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CHANGE OF ACCOUNTING PERIOD

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.

▶ 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 OCT 1, 2013 and ending JUN 30, 2014

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termin-ated
- ☐ Amended return
- ☐ Applica-tion pending

C Name of organization
New London Hospital Association, Inc.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) 273 County Road

Room/suite

City or town, state or province, country, and ZIP or foreign postal code New London, NH 03257

F Name and address of principal officer: Bruce King
same as C above

D Employer identification number 02-0222171

E Telephone number 603-526-2911

G Gross receipts $ 53,934,207.

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.newlondonhospital.org

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1918

M State of legal domicile: NH

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: NLHA is a rural community Critical Access Hospital with an extended care center.		
	2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	18
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	705
	6	Total number of volunteers (estimate if necessary)	6	133
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	120,686.
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	<16,752.>

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	919,293.	2,804,115.
	9	Program service revenue (Part VIII, line 2g)	53,564,090.	41,503,638.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	976,640.	938,070.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,994.	0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	55,462,017.	45,245,823.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	22,865.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	33,261,010.	26,212,056.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 283,765.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	23,666,236.	18,471,315.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	56,950,111.	44,683,371.
	19	Revenue less expenses. Subtract line 18 from line 12	<1,488,094.>	562,452.

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	61,121,031.	71,158,043.
	21	Total liabilities (Part X, line 26)	31,839,700.	34,522,401.
	22	Net assets or fund balances. Subtract line 21 from line 20	29,281,331.	36,635,642.

Part II Signature Block

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

Sign Here	▶ Signature of officer Donald J. Griffin	Date 05/14/2015
	▶ Donald Griffin, CFO Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name Barbara J. McGuan, CPA	Preparer's signature Barbara J. McGuan, C	Date 05/13/15	Check ☐ if self-employed	PTIN P00219457
	Firm's name ▶ Berry Dunn McNeil & Parker, LLC			Firm's EIN ▶	01-0523282
	Firm's address ▶ P.O. Box 1100 Portland, ME 04104-1100			Phone no.	(207) 775-2387

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

#

07 7

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:
New London Hospital is a 25-bed rural community Critical Access Hospital with a 58-bed long term extended care center dedicated to serving the Lake Sunapee region in central New Hampshire.

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 [X] 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 [X] 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 $ 25,793,745. including grants of $) (Revenue $ 29,972,981.)
Hospital services to patients: New London Hospital Association, Inc. (NLHA) is the principal provider of primary and secondary health care for 15 towns in Sullivan and Merrimack counties in New Hampshire. The hospital provides acute and primary health care - from emergency services to family medical practice to surgical care - and essential wellness and prevention services for the 34,000 residents in its service area, a significant proportion of whom are uninsured, underinsured and/or dependent on Medicaid/Medicare benefits. This includes a large elderly population and a significant number of rural, low-income families.

4b (Code) (Expenses $ 7,651,245. including grants of $) (Revenue $ 7,513,246.)
Physician practices: In a recent community health needs assessment access to primary care is identified as a central community need. As a result, the hospital is committed to providing care in central locations throughout the service area, specifically Newport and New London. NLHA employs forty-one providers. Twenty-three provide primary care including pediatrics, and eighteen are specialists covering general surgery, anesthesiology, orthopaedics, neurology, emergency medicine, hospitalists, gynecology, rheumatology, and ear, nose and throat.

4c (Code) (Expenses $ 2,756,329. including grants of $) (Revenue $ 4,017,411.)
Nursing Home: The Clough Center is a 58-bed extended nursing care facility located within New London Hospital. The Clough Center provides a warm and caring environment for its residents who benefit from health services personalized to meet their individual needs, including special meals, physical, occupational and speech therapy, personalized exercise sessions, and individual attention by highly skilled providers who have immediate access to the comprehensive services of a hospital and pharmacy.

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

4e Total program service expenses ▶ 36,201,319.

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	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
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		X
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	X	
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		X
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		X
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		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
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		X
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	X	
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	X	
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		X
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		X
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	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
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		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
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	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
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		X
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		X
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		X
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*	17		X
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	X	
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		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
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		X
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		X
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	X	
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	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
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		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
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		X
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		X
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		X
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		X
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		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
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		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
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		X
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		X
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	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
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		X
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		X
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	X	

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	186		
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	X	
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	705		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
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	X	
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		X
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		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
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		X
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	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
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		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
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?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
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		X
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 line 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 [X]

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 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.	1a	18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	11		
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			X
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		X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
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		X	
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		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
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			X

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		X
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		X
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	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
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	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
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	X	
b	Other officers or key employees of the organization	15b	X	
	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		X
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 ▶ NH

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

[ ] Own website [ ] Another's website [X] 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: ▶

Donald Griffin - 603-526-2911
273 County Road, New London, NH 03257

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, and 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 line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Anne Holmes	8.00									
Chair	0.00	X		X				0.	0.	0.
(2) Bruce P. King	50.00									
President & CEO	0.00	X		X				624.	373,960.	63,551.
(3) Celeste C. Cook	2.00									
Trustee	0.00	X						0.	0.	0.
(4) David Marshall	8.00									
Treasurer	0.00	X		X				0.	0.	0.
(5) Douglas W. Lyon	2.00									
Trustee	0.00	X						0.	0.	0.
(6) Jane Rastallis	2.00									
Trustee	0.00	X						0.	0.	0.
(7) John C. Ferries	2.00									
Trustee	0.00	X						0.	0.	0.
(8) John Kirk, MD	40.00									
President Elect of Med. Staff	0.00	X						176,751.	0.	7,393.
(9) John R. Butterly, MD	2.00									
Trustee	40.00	X						0.	556,033.	96,824.
(10) Kris Eschbach, DO	7.00									
Medical Staff President	0.00	X						0.	0.	0.
(11) Peter E. Hager	2.00									
Trustee	0.00	X						0.	0.	0.
(12) Robert M. Rex	2.00									
Trustee	0.00	X						0.	0.	0.
(13) Stanley I. Cundey, Jr.	8.00									
Secretary	0.00	X		X				0.	0.	0.
(14) Susan Reeves	8.00									
Vice Chair	40.00	X		X				0.	274,274.	69,640.
(15) Karen E. Ebel	2.00									
Trustee	0.00	X						0.	0.	0.
(16) Carolyn Kerrigan, MD	2.00									
Trustee	40.00	X						0.	492,192.	81,087.
(17) Stephen J. LeBlanc	2.00									
Trustee	40.00	X						0.	626,223.	45,575.

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 line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Daniel Jantzen, CPA	2.00									
Trustee	50.00	X						0.	619,596.	63,950.
(19) Donald J. Griffin	50.00									
Chief Financial Officer	0.00			X				153,886.	0.	12,204.
(20) James Murphy, MD	50.00									
Co-Chief Medical Officer	0.00			X				273,665.	0.	3,308.
(21) Margie Limmorison	50.00									
Past Co-Chief Nursing Officer	0.00			X				110,843.	0.	17,270.
(22) Sally Patton	50.00									
Co-Chief Nursing Officer	0.00			X				87,952.	0.	2,214.
(23) Steven Powell, MD MPH	50.00									
Co-Chief Medical Officer	0.00			X				468,883.	0.	18,314.
(24) Adnan Khan, MD	50.00									
Hospitalist	0.00					X		492,153.	0.	1,460.
(25) Donald A. Eberly, MD	50.00									
General Surgeon	0.00					X		302,138.	0.	7,565.
(26) Stephen Bissah, MD	50.00									
Hospitalist	0.00					X		335,663.	0.	18,146.
1b Sub-total								2,402,558.	2,942,278.	508,501.
c Total from continuation sheets to Part VII, Section A								614,589.	0.	21,212.
d Total (add lines 1b and 1c)								3,017,147.	2,942,278.	529,713.

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 ▶ 44

		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		X
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	X	
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		X

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
Dartmouth Hitchcock Clinic 1 Medical Center Drive, Lebanon, NH 03756	Physician Staffing & Lab Services	1,111,990.
Engelberth Construction Inc 428 Main St, Keene, NH 03431	Construction	921,522.
AHSA, LLC PO Box 945, Transverse City, MI 49685	Staffing	758,761.
New England Alliance for Health, LLC 1 Medical Center Drive, Lebanon, NH 03756	Management Services	705,152.
Upper Valley Neurology Neurosurgery PC 106 Hanover St., Lebanon, NH 03766	Physician Services	530,717.

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 ▶ 14

See Part VII, Section A Continuation sheets

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	47,854.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	142,915.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	2,613,346.				
	g Noncash contributions included in lines 1a-1f $ 18,440.						
	h **Total.** Add lines 1a-1f		▶	2,804,115.			
Program Service Revenue		Business Code					
	2a Patient Revenue	621400		73,732,901.	73,732,901.		
	b Physician Services	621110		1,724,526.	1,724,526.		
	c Other Revenue	900099		375,228.	254,542.	120,686.	
	d Provision for Bad Debts	621400		<1,866,674.>	<1,866,674.>		
	e Contractual/Char. Adj.	621400		<32,462,343.>	<32,462,343.>		
	f All other program service revenue						
	g **Total.** Add lines 2a-2f		▶	41,503,638.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		▶	319,127.			319,127.
	4 Income from investment of tax-exempt bond proceeds		▶				
	5 Royalties		▶				
		(i) Real	(ii) Personal				
	6a Gross rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)		▶				
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	9,270,976.					
	b Less: cost or other basis and sales expenses	8,652,033.					
	c Gain or (loss)	618,943.					
	d Net gain or (loss)		▶	618,943.			618,943.
	8a Gross income from fundraising events (not including $ 47,854. of contributions reported on line 1c). See Part IV, line 18	a	36,351.				
	b Less: direct expenses	b	36,351.				
	c Net income or (loss) from fundraising events		▶	0.			
	9a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities		▶				
	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						
	b						
	c						
	d All other revenue						
	e **Total.** Add lines 11a-11d		▶				
	12 **Total revenue.** See instructions.		▶	45,245,823.	41,382,952.	120,686.	938,070.

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				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,466,934.	634,359.	832,575.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	20,070,310.	16,088,143.	3,774,895.	207,272.
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	3,235,361.	2,593,430.	608,366.	33,565.
10 Payroll taxes	1,439,451.	1,153,848.	270,252.	15,351.
11 Fees for services (non-employees):				
a Management	368,820.	295,642.	73,178.	
b Legal	191,325.	153,364.	37,961.	
c Accounting	65,718.	52,679.	13,039.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	47,068.	37,729.	9,339.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	3,994,295.	3,201,784.	792,511.	
12 Advertising and promotion	113,750.	91,181.	16,282.	6,287.
13 Office expenses	1,636,120.	1,311,496.	310,052.	14,572.
14 Information technology	1,001,679.	802,935.	198,744.	
15 Royalties				
16 Occupancy	1,113,652.	892,691.	217,724.	3,237.
17 Travel	75,966.	60,894.	11,678.	3,394.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	107,324.	86,030.	21,207.	87.
20 Interest	659,333.	528,514.	130,819.	
21 Payments to affiliates	133,176.	106,752.	26,424.	
22 Depreciation, depletion, and amortization	2,702,759.	2,166,502.	536,257.	
23 Insurance	533,513.	427,658.	105,855.	
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 Medicaid Enhancement Ta	1,852,497.	1,852,497.		
b Medical Supplies	1,409,199.	1,409,199.		
c Drugs and Pharmaceutica	1,401,019.	1,401,019.		
d Other	1,064,102.	852,973.	211,129.	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	44,683,371.	36,201,319.	8,198,287.	283,765.
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		3,167,830.	1	3,867,141.
	2	Savings and temporary cash investments		2,037,303.	2	357,302.
	3	Pledges and grants receivable, net		85,719.	3	47,711.
	4	Accounts receivable, net		6,722,367.	4	7,105,551.
	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 instr). Complete Part II of Sch L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,022,833.	8	969,944.
	9	Prepaid expenses and deferred charges		815,350.	9	1,302,965.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 81,047,172.			
	b	Less: accumulated depreciation	10b 42,447,527.	31,782,186.	10c	38,599,645.
	11	Investments - publicly traded securities		11,444,575.	11	10,435,104.
	12	Investments - other securities. See Part IV, line 11			12	
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets		292,506.	14	2,601,222.
	15	Other assets. See Part IV, line 11		3,750,362.	15	5,871,458.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		61,121,031.	16	71,158,043.
Liabilities	17	Accounts payable and accrued expenses		6,387,588.	17	5,040,568.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		15,855,000.	20	17,923,481.
	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		94,738.	23	55,982.
	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		9,502,374.	25	11,502,370.
	26	**Total liabilities.** Add lines 17 through 25		31,839,700.	26	34,522,401.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		26,843,022.	27	32,075,811.
	28	Temporarily restricted net assets		385,793.	28	318,239.
	29	Permanently restricted net assets		2,052,516.	29	4,241,592.
		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		29,281,331.	33	36,635,642.
	34	Total liabilities and net assets/fund balances		61,121,031.	34	71,158,043.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	45,245,823.
2	Total expenses (must equal Part IX, column (A), line 25)	2	44,683,371.
3	Revenue less expenses. Subtract line 2 from line 1	3	562,452.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	29,281,331.
5	Net unrealized gains (losses) on investments	5	293,248.
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	6,498,611.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	36,635,642.

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 [X] 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		X
	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	X	
	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 [X] 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	X	
	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		X
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		

SCHEDULE A
(Form 990 or 990-EZ)

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.

▶ 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	Employer identification number
New London Hospital Association, Inc.	02-0222171

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 section 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 from 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 section 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).

Schedule A, Part I:

Explanation: Effective October 1, 2013, the Association became an affiliate of Dartmouth-Hitchcock Health. As a result of this affiliation, the Association has changed its fiscal year from September 30 to June 30.

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 organization	Employer identification number
New London Hospital Association, Inc.	02-0222171

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

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

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

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

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

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

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

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					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) 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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		9,364.
j Total. Add lines 1c through 1i			9,364.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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.

Part II-B, Line 1, Lobbying Activities:

Explanation: Per information provided by the NH Hospital Association (NHHA), the NHHA percentage of dues expended for lobbying purposes was 23.45%.

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.
▶ 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
New London Hospital Association, Inc.

Employer identification number
02-0222171

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)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

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 Tax 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	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	2,052,516.	2,002,989.	1,890,475.	1,928,036.	1,870,163.
b	Contributions	2,117,600.				
c	Net investment earnings, gains, and losses	185,482.	172,073.	227,326.	77,754.	90,988.
d	Grants or scholarships					
e	Other expenditures for facilities and programs	89,536.	104,101.	96,967.	90,305.	30,386.
f	Administrative expenses	24,468.	18,445.	17,845.	25,010.	2,729.
g	End of year balance	4,241,594.	2,052,516.	2,002,989.	1,890,475.	1,928,036.

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

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ 100.00 %
c Temporarily restricted endowment ▶ _____ %

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

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

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

Part VI Land, Buildings, and Equipment.

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		1,660,103.		1,660,103.
b Buildings		44,633,225.	15,954,929.	28,678,296.
c Leasehold improvements		441,889.	343,844.	98,045.
d Equipment		33,449,752.	25,334,447.	8,115,305.
e Other		862,203.	814,307.	47,896.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				38,599,645.

Schedule D (Form 990) 2013

332052
09-25-13

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		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (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)	Due from Affiliate	602,313.
(2)	Other Assets	6,066.
(3)	Deferred Compensation Plan Assets	1,395,354.
(4)	Beneficial Interest in Perpetual Trust	1,750,125.
(5)	Contributions Receivable from Charitable Trust	2,117,600.
(6)		
(7)		
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶		5,871,458.

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
(1)	Federal income taxes	
(2)	Charitable Gift Annuities	21,650.
(3)	Capital Lease Obligations	1,181,581.
(4)	Other Liabilities	20,000.
(5)	Interest Rate Swap	3,310,161.
(6)	Estimated Third-Party Payor	
(7)	Settlements	5,573,624.
(8)	Deferred Compensation	1,395,354.
(9)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶		11,502,370.

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a

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

Part XIII Supplemental Information.

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

Part V, line 4:

Explanation: The income from the Endowment Funds is used to assist in the payment of the Hospital's program-related expenses.

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.

▶ **Attach to Form 990 or Form 990-EZ.**

▶ Information about Schedule G (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: New London Hospital Association, Inc.

Employer identification number: 02-0222171

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17 Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

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

		(a) Event #1 Golf Tournament (event type)	(b) Event #2 Hospital Gala (event type)	(c) Other events None (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	46,180.	38,025.		84,205.
	2 Less: Contributions	29,482.	18,372.		47,854.
	3 Gross income (line 1 minus line 2)	16,698.	19,653.		36,351.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	1,500.			1,500.
	6 Rent/facility costs	13,950.	3,873.		17,823.
	7 Food and beverages		12,839.		12,839.
	8 Entertainment				
	9 Other direct expenses	1,248.	2,941.		4,189.
	10 Direct expense summary. Add lines 4 through 9 in column (d)			▶	36,351.
	11 Net income summary. Subtract line 10 from line 3, column (d)			▶	0.

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

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d)			▶	
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)			▶	

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

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

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

13 Indicate the percentage of gaming activity operated in:

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

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

Name ▶ _____

Address ▶ _____

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

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

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

Name ▶ _____

Address ▶ _____

16 Gaming manager information

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

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

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

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

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: New London Hospital Association, Inc.

Employer identification number: 02-0222171

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	X	
b	If "Yes," was it a written policy?	1b	X	
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	X	
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 _____ %	3b	X	
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	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a	Did the organization prepare a community benefit report during the tax year?	6a	X	
b	If "Yes," did the organization make it available to the public?	6b	X	

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)			978,910.		978,910.	2.19%
b Medicaid (from Worksheet 3, column a)			4,654,129.	3,886,613.	767,516.	1.72%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			5,633,039.	3,886,613.	1,746,426.	3.91%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			124,868.		124,868.	.28%
f Health professions education (from Worksheet 5)			48,309.		48,309.	.11%
g Subsidized health services (from Worksheet 6)			3,834,277.		3,834,277.	8.58%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			9,148.		9,148.	.02%
j **Total.** Other Benefits			4,016,602.		4,016,602.	8.99%
k **Total.** Add lines 7d and 7j			9,649,641.	3,886,613.	5,763,028.	12.90%

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements			19,198.		19,198.	.04%
5	Leadership development and training for community members						
6	Coalition building			65,889.		65,889.	.15%
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	Total			85,087.		85,087.	.19%

Part III Bad Debt, Medicare, & Collection Practices

				Yes	No
Section A. Bad Debt Expense					
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		1	X	
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 1,028,345.			
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 20,577.			
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 11,961,389.			
6	Enter Medicare allowable costs of care relating to payments on line 5	6 12,705,742.			
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7 <744,353.>			
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	X	
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	X	

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 %

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number	Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 New London Hospital 273 County Road New London, NH 03257					X					

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group New London Hospital Association

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	X	
If "Yes," indicate what the CHNA report describes (check all that apply)			
a [X] A definition of the community served by the hospital facility			
b [X] Demographics of the community			
c [X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d [X] How data was obtained			
e [X] The health needs of the community			
f [X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g [X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h [X] The process for consulting with persons representing the community's interests			
i [X] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j [ ] Other (describe in Section C)			
2 Indicate the tax year the hospital facility last conducted a CHNA: 20 11			
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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	4	X	
5 Did the hospital facility make its CHNA report widely available to the public?	5	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a [X] Hospital facility's website (list url): www.newlondonhospital.org			
b [ ] Other website (list url):			
c [X] Available upon request from the hospital facility			
d [ ] Other (describe in Section C)			
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 [X] Other (describe in Section C)			
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	7	X	
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		X
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)* New London Hospital Association

			Yes	No
Financial Assistance Policy				
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 200 %			
	If "No," explain in Section C the criteria the hospital facility used			
11	Used FPG to determine eligibility for providing *discounted* care?	11	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 400 %			
	If "No," explain in Section C the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients?	12	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	[X] Income level			
b	[X] Asset level			
c	[ ] Medical indigency			
d	[ ] Insurance status			
e	[ ] Uninsured discount			
f	[X] Medicaid/Medicare			
g	[X] State regulation			
h	[ ] Residency			
i	[ ] Other (describe in Section C)			
13	Explained the method for applying for financial assistance?	13	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	[X] 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	[X] The policy was provided, in writing, to patients on admission to the hospital facility			
f	[X] The policy was available on request			
g	[ ] Other (describe in Section C)			
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	X	
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		X
	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)* New London Hospital Association

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

- a [X] Notified individuals of the financial assistance policy on admission
- b [X] Notified individuals of the financial assistance policy prior to discharge
- c [X] Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d [X] 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	X	

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 Section C)
- d [ ] Other (describe in Section C)

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 [X] 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 [X] Other (describe in Section C)

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? If "Yes," explain in Section C.	21		X
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? If "Yes," explain in Section C.	22		X

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.

New London Hospital Association:

Part V, Section B, Line 3: The most recent Community Needs Assessment was completed in May 2012. The New London Hospital Association Inc. worked with the Crescendo Consulting Group to bring together key healthcare and public stakeholders to elicit feedback on our local community needs. Input was received from persons who represent the broad interests of the community served by the hospital facility. This group included those with special knowledge of or expertise in public health, community opinion leaders (a diverse set of service providers) and healthcare consumers.

New London Hospital Association:

Part V, Section B, Line 4: The New London Hospital Association Inc. conducted their community health needs assessment in collaboration with Valley Regional Hospital.

New London Hospital Association:

Part V, Section B, Line 6i: During 2013, the Hospital commenced the development of a framework and strategic plan to guide the design, development and implementation of New London Hospital's Population Health Improvement Initiative. The initiative seeks to roll out health promoting activities and will leverage on the good work of community organizations that currently exist, build new capacity to address gaps relative to health priorities and issues, and formalize a process for addressing

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.

future population health improvement initiatives.

New London Hospital Association:

Part V, Section B, Line 20d: The New London Hospital Association Inc. extends a 25% discount from gross charges to uninsured patients, which approximates the average of its three lowest negotiated commercial insurance rates.

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? 1

Name and address	Type of Facility (describe)
1 Newport Health Center 11 John Stark Hwy Newport, NH 03773	Clinic

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.

Part I, Line 7g:

Explanation: The Hospital is dedicated to serving and supporting the community it serves by ensuring access to programs that could not be provided without the organization subsidizing their services. In FY 2014, the Hospital subsidized health care to the community in the amount of $3,834,277. This included support for primary care services, the medication bridge program, ambulance services and mental health services.

With a focus on wellness, primary care is of the utmost importance to our patients and their families. The Organization has locations for primary care in New London and Newport, NH to expand access within the communities we serve. Costs incurred for subsidizing primary care by the Hospital, were over $3.4 million dollars for fiscal year 2014.

Due to limited access to mental health services within our service area, the Hospital expanded its programs to include mental health services. These services were provided at a cost of $202,842 for fiscal year 2014.

Part VI Supplemental Information *(Continuation)*

The ambulance service provides advanced life support services seven days a week, 24 hours a day to towns within our service area that would not otherwise have access to emergency medical transport. The ambulance responded to over 564 emergency calls in fiscal year 2014 at a cost of over $121,000 to the Hospital.

The cost of prescription drugs is often beyond the means of many of residents in our community. The Hospital supports the medication bridge program which works with uninsured and underinsured patients to assist them in accessing prescription medication. Over 90 patients received assistance under this program, at a cost of $20,000 to the Hospital.

Part II, Community Building Activities:

Explanation: The Hospital participates in a wide variety of community building activities including community support and community health improvement advocacy. The Hospital supports many local service agencies through the participation of members of its management team on committees and boards. The Hospital subsidizes the cost of operations for the ABC'S Childcare Center, which provides high quality childcare at affordable prices. The childcare center is open to full and part time employees of the Organization and to the community to provide a nurturing, safe and stimulating environment for the children of our community to grow and learn.

Part III, Line 4:

Explanation: Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations

and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

The Association's allowance for doubtful accounts for self-pay patients increased from 85% of self-pay accounts receivable at September 30, 2012, to 86% of self-pay accounts receivable at June 30, 2014. In addition, the Association's self-pay accounts receivable decreased from approximately $1,670,000 at September 30, 2013 to $1,422,000 at June 30, 2014. The Association has not changed its free care or uninsured discount policies during 2014. The Association does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors. The Association recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the service rendered. For uninsured patients that do not qualify for free care, the Association recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a portion of the Association's uninsured patients will be unable to or unwilling to pay for the services provided. Thus, the Association records a significant provision for bad debts related to uninsured patients in the period the services are provided.

The Hospital used the cost-to-charge ratio for reporting the bad debt expense at cost.

The estimate of bad debt attributable to charity care was based upon an internal review of records and specific information available for individual patients. The Hospital provides information about financial assistance policies upon admission, prior to discharge and throughout the billing process. Although the Hospital works diligently to provide financial options to patients, a small number of patients do not provide the information necessary to complete the financial aid application. Patients who do not respond to repeated attempts for assistance may be classified as bad debt due to insufficient information on eligibility for financial assistance programs. The Hospital did not include these amounts within its community benefit reporting due to the fact that adherence with the organizations charity care criteria could not be determined.

Part III, Line 9b:

Explanation: Information concerning the Organization's financial assistance policy is available from a variety of sources from the website, upon admission and throughout the billing process. The Collection Coordinator is responsible for reviewing returned financial assistance applications, assisting patients with securing information necessary to complete the applications, evaluating the applications and making recommendations to the Director of Patient Business Services and/or the Chief Financial Officer, when applicable. The Collection Coordinator will notify patients of their eligibility and work with them to address any remaining balances. If a patient does not meet eligibility requirements for free or discounted care, the organization will work with the patient to create an installment plan that will allow payment over time of patient balances.

Part VI, Line 2:

Explanation: The Affordable Care Act of 2010 requires not-for-profit hospitals to conduct Community Health Needs Assessments every three years. The Organization completed its most recent Community Health Needs Assessment in May of 2012 in collaboration with Valley Regional Hospital with the help of Crescendo Consulting Group. Focus group discussions were held to elicit feedback from community members, public service officials and healthcare experts to identify community needs and prioritize the needs for our local community.

The prioritization of community needs identified in the Community Needs Assessment include the following:

1. availability of affordable healthcare, prescriptions and related services
2. communication between healthcare providers and other community service provides regarding the breadth of services available
3. primary care physician availability
4. drug and alcohol detection and treatment
5. insurance coverage rates
6. chronic disease screenings
7. coordination of care amongst provider organizations
8. dementia spectrum issues/elder care services
9. obesity, nutrition, exercise education and services.

Part VI, Line 3:

Explanation: The Organization strives to educate patients on the

availability of financial assistance in a variety of forums to widely publicize the programs and encourage patients to apply for assistance they may be eligible for. The Organization posts information in regards to financial assistance on the Hospital's website, upon admission, upon request and throughout the billing process to inform patients of assistance that may be available to them.

Part VI, Line 4:

Explanation: The New London Hospital Association Inc. (NLHA) is the principal provider of primary and secondary healthcare for 15 towns in Sullivan and Merrimack counties in New Hampshire. The towns within our service area include: Andover, Bradford, Croydon, Danbury, Goshen, Grantham, Lempster, New London, Newbury, Newport, Springfield, Sunapee, Sutton, Washington and Wilmot. The services area has a population of 32,868 (per 2010 census) which approximates about 2.5% of New Hampshire's population. The percent of families living below the poverty level in New London's service area was approximately 11.8% compared to an 8.6% for the State of New Hampshire.

Part VI, Line 5:

Explanation: The New London Hospital Association Inc. is dedicated to improving the health and well-being of our community and the people we serve. The Organization provides a wide array of services ranging from health education to subsidizing health services and access to care, to community building activities which improve the quality of life for all of those within our service area.

The Organization provides health education classes including safe sitter,

smoking cessation, healthy lifestyle, and programs to support new parents. Additional classes include CPR, EMS and health care provider education to allow emergency medical training to residents of our community.

Many services provided by the Organization are subsidized to sustain necessary services for the community. Primary care is an area that has been identified as a community need in the most recent community benefit report. The Organization not only subsidized these services but also expanded access to care by increasing hours and locations within our community. Services include expanded hours of clinics, on site treatment at community locations and outreach programs at Hospital sponsored events. The Hospital also participates in the medication bridge program which allows access to necessary prescriptions that would otherwise be cost prohibitive to our patients. Financial assistance and charity care programs strive to remove financial barriers to care and encourage patients to seek regular medical care and focus upon wellness.

The Organization supports many local community organizations with programs outside the scope of services provided by the Hospital with both in-kind and monetary donations. The Hospital subsidizes the ABC's childcare program to provide a safe, nurturing atmosphere where children can grow and learn and parents can feel confident that their children are well taken care of.

During 2013 the Organization partnered with Dartmouth-Hitchcock to create a new Accountable Care Organization (ACO) with a focus on improving the experience of care, improving quality and reducing cost. The Organization received clearance from the Attorney General and the Charitable Trusts

Part VI | **Supplemental Information** *(Continuation)*

Unit to proceed with affiliation with Dartmouth-Hitchcock during FY 2013. The affiliation will enhance and expand services available to the community while providing the highest quality personalized care.

Part VI, Line 7, List of States Receiving Community Benefit Report:

NH

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" on 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: New London Hospital Association, Inc.

Employer identification number: 02-0222171

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification 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 on 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 X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2 X	
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	X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations 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	X
b	Any related organization?	5b	X
	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	X
b	Any related organization?	6b	X
	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	X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
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				
(1) Bruce P. King	(i)	0.	0.	624.	0.	0.	624.	0.
President & CEO	(ii)	313,392.	0.	60,568.	43,125.	20,426.	437,511.	0.
(2) John Kirk, MD	(i)	172,133.	0.	4,618.	0.	7,393.	184,144.	0.
President Elect of Med. Staff	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) John R. Butterly, MD	(i)	0.	0.	0.	0.	0.	0.	0.
Trustee	(ii)	504,542.	0.	51,491.	75,500.	21,324.	652,857.	0.
(4) Susan Reeves	(i)	0.	0.	0.	0.	0.	0.	0.
Vice Chair	(ii)	249,199.	200.	24,875.	49,790.	19,850.	343,914.	0.
(5) Carolyn Kerrigan, MD	(i)	0.	0.	0.	0.	0.	0.	0.
Trustee	(ii)	390,874.	65,549.	35,769.	59,915.	21,172.	573,279.	0.
(6) Stephen J. LeBlanc	(i)	0.	0.	0.	0.	0.	0.	0.
Trustee	(ii)	478,986.	0.	147,237.	25,250.	20,325.	671,798.	0.
(7) Daniel Jantzen, CPA	(i)	0.	0.	0.	0.	0.	0.	0.
Trustee	(ii)	515,734.	200.	103,662.	43,625.	20,325.	683,546.	0.
(8) Donald J. Griffin	(i)	152,167.	0.	1,719.	0.	12,204.	166,090.	0.
Chief Financial Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) James Murphy, MD	(i)	270,893.	0.	2,772.	0.	3,308.	276,973.	0.
Co-Chief Medical Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) Steven Powell, MD MPH	(i)	467,263.	1,200.	420.	0.	18,314.	487,197.	0.
Co-Chief Medical Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) Adnan Khan, MD	(i)	490,775.	1,000.	378.	0.	1,460.	493,613.	0.
Hospitalist	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) Donald A. Eberly, MD	(i)	299,366.	0.	2,772.	0.	7,565.	309,703.	0.
General Surgeon	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) Stephen Bissah, MD	(i)	334,243.	1,000.	420.	0.	18,146.	353,809.	0.
Hospitalist	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) Thomas F. Lucas, MD	(i)	306,096.	0.	1,710.	0.	17,603.	325,409.	0.
Anesthesiologist	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) Kenneth D. Call, MD	(i)	303,777.	1,200.	1,806.	0.	3,609.	310,392.	0.
Physician	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							

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

Schedule J, Part II:

Explanation: Bruce P. King, CEO is paid by Mary Hitchcock Memorial Hospital (MHMH), an affiliated organization. New London Hospital (NLHA) purchases Mr. King's services from MHMH. Compensation amounts disclosed on Form 990 & Schedule J for Mr. King represent earnings from MHMH and taxable fringe benefits directly provided to Mr. King from NLHA.

Mr. King also received club dues of $476 during the year from MHMH, which was included in his compensation.

John R. Butterly, MD, Stephen J. LeBlanc, MD, Daniel Jantzen, CPA, Susan Reeves, & Carolyn Kerrigan are all on the Board of Trustees for New London Hospital, but are employees of our affiliated group. Compensation for these individuals represents earnings from that affiliated group, not New London Hospital.

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on 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: New London Hospital Association, Inc.

Employer identification number: 02-0222171

Part I Bond Issues

See Part VI for Column (f) Continuations

	(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) Pooled financing Yes	(i) Pooled financing No
A	NH Health and Education Facilities Authority	02-0279866	None	10/24/13	25,000,000.	To refinance 2007 Bonds & finance		X		X		X
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	175,420.			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	25,000,000.			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	355,400.			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	2,250,000.			
11	Other spent proceeds				
12	Other unspent proceeds	6,901,099.			
13	Year of substantial completion				

		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							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?		X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?	X							
c No rebate due?		X						
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X							
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X							
b Name of provider	Morgan Stanley							
c Term of hedge	30.0000000							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

	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							

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

Schedule K, Part I, Bond Issues:
(a) Issuer Name: NH Health and Education Facilities Authority
(f) Description of Purpose:
To refinance 2007 Bonds & finance construction of health center building

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 990-EZ 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: New London Hospital Association, Inc.

Employer identification number: 02-0222171

Form 990, Part III, Line 1, Description of Organization Mission:

New London Hospital provides safe quality care for every patient, every time in partnership with patients, families and healthcare providers.

Form 990, Part VI, Section A, line 3:

Explanation: Mr. Bruce King, CEO, of New London Hospital Association (NLHA) is an employee of Mary Hitchcock Memorial Hospital (MHMH). NLHA purchases Mr. King's services from MHMH.

Form 990, Part VI, Section A, line 4:

Explanation: The New London Hospital Association, Inc. amended and restated its by-laws in October of 2013 as part of its affiliation with Dartmouth-Hitchcock Health.

Form 990, Part VI, Section A, line 6:

Explanation: The sole member of the Corporation is Dartmouth-Hitchcock Health, a New Hampshire non-profit corporation.

Form 990, Part VI, Section A, line 7a:

Explanation: The Member of the Corporation has the power to appoint 1/3 of the NLHA Board of the Trustees and must ratify the nomination of 2/3 of the members of the Board of Trustees.

Form 990, Part VI, Section A, line 7b:

Explanation: The Member has certain reserved powers which require the Organization to obtain approval of the Member.

Name of the organization: New London Hospital Association, Inc.

Employer identification number: 02-0222171

Form 990, Part VI, Section B, line 11:

Explanation: NLHA posted a copy of the Form 990 on its trustee intranet site and solicited trustee comments before filing the return. The Schedule B provided did not include the names of the donors.

Form 990, Part VI, Section B, Line 12c:

Explanation: Each year, as part of the preparation process for the Form 990, a written conflict of interest survey is sent to each Trustee inquiring about situations that could result in conflicts of interest.

Form 990, Part VI, Section B, Line 15:

Explanation: The CEO's compensation is determined by the New London Hospital Association (NLHA) Executive Committee and Mary Hitchcock Memorial Hospital, the CEO's employer, after considering compensation for CEOs of various sized hospitals in the region. Compensation levels for all other officers and key employees are reviewed periodically by NLHA's Senior Director of Human Resources and the CEO of NLHA. These reviews include comparisons of compensation levels to independent salary survey data for comparable positions in the region.

Form 990, Part VI, Section C, Line 19:

Explanation: NLHA makes this information available to the public upon request. Additionally, Form 990 is filed with the State of New Hampshire and is available to the public through the State. NLHA also maintians public inspection copies of the Form 990 that are available upon request and its Form 990 is also available through GuideStar. NLH files a Community Benefit Report annually with the State of NH. A summary of the

Name of the organization: New London Hospital Association, Inc.

Employer identification number: 02-0222171

Community Benefit Report and summary financial information is available on NLHA's website and in annual reports to donors.

Form 990, Part XI, line 9, Changes in Net Assets:

Unrealized Loss on Interest Rate Swap	-214,442.
Change in Beneficial Interest in Perpetual Trust	71,476.
Net Asset Fair Value Adjustment due to Corporate Merger	6,641,577.
Total to Form 990, Part XI, Line 9	6,498,611.

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

New London Hospital Association, Inc.

Employer identification number

02-0222171

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) Section 512(b)(13) controlled entity? No
Dartmouth Hitchcock Health - 26-4812335 One Medical Center Drive Lebanon, NH 03756	Supporting Org	New Hampshire	501(c)(3)	Line 11b, II	N/A		X
Dartmouth Hitchcock Clinic - 22-2519596 One Medical Center Drive Lebanon, NH 03756	Physician Services	New Hampshire	501(c)(3)	Line 9	Dartmouth Hitchcock Health		X
Mary Hitchcock Memorial Hospital - 02-0222140, One Medical Center Drive, Lebanon, NH 03756	Hospital	New Hampshire	501(c)(3)	Line 3	Dartmouth Hitchcock Health		X
Dartmouth Hitchcock Medical Center - 22-2715483, One Medical Center Drive, Lebanon, NH 03756	Supporting Org	New Hampshire	501(c)(3)	Line 11a, I	N/A		X

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) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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	(i) No
Kearsarge Community Services, Inc - 02-0460136, 273 County Road, New London, NH 03257	Real Estate	NH	New London Hospital Association	C CORP	80,048.	811,233.	100.00%		X
New London Medical Center East - 02-0480857 273 County Road New London, NH 03257	Real Estate	NH	New London Hospital Association	C CORP	<10,930.>	21,143.	100.00%		X
New London Physician Group, Inc. - 02-0494420, 273 County Road, New London, NH 03257	Physician Practice	NH	New London Hospital Association	C CORP	0.	0.	100.00%		X

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

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to related organization(s)	1b		X
c Gift, grant, or capital contribution from related organization(s)	1c		X
d Loans or loan guarantees to or for related organization(s)	1d		X
e Loans or loan guarantees by related organization(s)	1e		X
f Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o Sharing of paid employees with related organization(s)	1o		X
p Reimbursement paid to related organization(s) for expenses	1p		X
q Reimbursement paid by related organization(s) for expenses	1q		X
r Other transfer of cash or property to related organization(s)	1r		X
s Other transfer of cash or property from related organization(s)	1s		X

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
(1) Kearsarge Community Services	K	133,176.	Cost
(2)			
(3)			
(4)			
(5)			
(6)			

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 section 512-514)	(e) Are all partners sec 501(c)(3) orgs? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part VII Supplemental Information

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

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 line)	(C) Position (check all that apply)						(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			
(27) Thomas F. Lucas, MD	50.00									
Anesthesiologist	0.00					X		307,806.	0.	17,603.
(28) Kenneth D. Call, MD	50.00									
Physician	0.00					X		306,783.	0.	3,609.
Total to Part VII, Section A, line 1c								614,589.		21,212.

BerryDunn

[redacted]

THE NEW LONDON HOSPITAL ASSOCIATION, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

and

ADDITIONAL INFORMATION

Nine Months Ended June 30, 2014

With Independent Auditor's Report

[redacted]

THE NEW LONDON HOSPITAL ASSOCIATION, INC. AND SUBSIDIARIES

Nine Months Ended June 30, 2014

Table of Contents

BerryDunn

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
The New London Hospital Association, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The New London Hospital Association, Inc. and Subsidiaries (the Association), which comprise the consolidated balance sheet as of June 30, 2014 and the related consolidated statements of operations, changes in net assets, and cash flows for the nine month period then ended, and the related notes to the 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 U.S. generally accepted accounting principles; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with U S. generally accepted auditing standards. 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The New London Hospital Association, Inc. and Subsidiaries as of June 30, 2014, and the results of their operations, changes in their net assets and their cash flows for the nine month period then ended, in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
November 6, 2014

THE NEW LONDON HOSPITAL ASSOCIATION, INC. AND SUBSIDIARIES

Consolidated Balance Sheet

June 30, 2014

ASSETS

Current assets	
Cash and cash equivalents	$ 4,178,519
Patient accounts receivable, net of allowance for uncollectible accounts of $1,589,319	6,539,527
Pledges receivable, net	47,711
Other accounts receivable, net	586,001
Supplies	969,944
Prepaid expenses	1,302,965
Total current assets	13,624,667
Assets limited as to use	10,512,932
Contribution receivable from trust	2,117,600
Long-term investments	279,474
Deferred compensation plan assets	1,395,354
Beneficial interest in perpetual trust	1,750,125
Property and equipment, net	39,100,666
Deferred financing costs, net of amortization	401,222
Other assets	2,206,066
Total assets	$71,388,106

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

LIABILITIES AND NET ASSETS

Current liabilities	
Current portion of long-term debt	$ 307,065
Current portion of capital lease obligation	487,361
Accounts payable and accrued expenses	2,881,709
Accrued salaries, wages, and related amounts	2,168,034
Estimated third-party payor settlements	5,573,624
Current portion of charitable gift annuities	4,930
Other current liabilities	20,000
Total current liabilities	11,442,723
Deferred compensation	1,395,354
Long-term debt, excluding current portion	17,672,398
Capital lease obligations, excluding current portion	694,220
Interest rate swap	3,310,161
Charitable gift annuities, excluding current portion	16,720
Total liabilities	34,531,576
Commitments and contingencies (Notes 8, 11, 12, 13, and 18)	
Net assets	
Unrestricted	32,296,699
Temporarily restricted	318,239
Permanently restricted	4,241,592
Total net assets	36,856,530
Total liabilities and net assets	$ 71,388,106

THE NEW LONDON HOSPITAL ASSOCIATION, INC. AND SUBSIDIARIES

Consolidated Statement of Operations

Nine Month Period Ended June 30, 2014

Unrestricted revenues, gains, and other support	
Patient service revenue (net of contractual allowances and discounts)	$ 41,348,633
Less provision for bad debts	1,866,674
Net patient service revenue	39,481,959
Other operating revenue	2,160,986
Net assets released from restrictions used for operations	94,424
Total revenues, gains, and other support	41,737,369
Expenses	
Salaries and benefits	25,853,432
Supplies and other	7,511,639
Purchased services	5,990,657
Depreciation and amortization	2,710,877
Medicaid enhancement tax	1,852,497
Interest	659,333
Total expenses	44,578,435
Operating loss	(2,841,066)
Nonoperating gains (losses)	
Contribution of net assets	6,697,000
Investment income	231,494
Contributions and program support	501,380
Unrealized loss on interest rate swap	(214,439)
Realized and unrealized gains on investments	912,191
Nonoperating gains, net	8,127,626
Excess of revenues, gains, and other support over expenses and nonoperating gains	5,286,560
Net assets released from restrictions used for purchase of property and equipment	15,350
Increase in unrestricted net assets	$ 5,301,910

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

THE NEW LONDON HOSPITAL ASSOCIATION, INC. AND SUBSIDIARIES

Consolidated Statement of Changes in Net Assets

Nine Month Period Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances, October 1, 2013	$ 26,994,789	$ 385,793	$ 2,052,516	$ 29,433,098
Excess of revenues, gains, and other support over expenses and nonoperating gains	5,286,560	-	-	5,286,560
Restricted bequests and contributions	-	42,220	2,117,600	2,159,820
Net assets released from restrictions used for operations	-	(94,424)	-	(94,424)
Net assets released from restrictions used for purchase of property and equipment	15,350	(15,350)	-	-
Change in beneficial interest in perpetual trust	-	-	71,476	71,476
Increase (decrease) in net assets	5,301,910	(67,554)	2,189,076	7,423,432
Balances, June 30, 2014	$ 32,296,699	$ 318,239	$ 4,241,592	$ 36,856,530

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

THE NEW LONDON HOSPITAL ASSOCIATION, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Nine Month Period Ended June 30, 2014

Cash flows from operating activities	
Change in net assets	$ 7,423,432
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation and amortization	2,710,877
Provision for bad debts	1,866,674
Unrealized loss on interest rate swap	214,439
Net realized and unrealized gains on investments	(912,191)
Net unrealized gain on beneficial interest in perpetual trust	(71,476)
Restricted contributions	(2,159,820)
Contribution of net assets	(6,697,000)
Increase (decrease) in cash resulting from a change in	
Patient accounts receivable	(1,913,353)
Pledges receivable, net	38,008
Estimated third-party payor settlements	(1,232,364)
Supplies and prepaid expenses	(419,229)
Other accounts receivable, net	(306,549)
Accounts payable and accrued expenses	(1,678,390)
Accrued salaries, wages, and related amounts	327,302
Charitable gift annuities	(383)
Net cash used by operating activities	(2,810,023)
Cash flows from investing activities	
Purchases of property and equipment	(1,314,407)
Proceeds from sale of investments	9,270,976
Purchase of investments	(5,680,866)
Net cash provided by investing activities	2,275,703
Cash flows from financing activities	
Payments on long-term debt	(16,069,175)
Proceeds from long-term debt	18,098,900
Payment on capital lease obligations	(371,188)
Restricted gifts received	42,220
Payment of bond issuance costs	(418,434)
Net cash provided by financing activities	1,282,323
Net increase in cash and cash equivalents	748,003
Cash and cash equivalents, beginning of period	3,430,516
Cash and cash equivalents, end of period	$ 4,178,519
Noncash transaction - acquisition of equipment under capital lease obligation	$ 120,516

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

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Association and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all bank deposits, certificates of deposits, and short-term investments that have a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts whose use is limited by Board designation or under revenue bond agreements.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

The Association's allowance for doubtful accounts for self-pay patients increased from 85% of self-pay accounts receivable at October 1, 2013, to 86% of self-pay accounts receivable at June 30, 2014. In addition, the Association's self-pay accounts receivable decreased from approximately $1,670,000 at October 1, 2013 to $1,422,000 at June 30, 2014. The Association has not changed its free care or uninsured discount policies during 2014. The Association does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors. The Association recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the service rendered. For uninsured patients that do not qualify for free care, the Association recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a portion of the Association's uninsured patients will be unable to or unwilling to pay for the services provided. Thus, the Association records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Supplies

Supplies are carried at the lower of cost (determined by the first-in, first-out method) or market.

Assets Limited as to Use

Assets limited as to use primarily include investments set aside by the Board of Trustees for future purposes, over which the Board retains control, and which it may at its discretion subsequently use for other purposes.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheet. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues, gains, and other support over expenses and nonoperating gains pursuant to the fair value option under ASC Topic 825, unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method The Association's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures that do not extend the lives of the related assets. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the asset's estimated useful life. Such amortization is included in depreciation and amortization in the financial statements

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues, gains, and other support over expenses and nonoperating gains, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

3. Patient Service Revenue (Net of Contractual Allowances and Discounts)

The following summarizes patient service revenue (net of contractual allowances and discounts) for the nine month period ended June 30, 2014:

Gross patient service revenue	$73,732,901
Less contractual allowances and other revenue deductions	32,384,268
Patient service revenue (net of contractual allowances and discounts)	$41,348,633

Revenue net of discounts related to self-pay patients was approximately $3,734,000 for the nine month period ended June 30, 2014.

The Association has agreements with third-party payors that provide for payments to the Association at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Effective April 1, 2003, the NLHA was granted Critical Access Hospital (CAH) status. Under CAH, the NLHA is reimbursed 101% of reasonable allowable cost for its inpatient acute, swing bed, and outpatient services, excluding ambulance services and inpatient hospice care, provided to Medicare patients. The NLHA is reimbursed at tentative interim rates for cost reimbursable items with final settlement determined after submission of annual cost reports by the NLHA and audits thereof by the Medicare fiscal intermediary The nursing home is not impacted by the CAH designation. Medicare has implemented a prospective payment system for skilled nursing facilities Providers of care to skilled nursing facility residents eligible for "Part A" Medicare benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the resident at a rate determined by federal guidelines. The NLHA's Medicare cost reports have been audited and settled through September 30, 2010. The physician practices owned by the NLHA are designated as provider-based.

Effective January 1, 2013, the NLHA began participating in Dartmouth-Hitchcock's Pioneer Accountable Care Organization, a Medicare shared savings program initiative. The Association must meet or exceed established quality measures in order to receive any savings The Association may have a negative shared savings if quality measures are not met. No savings or negative shared savings have been reported to the NLHA since its participation.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined per diem rates. The prospectively determined per diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology The NLHA is reimbursed at a tentative

rate with final settlement determined after submission of annual cost reports by the NLHA and audits thereof by the fiscal intermediary. The NLHA's skilled nursing facility is reimbursed on a prospectively determined per diem rate. The NLHA's Medicaid cost reports have been audited by the fiscal intermediary through September 30, 2010.

Anthem Blue Cross

The NLHA also maintains contracts with Anthem Blue Cross and various other payors which pay the NLHA for services based on charges with varying discounts, on a per diem basis, or fee schedules.

Revenue from the Medicare and Medicaid programs accounted for approximately 48% and 8%, respectively, of the Association's patient service revenue for the nine month period ended June 30, 2014. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Association believes that it is in compliance with all laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenue in the year that such amounts become known. Net patient service revenue increased approximately $970,000 for the nine month period ended June 30, 2014 due to prior year retroactive adjustments in excess of amounts previously estimated and changes in prior year estimates.

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's distribution of DSH monies to the hospitals is subject to audit by the Centers for Medicare and Medicaid Services. Amounts recorded by the Association are therefore subject to change. The DSH payments amounted to $1,552,500 for the nine month period ended June 30, 2014, and are recorded as an increase in net patient service revenue.

The NLHA pays a net patient service revenue tax of 5 5%, which amounted to $1,852,497 for the nine month period ended June 30, 2014, and which is recorded as an operating expense.

4. Charity Care

The Association provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. The criteria for charity care consider family income, net worth and the federal poverty income guidelines.

The Association estimates the costs associated with providing charity care by calculating a ratio of total costs to total gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for charity care. The net cost of charity care provided was approximately $1,329,000 for the nine month period ended June 30, 2014. The net cost of charity care is determined by the total charity care cost less any patient-related revenue due to sliding-scale payments or other patient-specific sources, which were $31,378 in 2014.

In addition to the charity care identified above, the Association does not receive full payment from the Medicaid program for the cost of services to certain low income and elderly patients served through traditional inpatient and outpatient services. The Association incurred $1,007,000 of costs in excess of payments, based on an overall financial statement cost to charge ratio, during the nine month period ended June 30, 2014.

5. Investments

The composition of investments was as follows as of June 30, 2014:

Assets limited as to use by the Board of Trustees	
Cash and cash equivalents	$ 129,838
Mortgage backed securities	309,780
U.S. Treasury obligations	741,872
Marketable equity securities	6,315,266
Corporate bonds	2,010,558
International bonds	1,005,618
	$ 10,512,932
Long-term investments	
Cash and cash equivalents	$ 227,464
Equity mutual funds	20,716
Fixed income mutual funds	31,294
	$ 279,474

Assets limited as to use were designated for the following:

By Board of Trustees:	
Property and equipment reserve	$ 661,266
Depreciation reserve	271,234
Long-term investment purposes	9,580,432
Total assets limited as to use	$ 10,512,932

Investment performance for the nine month period ended June 30, 2014 was as follows:

Investment income	
Interest and dividend income	$ 278,562
Investment fees	(47,068)
	231,494
Realized gains on sales of securities	618,943
Change in unrealized gains on investments	293,248
Total gains on investments	$ 1,143,685

6. Property and Equipment

Property and equipment consists of the following:

Land and land improvements	$ 2,509,337
Buildings and fixed equipment	47,715,848
Major moveable equipment	32,540,489
Construction in progress	1,447,624
	84,213,298
Less accumulated depreciation and amortization	45,112,632
	$39,100,666

Equipment capitalized under capital lease agreements and included in major moveable equipment above consisted of the following as of June 30:

Cost	$ 4,958,479
Accumulated amortization	(2,946,738)
Net book value	$ 2,011,741

Depreciation expense for the nine month period ended June 30, 2014 amounted to $2,694,159.

7. Beneficial Interest in Perpetual Trust

The Association is an income beneficiary of a perpetual trust controlled by an unrelated third-party trustee. The beneficial interest in the assets of the trust is included in the Association's financial statements as permanently restricted net assets. Income is distributed in accordance with the trust documents and is included in investment return. Trust income distributed to the Association for the nine month period ended June 30, 2014 was $62,817.

8. Borrowings

Line of Credit

The Association had a $2,000,000 available line of credit with a local bank, collateralized by a second security interest in the Association's gross receipts and accounts receivable. Interest on borrowings was charged at the Wall Street Journal Prime plus .5% The line of credit expired in March 2014.

Bonds

In October 2013, the NLHA refunded its Series 2007 Revenue Bonds through NHHEFA Series 2013 Revenue Bonds of $15,520,000. Additional borrowings were obtained (up to $9,480,000 Revenue Bonds, Series 2013B) for the construction of a new health center building in Newport, New Hampshire. The bonds mature in variable amounts through 2043, the maturity date of the bonds, but are subject to mandatory tender in ten years Interest is payable monthly and is equal to the sum of .72 times the Adjusted LIBOR Rate plus .72 times the credit spread rate. The bonds are collateralized by the gross receipts and property of NLHA. As part of the bond refinancing, the swap arrangement was effectively terminated for federal tax purposes with respect to the Series 2007 Revenue Bonds but remains in effect.

The Series 2013 Revenue Bonds have financial covenants with which the Association must comply As of June 30, 2014, the Association was not in compliance with certain of the financial covenants and a waiver had been obtained from the issuing bank.

The Association retained its interest rate swap agreement on $15,000,000 of its outstanding bond obligation to hedge the interest rate risk associated with the Bonds. The interest rate swap agreement requires the Association to pay Morgan Stanley Capital Services, Inc., the swap counterparty, a fixed rate of 3.9354% in exchange for the counterparty's payment to the Association of a variable rate based on 67% of the USD-LIBOR-BBA.

The Association is required to include the fair value of the swap in the balance sheet, and annual changes, if any, in the fair value of the swap in the statement of operations. For example, during the swap's holding period, the annually calculated value of the swap will be reported as an asset if expectations regarding future interest rates increase above those in effect on the date the swap was entered into (and unrealized gain in the statement of operations), which will generally be indicative that the net fixed rate the Association is paying is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the statement of operations) if expectations regarding future interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate the Association is paying on the swap is above market expectations of rates during the remaining term of the swap. These annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero when the swap terminates on October 1, 2037. The Association retains the sole right to terminate the swap agreement should the need arise. The Association recorded the swap at its liability position of approximately $3,310,000 at June 30, 2014.

Long-Term Debt and Capital Leases

Long-term debt consisted of the following as of June 30:

NHHEFA Revenue Bonds, New London Hospital Issue Series 2013, interest is payable at a variable rate ranging from 1.22% to 1.28% at June 30, 2014, annual principal payments are of varying amounts ranging from $255,000 to $1,090,000 through 2043.	$17,923,481
Note payable to Baxter Capital Services payable in interest-free monthly installments of $4,211, through September 2015; collateralized by associated equipment.	55,982
Various capital lease obligations; collateralized by equipment, payable in monthly installments including interest between 0% and 8.62%, expiring through June 2018.	1,181,581
	19,161,044
Less current portion	794,426
Long-term debt and capital leases, excluding current portion	$18,366,618

Aggregate annual principal payments required under long-term debt agreements and annual payments under capital lease obligations are as follows as of June 30, 2014:

	Long-Term Debt	Capital Lease Obligations
Year ending June 30		
2015	$ 307,065	$ 523,093
2016	266,243	358,926
2017	318,838	218,350
2018	348,360	150,007
2019	364,322	-
Thereafter	16,374,635	-
	$ 17,979,463	1,250,376
Less amount representing interest under capital lease obligations		68,795
		$ 1,181,581

Cash paid for interest was approximately $619,500 for the nine month period ended June 30, 2014.

11. Related Party Transactions

The Association has entered into a management service agreement (Agreement) with Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital (collectively referred to as D-H), to provide certain management services for the Association. In April 2007, the Association agreed to extend this agreement without an expiration date. The Association engaged D-H to provide, during the term of the Agreement, the chief executive officer (CEO) and also to provide other mutually agreed-upon consultative services and management support Management fees for the nine month period ended June 30, 2014 were $358,624. Effective January 1, 2009, the Association pays an annual fee to New England Alliance for Health (NEAH), an LLC owned and managed by Mary Hitchcock Memorial Hospital, of $76,000, and many of the consultative services are provided as part of the NEAH arrangement.

12. Commitments

Management Agreement With D-H

The Association has a commitment to purchase management services through D-H for 2015 for the president and CEO, consultative services, and management support in the amount of $598,600.

13. Contingencies

During the period, the Association was covered for malpractice claims under a modified claims-made policy purchased through NEAH. While the Association remains in the current insurance program under this policy, the coverage year is based on the date the claim is filed subject to a medical incident arising after the retroactive date (includes prior acts). The policy provides modified claims-made coverage for former insured providers for claims that relate to the employee's period of employment at the Association and for services that were provided within the scope of the employee's duties. Therefore, when an employee leaves the insured organization, tail coverage is not required.

The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Association. U.S generally accepted accounting principles require the Association to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset.

The Association is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect upon the Association's financial statements.

14. Concentrations of Credit Risk

The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. The Association's management believes it is not exposed to any significant risk on cash and cash equivalents.

The Association grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows as of June 30:

Medicare	42 %
Medicaid	10
Anthem Blue Cross	12
Other third-party payors	19
Patients	17
	100 %

15. Retirement Plans

Defined Contribution Plan

The Association has a tax-sheltered annuity plan under which contributions can be made into the plans by all employees. The Association makes contributions to the plan computed at a percentage of yearly earnings, for employees who meet certain annual and consecutive service requirements, as defined by the plan documents. The Association has temporarily suspended further contributions on behalf of its employees.

Deferred Compensation Plan

The Association has a nonqualified deferred compensation plan established under Section 457 of the Internal Revenue Code of 1986. The plan covers key employees of the Association. The Association has temporarily suspended further contributions on behalf of its employees

16. Self-Insured Health Plan

Effective October 1, 2001, the Association established a self-funded health insurance plan (Plan). The Plan is administered by an insurance company, which determines the current funding requirements of participants under the terms of the Plan and the liability for claims and assessments that would be payable at any given point in time. The Association is insured above a stop-loss amount of $125,000 on individual claims, with a maximum annual aggregate of approximately $3,674,000 for the period ended June 30, 2014. These stop-loss limits exclude the costs of services provided by the Association. Unpaid claims have been recorded as a liability and are reflected in accrued expenses in the balance sheet. Health insurance claims expensed under this Plan amounted to $2,413,265 for the nine month period ended June 30, 2014.

17. Volunteer Services (unaudited)

Volunteer services to the Association totaled approximately 6,667 hours for the nine month period ended June 30, 2014. The Friends of New London Hospital also contributed a significant number of hours supporting a variety of community-based programs. The in-hospital volunteers provide assistance to patients, visitors and staff in a wide range of services including: information and way finding, bedside delivery of mail and flowers, backroom support in multiple departments, system mail delivery and patient activities.

18. Meaningful Use Revenue

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The Medicare criteria for meaningful use financial incentives will be staged in three steps up through fiscal year 2016. The meaningful use attestation is subject to audit by CMS in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation.

The Medicaid program provides incentive payments to hospitals and eligible professionals, with a certain percentage of Medicaid patient volumes In the first year of participation, they must adopt and implement, upgrade or demonstrate meaningful use and then demonstrate meaningful use for up to five remaining participation years. There are no payment adjustments under the Medicaid EHR incentive program.

During the nine month period ended June 30, 2014, the NLHA recorded no meaningful use revenue from the Medicare EHR programs. The NLHA has attested to the first stage of meaningful use.

19. Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value of the beneficial interest in perpetual trust and contribution receivable from a charitable remainder trust is based on the quoted market prices of the underlying assets which consist of cash and cash equivalents, marketable equity securities, corporate bonds, and U S.Treasury obligations. They are classified as Level 3 as there is no market in which to trade the beneficial interest itself. The change in the beneficial interest in perpetual trust is attributed solely to the change in the underlying market value of the Association's interest in the funds. The contribution receivable from a charitable remainder trust is valued at its fair value at the date of the contribution

The Association's financial instruments consist of cash and cash equivalents, assets limited as to use, investments, trade accounts receivable and payable, pledges and contribution receivable, deferred compensation plan assets and liabilities, the beneficial interest in perpetual trust, estimated third-party payor settlements, interest rate swap, long-term debt and capital lease obligations. The fair values of all financial instruments approximate their carrying values at June 30, 2014

ADDITIONAL INFORMATION

THE NEW LONDON HOSPITAL ASSOCIATION, INC. AND SUBSIDIARIES

Schedule 1

Consolidating Balance Sheet

June 30, 2014

ASSETS

	New London Hospital Association, Inc	Kearsarge Community Services, Inc. and New London Medical Center East, Inc	Eliminations	Consolidated
Current assets				
Cash and cash equivalents	$ 3,867,141	$ 311,378	$ -	$ 4,178,519
Patient accounts receivable, net	6,539,527	-	-	6,539,527
Pledges receivable, net	47,711	-	-	47,711
Due from affiliates	602,313	-	602,313	-
Other accounts receivable, net	566,024	19,977		586,001
Supplies	969,944	-	-	969,944
Prepaid expenses	1,302,965	-	-	1,302,965
Total current assets	13,895,625	331,355	602,313	13,624,667
Assets limited as to use	10,512,932	-	-	10,512,932
Contribution receivable from charitable trust	2,117,600	-	-	2,117,600
Long-term investments	279,474	-	-	279,474
Deferred compensation plan assets	1,395,354	-	-	1,395,354
Beneficial interest in perpetual trust	1,750,125	-	-	1,750,125
Property and equipment, net	38,599,645	501,021	-	39,100,666
Deferred financing costs, net of amortization	401,222	-	-	401,222
Other assets	2,206,066	-	-	2,206,066
Total assets	$ 71,158,043	$ 832,376	$ 602,313	$ 71,388,106

Form **8868**
(Rev. January 2014)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at** *www.irs.gov/form8868* .

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number Employer identification number (EIN) or
	New London Hospital Association, Inc.	02-0222171
	Number, street, and room or suite no. If a P.O. box, see instructions. 273 County Road	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions. New London, NH 03257	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ Donald Griffin
  273 County Road - New London, NH 03257
  Telephone No. ▶ 603-526-5372 Fax No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until February 15, 2015, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [ ] calendar year _____ or
▶ [X] tax year beginning OCT 1, 2013, and ending JUN 30, 2014.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[X] Change in accounting period

3a	If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$	0.
b	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$	0.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$	0.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. *Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.*

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** *Only file the original (no copies needed).*

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	New London Hospital Association, Inc.	02-0222171
	Number, street, and room or suite no. If a P.O box, see instructions. 273 County Road	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions. New London, NH 03257	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ Donald Griffin 273 County Road - New London, NH 03257
  Telephone No ▶ 603-526-5372 Fax No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until May 15, 2015

5 For calendar year _____, or other tax year beginning OCT 1, 2013, and ending JUN 30, 2014.

6 If the tax year entered in line 5 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[X] Change in accounting period

7 State in detail why you need the extension
Information from third parties has not yet been received. Therefore, additional time is necessary to file a complete and accurate return.

8a	If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$ 0.
b	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$ 0.
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c	$ 0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Barbara J McGrath Title ▶ CPA Date ▶ 02/09/2015

Form **8868** (Rev 1-2014)

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