,204,762
Permanently restricted net assets	20,045	-	20,045	436,024	-	456,069	(456,069)	456,069
Total net assets	869,438	927,502	1,796,940	54,165,786	259,059	11,547,258	(9,447,327)	58,321,716
Total Liabilities and Net Assets	$ 2,254,950	$ 1,930,669	$ 4,185,619	$ 133,871,044	$ 259,059	$ 11,624,751	$ (10,137,599)	$ 139,802,874

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2014

	Brittany Farms	Other HSC Community Services, Inc Subsidiaries	HSC Community Services, Inc Consolidated	Hospital for Special Care	Center of Special Care, Inc	Hospital for Special Care Foundation, Inc	Elimination	Consolidated
Revenues								
Net revenues from services to patients	$ -	$ 161 958	$ 161 958	$ 89 284 308	$ -	$ -	$ (121 613)	$ 89 324 653
Other operating revenues	-	478 514	478 514	3 045 830	-	39 633	(167 132)	3 396 845
Bad debts	-	(216)	(216)	(44 197)	-	-	-	(44 413)
Net assets released from restrictions	-	6 388	6 388	-	-	303 510	-	309 898
Total revenues	-	646 644	646 644	92 285 941	-	343 143	(288 745)	92 986 983
Operating expenses								
Salaries wages and employees benefits	-	473 659	473 659	68 296 375	-	326 789	(121 613)	68 975 210
Supplies and other	-	292 458	292 458	18 600 226	-	444 024	(232 706)	19 104 002
Interest	-	-	-	2 212 451	-	-	-	2 212 451
Depreciation and amortization	-	41 716	41 716	3 589 219	-	-	-	3 630 935
Total operating expenses	-	807 833	807 833	92 698 271	-	770 813	(354 319)	93 922 598
Income (loss) from operations	-	(161 189)	(161 189)	(412 330)	-	(427 670)	65 574	(935 615)
Nonoperating gains								
Other income primarily investment income	-	3 083	3 083	3 406 019	16 030	83 659	196 177	3 704 968
Excess (deficiency) of revenues over expenses	-	(158 106)	(158 106)	2 993 689	16 030	(344 011)	261 751	2 769 353
Other changes in unrestricted net assets								
Change in equity interest in Foundation	-	28 160	28 160	304 144	-	-	(332 304)	-
Change in net unrealized gains on investments	-	-	-	23 914	11 045	49 871	70 543	155 373
Net assets released for capital additions	-	289 318	289 318	7 150 335	-	-		7 439 653
Change in minimum pension liability	-	-	-	1 596 052	-	-	-	1 596 052
Transfer among affiliates	-	(138 078)	(138 078)	(359 722)	-	497 800	-	-
Increase in unrestricted net assets	-	21 294	21 294	11 708 412	27 075	203 660	(10)	11 960 431
Temporarily restricted net assets								
Contributions	-	239 812	239 812	1 484 270	-	957 600	(136 378)	2 545 304
Net realized gains on investments	-	602	602	-	-	415 919	(196 177)	220 344
Change in net unrealized gains on investments	-	-	-	-	-	149 560	(70 543)	79 017
Change in equity interest in Foundation	-	10 061	10 061	(4 862 586)	-	-	4 852 525	-
Net assets released from restrictions used for purchase of capital	-	(289 318)	(289 318)	(1 410 227)	-	(5 740 108)	-	(7 439 653)
Net assets released from restrictions used for operations	-	(6 388)	(6 388)	-	-	(303 510)	71 112	(238 786)
Transfer of assets to another entity	-	-	-	-	-	(30 133)	-	(30 133)
Decrease in temporarily restricted net assets	-	(45 231)	(45 231)	(4 788 543)	-	(4 550 672)	4 520 539	(4 863 907)
Permanently restricted net assets								
Contributions	-	-	-	-	-	3 287	-	3 287
Transfer of assets to another entity	-	-	-	-	-	(20 045)	-	(20 045)
Change in equity interest in Foundation	-	-	-	3 287	-	-	(3 287)	-
Increase (decrease) in permanently restricted net assets	-	-	-	3 287	-	(16 758)	(3 287)	(16 758)
Change in total net assets from continuing operations	-	(23 937)	(23 937)	6 923 156	27 075	(4 363 770)	4 517 242	7 079 766
Loss from discontinued operations	(826 741)	-	(826 741)	-	-	-	50 178	(776 563)
Net assets - beginning of year	869 438	927 502	1 796 940	54 165 786	259 059	11 547 258	(9 447 327)	58 321 716
Net Assets - End of Year	$ 42 697	$ 903 565	$ 946 262	$ 61 088 942	$ 286 134	$ 7 183 488	$ (4 879 907)	$ 64 624 919

CENTER OF SPECIAL CARE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2013

	Brittany Farms	Other HSC Community Services, Inc Subsidiaries	HSC Community Services, Inc Consolidated	Hospital for Special Care	Center of Special Care, Inc	Hospital for Special Care Foundation, Inc	Elimination	Consolidated
Revenues								
Net revenues from services to patients	$ -	$ 151 487	$ 151 487	$ 88 288 366	$ -	$ -	$ (118 269)	$ 88 321 584
Other operating revenues	-	580 965	580 965	2 739 727	-	11 544	(251 535)	3 080 701
Bad debts	-	(603)	(603)	(231 687)	-	-	-	(232 290)
Net assets released from restrictions	-	5 132	5 132	-	-	378 807	-	383 939
Total revenues	-	736 981	736 981	90 796 406	-	390 351	(369 804)	91 553 934
Operating expenses								
Salaries wages and employees benefits	-	514 154	514 154	66 170 734	-	422 992	(118 269)	66 989 611
Supplies and other	-	396 165	396 165	17 924 568	-	724 783	(201 208)	18 844 308
Interest	-	-	-	2 240 750	-	-	-	2 240 750
Depreciation and amortization	-	90 920	90 920	3 343 696	-	-	-	3 434 616
Total operating expenses	-	1 001 239	1 001 239	89 679 748	-	1 147 775	(319 477)	91 509 285
Income (loss) from operations	-	(264 258)	(264 258)	1 116 658	-	(757 424)	(50 327)	44 649
Nonoperating gains (losses)								
Other income primarily investment income	-	324	324	1 568 638	172	(25 810)	(25 280)	1 518 044
Excess (deficiency) of revenues over expenses	-	(263 934)	(263 934)	2 685 296	172	(783 234)	(75 607)	1 562 693
Other changes in unrestricted net assets								
Change in equity interest in Foundation	-	2 550	2 550	203 492	-	-	(206 042)	-
Change in net unrealized gains on investments	-	-	-	1 948 897	-	150 569	280 995	2 380 461
Net assets released for capital additions	-	-	-	244 719	-	-	-	244 719
Change in minimum pension liability	-	-	-	147 722	-	-	-	147 722
Transfer to affiliates	-	448 903	448 903	(1 133 842)	-	684 939	-	-
Increase in unrestricted net assets	-	187 519	187 519	4 096 284	172	52 274	(654)	4 335 595
Temporarily restricted net assets								
Contributions	-	221 538	221 538	-	-	698 196	(127 272)	792 462
Net realized gains on investments	-	132	132	-	-	80 505	25 280	105 917
Net unrealized gains on investments	-	-	-	-	-	437 868	(280 995)	156 873
Change in equity interest in Foundation	-	(2 824)	(2 824)	412 211	-	-	(409 387)	-
Net assets released from restrictions used for purchase of capital	-	-	-	-	-	(244 719)	-	(244 719)
Net assets released from restrictions used for operations	-	(5 132)	(5 132)	-	-	(378 807)	177 600	(206 339)
Increase in temporarily restricted net assets	-	213 714	213 714	412 211	-	593 043	(614 774)	604 194
Permanently restricted net assets								
Contributions	-	-	-	-	-	248	-	248
Change in equity interest in Foundation	-	-	-	248	-	-	(248)	-
Increase in permanently restricted net assets	-	-	-	248	-	248	(248)	248
Change in total net assets from continuing operations	-	401 233	401 233	4 508 743	172	645 565	(615 676)	4 940 037
Loss on discontinued operations	(575 386)	-	(575 386)	-	-	-	21 731	(553 655)
Gain on sale	780 814	-	780 814	-	-	-	-	780 814
Net assets - beginning of year	664 010	526 269	1 190 279	49 657 043	258 887	10 901 693	(8 853 382)	53 154 520
Net Assets - End of Year	$ 869 438	$ 927 502	$ 1 796 940	$ 54 165 786	$ 259 059	$ 11 547 258	$ (9 447 327)	$ 58 321 716