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Form **990**  
 Department of the Treasury  
 Internal Revenue Service

## Return of Organization Exempt From Income Tax

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)**

▶ Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.  
 ▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047  
2013  
**Open to Public Inspection**

**A For the 2013 calendar year, or tax year beginning 10-01-2013, 2013, and ending 09-30-2014**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization FAIRVIEW HOSPITAL Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 725 NORTH STREET City or town, state or province, country, and ZIP or foreign postal code PITTSFIELD, MA 012014109	<b>D</b> Employer identification number 04-2133860 <b>E</b> Telephone number (413) 447-2508 <b>G</b> Gross receipts \$ 51,166,051
<b>F</b> Name and address of principal officer DARLENE RODOWICZ 725 NORTH ST PITTSFIELD, MA 012014109		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ WWW.BERKSHIREHEALTHSYSTEMS.ORG		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1912 <b>M</b> State of legal domicile MA

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities THE MISSION OF FAIRVIEW HOSPITAL IS TO IMPROVE THE HEALTH OF ALL PEOPLE IN THE BERKSHIRES AND (CONTINUED FROM FORM 990) SURROUNDING COMMUNITIES, REGARDLESS OF THEIR ABILITY TO PAY					
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets					
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>		22		
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>		18		
<b>5</b>	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>		332		
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>		50		
<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>		0		
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>		0		
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>		<b>Current Year</b>		
	<b>9</b> Program service revenue (Part VIII, line 2g)	2,549,704		1,029,992		
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	45,741,030		47,393,073		
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	563,728		1,108,662		
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	732,770		506,413		
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0		0		
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0		0		
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	25,956,565		26,956,320		
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0		0		
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 140,133					
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	19,697,148		19,729,556		
<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	45,653,713		46,685,876			
<b>19</b> Revenue less expenses Subtract line 18 from line 12	3,933,519		3,352,264			
<b>Net Assets or Fund Balances</b>			<b>Beginning of Current Year</b>		<b>End of Year</b>	
	<b>20</b> Total assets (Part X, line 16)	37,289,446		38,469,622		
	<b>21</b> Total liabilities (Part X, line 26)	17,988,391		14,998,784		
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	19,301,055		23,470,838			

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer	Date			
	DARLENE RODOWICZ CFO Type or print name and title	2015-08-12			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no

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

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III  Yes  No

**1** Briefly describe the organization's mission  
THE MISSION OF FAIRVIEW HOSPITAL IS TO IMPROVE THE HEALTH OF ALL PEOPLE IN THE BERKSHIRES AND SURROUNDING COMMUNITIES, REGARDLESS OF THEIR ABILITY TO PAY

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O

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

**4a** (Code ) (Expenses \$ 41,453,339 including grants of \$ ) (Revenue \$ 47,684,400 )  
FAIRVIEW HOSPITAL, A 24 BED CRITICAL ACCESS COMMUNITY HOSPITAL, IS THE PRIMARY PROVIDER OF HEALTH CARE & ACCESS TO HEALTH CARE SERVICES IN SOUTHERN BERKSHIRE COUNTY, MA THE HOSPITAL SERVES A RURAL AREA WHICH INCLUDES TOWNS IN MA, NORTHWEST CT, & COLUMBIA COUNTY, NY WITH A FULL RANGE OF PRIMARY CARE SERVICES, INCLUDING PREVENTATIVE, DIAGNOSTIC & THERAPEUTIC CARE, ON BOTH AN IN- & OUT-PATIENT BASIS THE PRIMARY SERVICE AREA HAS A RESIDENT POPULATION OF APPROXIMATELY 30,000 THE HOSPITAL PLAYS AN ACTIVE ROLE IN MEETING THE HEALTH NEEDS OF THE COMMUNITY OUTSIDE THE HOSPITAL WALLS IN ITS PROACTIVE COMMUNITY OUTREACH, EDUCATION, & SCREENING INITIATIVES, WHICH ARE DESIGNED TO IMPROVE THE HEALTH STATUS OF THE COMMUNITY THROUGH COLLABORATION WITH NUMEROUS HEALTH & SOCIAL SERVICE AGENCIES, (CONTINUED ON SCHEDULE O) (CONTINUED FROM FORM 990) FAIRVIEW HOSPITAL PROMOTES ACCESS TO INFORMATION & SERVICES, & DRAWS EXTENSIVE MEDICAL, TECHNOLOGICAL, & FINANCIAL RESOURCES TO THE AREA THROUGH ITS AFFILIATION WITH BERKSHIRE MEDICAL CENTER & BERKSHIRE HEALTH SYSTEMS AS A RESULT, THE SOUTHERN BERKSHIRE COMMUNITY ENJOYS A COMPLETE CONTINUUM OF CARE SERVICES INCLUDING EDUCATION, PREVENTION, SCREENING, DIAGNOSTIC, THERAPEUTIC, REHABILITATIVE, & LONG-TERM CARE SERVICES, AN UNUSUALLY HIGH LEVEL OF HEALTH SERVICES WHEN COMPARED WITH SIMILAR RURAL COMMUNITIES PLEASE SEE THE FY2014 "COMMUNITY BENEFITS REPORT" AT WWW.CBSYS.AGO.STATE.MA.US/CBPUBLIC/PUBLIC/ANNUAL\_REPORTS\_START.ASPX FOR MORE DETAILS

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

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

**4e Total program service expenses** 41,453,339

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> <input checked="" type="checkbox"/>	Yes	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> <input checked="" type="checkbox"/>		No
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> <input checked="" type="checkbox"/>	Yes	
<b>5</b> 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? <i>If "Yes," complete Schedule C, Part III</i> <input checked="" type="checkbox"/>		No
<b>6</b> 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? <i>If "Yes," complete Schedule D, Part I</i> <input checked="" type="checkbox"/>		No
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> <input checked="" type="checkbox"/>		No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> <input checked="" type="checkbox"/>		No
<b>9</b> 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? <i>If "Yes," complete Schedule D, Part IV</i> <input checked="" type="checkbox"/>		No
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> <input checked="" type="checkbox"/>	Yes	
<b>11</b> 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		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> <input checked="" type="checkbox"/>	Yes	
<b>b</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? <i>If "Yes," complete Schedule D, Part VII</i> <input checked="" type="checkbox"/>	Yes	
<b>c</b> 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? <i>If "Yes," complete Schedule D, Part VIII</i> <input checked="" type="checkbox"/>		No
<b>d</b> 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? <i>If "Yes," complete Schedule D, Part IX</i> <input checked="" type="checkbox"/>		No
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> <input checked="" type="checkbox"/>	Yes	
<b>f</b> 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)? <i>If "Yes," complete Schedule D, Part X</i> <input checked="" type="checkbox"/>		No
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> <input checked="" type="checkbox"/>		No
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> <input checked="" type="checkbox"/>	Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		No
<b>15</b> 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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		No
<b>16</b> 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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		No
<b>17</b> 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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i> <input checked="" type="checkbox"/>		No
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> <input checked="" type="checkbox"/>	Yes	
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> <input checked="" type="checkbox"/>		No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> <input checked="" type="checkbox"/>	Yes	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	Yes	

**Part IV Checklist of Required Schedules** (continued)

<b>21</b>	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? <i>If "Yes," complete Schedule I, Parts I and II . . . . .</i>	<b>21</b>		No
<b>22</b>	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? <i>If "Yes," complete Schedule I, Parts I and III . . . . .</i>	<b>22</b>		No
<b>23</b>	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J . . . . .</i>	<b>23</b>	Yes	
<b>24a</b>	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a . . . . .</i>	<b>24a</b>	Yes	
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		No
<b>c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		No
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		No
<b>25a</b>	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25a</b>		No
<b>b</b>	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25b</b>		No
<b>26</b>	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? <i>If so, complete Schedule L, Part II . . . . .</i>	<b>26</b>		No
<b>27</b>	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III . . . . .</i>	<b>27</b>		No
<b>28</b>	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)			
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28a</b>		No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28b</b>		No
<b>c</b>	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28c</b>		No
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>29</b>		No
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>30</b>		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I . . . . .</i>	<b>31</b>		No
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II . . . . .</i>	<b>32</b>		No
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I . . . . .</i>	<b>33</b>		No
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 . . . . .</i>	<b>34</b>	Yes	
<b>35a</b>	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<b>35a</b>	Yes	
<b>b</b>	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>35b</b>	Yes	
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>36</b>		No
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI . . . . .</i>	<b>37</b>		No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question number, question text, and Yes/No response boxes. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited transactions, and charitable contributions.

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

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	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		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent . . . . .		
<b>2</b>	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? . . . . .		No
<b>3</b>	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? . . . . .	Yes	
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .		No
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .		No
<b>6</b>	Did the organization have members or stockholders? . . . . .	Yes	
<b>7a</b>	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? . . . . .	Yes	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .		No
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>8a</b>	The governing body? . . . . .	Yes	
<b>8b</b>	Each committee with authority to act on behalf of the governing body? . . . . .	Yes	
<b>9</b>	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 . . . . .		No

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

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates? . . . . .		No
<b>10b</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?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	Yes	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	Yes	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	Yes	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	Yes	
<b>13</b>	Did the organization have a written whistleblower policy? . . . . .	Yes	
<b>14</b>	Did the organization have a written document retention and destruction policy? . . . . .	Yes	
<b>15</b>	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?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official . . . . .	Yes	
<b>15b</b>	Other officers or key employees of the organization . . . . .	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .		No
<b>16b</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? . . . . .		

**Section C. Disclosure**

- 17** List the States with which a copy of this Form 990 is required to be filed  MA, NY
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization  
 DARLENE RODOWICZ CFO 725 NORTH STREET  
 PITTSFIELD, MA 012014109 (413) 447-2809





**Part VIII Statement of Revenue**

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

			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512-514		
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b>						
	<b>b</b>	Membership dues . . . . . <b>1b</b>						
	<b>c</b>	Fundraising events . . . . . <b>1c</b>	213,614					
	<b>d</b>	Related organizations . . . . . <b>1d</b>						
	<b>e</b>	Government grants (contributions) <b>1e</b>	550,489					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above <b>1f</b>	265,889					
	<b>g</b>	Noncash contributions included in lines 1a-1f \$	20,832					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . .	1,029,992					
<b>Program Service Revenue</b>	<b>2a</b>	NET PATIENT SVC REVENUE						
		Business Code						
		622110	46,772,240	46,772,240				
	<b>b</b>	ANCILLARY SVCS & SALES						
		622110	620,833	620,833				
	<b>c</b>							
	<b>d</b>							
<b>e</b>								
<b>f</b>	All other program service revenue							
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . .	47,393,073						
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . .	296,094			296,094		
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . . .	11,488			11,488		
	<b>5</b>	Royalties . . . . .						
	<b>6a</b>	Gross rents	(i) Real	45,631				
			(ii) Personal					
			<b>b</b>	Less rental expenses	2,570			
			<b>c</b>	Rental income or (loss)	43,061			
	<b>d</b>	Net rental income or (loss) . . . . .	43,061			43,061		
	<b>7a</b>	Gross amount from sales of assets other than inventory	(i) Securities	1,755,174	29,200			
			(ii) Other					
			<b>b</b>	Less cost or other basis and sales expenses	982,387	907		
			<b>c</b>	Gain or (loss)	772,787	28,293		
	<b>d</b>	Net gain or (loss) . . . . .	801,080			801,080		
	<b>8a</b>	Gross income from fundraising events (not including \$ 213,614 of contributions reported on line 1c) See Part IV, line 18 . . . . .						
	<b>a</b>		142,047					
<b>b</b>	Less direct expenses . . . . . <b>b</b>	142,047						
<b>c</b>	Net income or (loss) from fundraising events . . . . .	0						
<b>9a</b>	Gross income from gaming activities See Part IV, line 19 . . . . .							
<b>a</b>								
<b>b</b>	Less direct expenses . . . . . <b>b</b>							
<b>c</b>	Net income or (loss) from gaming activities . . . . .							
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .							
<b>a</b>								
<b>b</b>	Less cost of goods sold . . . . . <b>b</b>							
<b>c</b>	Net income or (loss) from sales of inventory . . . . .							
	Miscellaneous Revenue	Business Code						
<b>11a</b>	MEANINGFUL USE	622110	291,327	291,327				
<b>b</b>	CAFETERIA SALES	722514	172,025		172,025			
<b>c</b>								
<b>d</b>	All other revenue . . . . .							
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . .		463,352					
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . .		50,038,140	47,684,400	0	1,323,748		

**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
<b>1</b>	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.				
<b>2</b>	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
<b>4</b>	Benefits paid to or for members.				
<b>5</b>	Compensation of current officers, directors, trustees, and key employees.	1,220,584	1,215,910	4,022	652
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
<b>7</b>	Other salaries and wages.	20,409,807	20,007,479	346,197	56,131
<b>8</b>	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	764,795	749,712	12,978	2,105
<b>9</b>	Other employee benefits.	3,211,349	3,154,938	48,553	7,858
<b>10</b>	Payroll taxes.	1,349,785	1,324,243	21,978	3,564
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management.	4,377,364		4,377,364	
<b>b</b>	Legal.	23,724		23,724	
<b>c</b>	Accounting.				
<b>d</b>	Lobbying.	13,355	13,355		
<b>e</b>	Professional fundraising services. See Part IV, line 17.				
<b>f</b>	Investment management fees.	20,866		20,866	
<b>g</b>	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	3,324,595	3,293,040	4,764	26,791
<b>12</b>	Advertising and promotion.	64,943	45,043	869	19,031
<b>13</b>	Office expenses.	3,410,027	3,350,033	45,348	14,646
<b>14</b>	Information technology.	336,300	336,300		
<b>15</b>	Royalties.				
<b>16</b>	Occupancy.	826,546	811,643	13,278	1,625
<b>17</b>	Travel.	159,130	153,397	2,907	2,826
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
<b>19</b>	Conferences, conventions, and meetings.				
<b>20</b>	Interest.	209,668	209,668		
<b>21</b>	Payments to affiliates.				
<b>22</b>	Depreciation, depletion, and amortization.	2,098,767	2,059,052	39,715	
<b>23</b>	Insurance.	346,085	339,536	5,637	912
<b>24</b>	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.)				
<b>a</b>	RECIPROCAL/TEACHNG FEES	1,401,222	1,401,222		
<b>b</b>	BAD DEBT	1,115,298	1,115,298		
<b>c</b>	MAINTENANCE & REPAIRS	687,144	674,142	13,002	
<b>d</b>	MINOR EQUIPMENT	331,889	328,922	2,967	
<b>e</b>	All other expenses	982,633	870,406	108,235	3,992
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24e.	46,685,876	41,453,339	5,092,404	140,133
<b>26</b>	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash-non-interest-bearing . . . . .	7,078	<b>1</b>	131,678
	<b>2</b> Savings and temporary cash investments . . . . .	709,004	<b>2</b>	721,990
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	5,514,632	<b>4</b>	4,882,809
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .	20,538	<b>7</b>	20,415
	<b>8</b> Inventories for sale or use . . . . .	416,063	<b>8</b>	462,386
	<b>9</b> Prepaid expenses and deferred charges . . . . .	76,220	<b>9</b>	110,904
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .	30,562,613		
	<b>b</b> Less accumulated depreciation . . . . .	18,447,948		
	<b>11</b> Investments—publicly traded securities . . . . .	10,950,059	<b>10c</b>	12,114,665
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	15,352,313	<b>12</b>	16,883,186
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	1,919,706	<b>13</b>	2,256,580
	<b>14</b> Intangible assets . . . . .	8,773	<b>14</b>	7,254
	<b>15</b> Other assets See Part IV, line 11 . . . . .	2,315,060	<b>15</b>	877,755
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	37,289,446	<b>16</b>	38,469,622	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	2,926,532	<b>17</b>	3,341,299
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	47,876	<b>19</b>	612,566
	<b>20</b> Tax-exempt bond liabilities . . . . .	5,866,627	<b>20</b>	5,532,664
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> 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 . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> 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 . . . . .	9,147,356	<b>25</b>	5,512,255
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	17,988,391	<b>26</b>	14,998,784
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	16,796,766	<b>27</b>	20,567,646
	<b>28</b> Temporarily restricted net assets . . . . .	2,246,047	<b>28</b>	2,644,950
	<b>29</b> Permanently restricted net assets . . . . .	258,242	<b>29</b>	258,242
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	19,301,055	<b>33</b>	23,470,838	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	37,289,446	<b>34</b>	38,469,622	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	50,038,140
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	46,685,876
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	3,352,264
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	19,301,055
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	817,519
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	23,470,838

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
<b>2b</b> Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
<b>2c</b> If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
<b>3b</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	Yes	

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 04-2133860  
**Name:** FAIRVIEW HOSPITAL

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LORINDA ACKLEY MAZUR TRUSTEE	1 00 2 00	X						0	0	0
JEROME J ANDERSON TRUSTEE	1 00 2 00	X						0	0	0
THOMAS O ANDREWS TRUSTEE	1 00 2 00	X						0	0	0
ALFRED A BARBALUNGA TRUSTEE	1 00 2 00	X						0	0	0
BRONLY S BOYD TRUSTEE/NOT SERVING AT FISCAL YR END	1 00 2 00	X						0	0	0
BRIAN T BURKE MD TRUSTEE/PHYSICIAN	48 00 2 00	X					218,733	0	38,801	
KIT DOBELLE TRUSTEE	1 00 2 00	X						0	0	0
TIMOTHY C DOHERTY TRUSTEE/CHAIRMAN	1 00 2 00	X		X				0	0	0
RICHARD M DOHONEY TRUSTEE	1 00 2 00	X						0	0	0
A KING FRANCIS TRUSTEE	1 00 2 00	X						0	0	0
DENNIS J HOGAN TRUSTEE	1 00 2 00	X						0	0	0
EDMUND H HORNSTEIN DO TRUSTEE/CONTRACT PHYSICIAN	1 00 2 00	X						0	64,920	0
JOHN R KEARNS MD TRUSTEE/PHYSICIAN	1 00 2 00	X						0	28,200	0
ELLEN L KENNEDY TRUSTEE	1 00 2 00	X						0	0	0
SUSAN M KORMANIK TRUSTEE	1 00 2 00	X						0	0	0
JOAN M MCFALLS TRUSTEE	1 00 2 00	X						0	0	0
MICHAEL R MCINERNEY MD TRUSTEE	1 00 2 00	X						0	0	0
LAURIE NORTON MOFFATT TRUSTEE	1 00 2 00	X						0	0	0
DAVID PHELPS PRESIDENT/TRUSTEE	3 50 46 50	X		X				0	679,177	39,228
DAVID PHELPS ANNUAL LIFE INSURANCE	3 50 46 50	X		X				0	107,692	0
BARTON D RASER TRUSTEE	1 00 2 00	X						0	0	0
CAROLE G SIEGEL TRUSTEE/NOT SERVING AT FISCAL YR END	1 00 2 00	X						0	0	0
GEORGE T SMITH TRUSTEE	1 00 2 00	X						0	0	0
MARILYN L SPERLING TRUSTEE	1 00 2 00	X						0	0	0
ANN H TRABULSI TRUSTEE	1 00 2 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CHERYL M BOUDREAU CLERK	2 00 38 00			X				0	101,178	14,326
EUGENE A DELLEA PRESIDENT, FAIRVIEW HOSPITAL	50 00 0 00			X				0	241,369	21,159
DARLENE M RODOWICZ TREASURER	3 00 47 00			X				0	463,636	35,865
ADRIAN ELLIOT MD DIRECTOR, EMERGENCY DEPT	50 00 0 00				X			297,637	0	35,288
DOREEN HUTCHINSON VICE PRESIDENT, OPERATIONS	50 00 0 00				X			185,876	0	37,327
RAYMOND SABATELLI MD DIRECTOR, EMERGENCY DEPT	50 00 0 00				X			321,388	0	38,994
GLEN R LOVEJOY MD PHYSICIAN	50 00 0 00					X		280,481	0	37,848
ROBERT RATTNER MD PHYSICIAN	50 00 0 00					X		260,880	0	13,558
CORINNE D KALSER MD PHYSICIAN	50 00 0 00					X		253,696	0	35,426
WILLIAM F PETRONE MD PHYSICIAN	50 00 0 00					X		248,581	0	13,265
KERSTIN L VOSS MD PHYSICIAN	50 00 0 00					X		221,364	0	21,886
RICHARD F SALLUZZO MD PHYSICIAN/FORMER KEY EE	50 00 0 00						X	105,499	0	6,679

**SCHEDULE A**  
(Form 990 or 990EZ)

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

- ▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
- ▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**2013**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FAIRVIEW HOSPITAL

Employer identification number  
04-2133860

**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?  
 (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?

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(ii) A family member of a person described in (i) above?  
 (iii) A 35% controlled entity of a person described in (i) or (ii) above?  
 h Provide the following information about the supported organization(s)

(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	
<b>Total</b>									

**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
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6 Public support.</b> 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
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc (see instructions)					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b> . . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	
<b>15</b> Public support percentage for 2012 Schedule A, Part II, line 14	<b>15</b>	
<b>16a 33 1/3% support test—2013.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 33 1/3% support test—2012.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test—2013.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test—2012.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

**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
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (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
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

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

- 19a 33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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

**Facts And Circumstances Test**

Return Reference

Explanation

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

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

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

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

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

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

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

Name of the organization FAIRVIEW HOSPITAL

Employer identification number

04-2133860

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?
4a Was a correction made?
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?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

**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

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

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

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column(e))					
<b>f</b> Grassroots lobbying expenditures					

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

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

	(a)		(b)
	Yes	No	Amount
<b>1</b> 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			
<b>a</b> Volunteers?		No	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?		No	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
<b>i</b> Other activities?	Yes		13,355
<b>j</b> Total Add lines 1c through 1i			13,355
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	<b>1</b>	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	<b>2</b>	
<b>3</b> Did the organization agree to carry over lobbying and political expenditures from the prior year?	<b>3</b>	

**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."**

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> 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?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**Part IV Supplemental Information**

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

Return Reference	Explanation
PART II-B, LINE 1	LOBBYING ACTIVITIES EXPENDITURES FAIRVIEW HOSPITAL PAYS ANNUAL MEMBERSHIP DUES TO THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE MASSACHUSETTS HOSPITAL ASSOCIATION (MHA) A PORTION OF THESE DUES ARE USED BY THE AHA AND THE MHA TO CONDUCT LOBBYING ACTIVITIES FOR THE FYE 09/30/2014, THE PORTION OF THE DUES PAID TO THE AHA FOR LOBBYING ACTIVITIES WAS \$2,972, AND THE PORTION OF THE DUES PAID TO THE MHA FOR LOBBYING ACTIVITIES WAS \$10,383, FOR A TOTAL OF \$13,355



SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Name of the organization FAIRVIEW HOSPITAL

Employer identification number 04-2133860

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), 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, 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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register.

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

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

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

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

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

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

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 \$
(ii) Assets included in Form 990, Part X \$

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

a Revenues included in Form 990, Part VIII, line 1 \$
b Assets included in Form 990, Part X \$

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

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

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

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

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

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

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

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

Table with 2 columns: Description (1c-1f) and Amount

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.

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows include 1a-1g.

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

- a Board designated or quasi-endowment 0%
b Permanent endowment 18.750%
c Temporarily restricted endowment 81.250%
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

Table with 2 columns: Yes, No. Rows for 3a(i) unrelated organizations, 3a(ii) related organizations.

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

Table with 2 columns: Yes, No. Row for 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.

Table with 4 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows include 1a-1e and Total.

**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	49,833	F
(3) Other (A) BLACKROCK EQUITY INDEX FUND B	2,206,747	F
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 12 )	2,256,580	

**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
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 13 )		

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

(a) Description	(b) Book value
<b>Total.</b> (Column (b) must equal Form 990, Part X, col.(B) line 15.)	

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
DUE TO AFFILIATES	2,400,000
DUE TO THIRD PARTY PAYORS	2,294,937
ACCRUED FIN 47 ACCRETION	694,342
DEFERRED COMPENSATION	117,891
REBATE FUND LIABILITY	5,085
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25 )	5,512,255

**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.

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

**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.

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

**Part XIII Supplemental Information**

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

Return Reference	Explanation
PART V, LINE 4	INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS FAIRVIEW HOSPITAL HAS FIVE PERMANENT ENDOWMENT FUNDS, AS DESCRIBED BELOW (1) THE BALDWIN FUND'S INCOME IS TO BE USED FOR THE CARE OF PEOPLE WITHOUT OR OF LIMITED MEANS (2) THE BEECHER FUND'S INCOME IS TO BE USED TO OFFSET THE HEALTHCARE COSTS OF AGING WOMEN OR UNWED MOTHERS (3) THE BRANDI FUND'S INCOME HAS THREE PURPOSES (A) TO PROVIDE SCHOLARSHIPS FOR THE CONTINUING EDUCATION OF NURSES OR PROSPECTIVE NURSES ASSOCIATED WITH THE HOSPITAL, (B) TO SERVE AS A SOURCE OF EMERGENCY LOANS TO RETIRED NURSES OR CERTAIN NURSES WHO ARE CURRENTLY WORKING FOR THE HOSPITAL, AND (C) FOR THE PURCHASE OF EQUIPMENT, FURNISHINGS, OR OTHER ITEMS FOR THE BENEFIT OF THE NURSES OR THE MATERNITY SECTION OF THE HOSPITAL (4) THE MOSKOWITZ FUND'S INCOME IS TO BE USED TO PROVIDE FOR SCHOLARSHIPS TO EMPLOYEES AND CHILDREN OF EMPLOYEES OF THE HOSPITAL WHO ARE ADVANCING THEIR EDUCATION OR TECHNICAL SKILLS AT A RECOGNIZED LEARNING INSTITUTION (5) THE STANLEY FUND'S INCOME IS TO BE USED FOR THE REPAIR, UPKEEP, AND ADDITIONS TO THE HOSPITAL'S X-RAY EQUIPMENT
SCHEDULE D, PART X, LINE 2 FIN 48 (ASC 740) FOOTNOTE	THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL INFORMATION OF BERKSHIRE HEALTH SYSTEMS, INC AND AFFILIATES (INCLUDING FAIRVIEW HOSPITAL) FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013 DOES NOT CONTAIN A FOOTNOTE ADDRESSING ANY LIABILITY FOR UNCERTAIN TAX PROVISIONS UNDER FIN 48



SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2013

Open to Public Inspection

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. See separate instructions.

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

Department of the Treasury Internal Revenue Service

Name of the organization FAIRVIEW HOSPITAL

Employer identification number

04-2133860

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

2a 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

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions?, (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. Includes rows 1-10 and a Total row.

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	(b) Event #2	(c) Other events	(d) Total events
		<u>GALA</u> (event type)	<u>GOLF TOURNAMENT</u> (event type)	<u>(total number)</u>	(add col (a) through col (c))
<b>Revenue</b>	<b>1</b> Gross receipts . . . . .	311,088	44,573		355,661
	<b>2</b> Less Contributions . . . . .	178,348	35,266		213,614
	<b>3</b> Gross income (line 1 minus line 2) . . . . .	132,740	9,307		142,047
<b>Direct Expenses</b>	<b>4</b> Cash prizes . . . . .				
	<b>5</b> Noncash prizes . . . . .	20,832			20,832
	<b>6</b> Rent/facility costs . . . . .	1,610			1,610
	<b>7</b> Food and beverages . . . . .	21,127	6,642		27,769
	<b>8</b> Entertainment . . . . .	59,056			59,056
	<b>9</b> Other direct expenses . . . . .	30,115	2,665		32,780
	<b>10</b> Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶				
<b>11</b> 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))
		<b>1</b> Gross revenue . . . . .			
<b>Direct Expenses</b>	<b>2</b> Cash prizes . . . . .				
	<b>3</b> Non-cash prizes . . . . .				
	<b>4</b> Rent/facility costs . . . . .				
	<b>5</b> Other direct expenses . . . . .				
<b>6</b> Volunteer labor . . . . .	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No		
<b>7</b> Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶					
<b>8</b> 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 \_\_\_\_\_

.....

.....

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

<b>a</b> The organization's facility	<b>13a</b>	%
<b>b</b> An outside facility	<b>13b</b>	%

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

Name ▶ .....

Address ▶ .....

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

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

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

Name ▶ .....

Address ▶ .....

**16** Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ \$ .....

Description of services provided ▶ .....

Director/officer       Employee       Independent contractor

**17** Mandatory distributions

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

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

**Part IV Supplemental Information.** 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).

Return Reference	Explanation
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SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2013

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization FAIRVIEW HOSPITAL

Employer identification number 04-2133860

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a. 1b If "Yes," was it a written policy? 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. 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. 3a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? 3b Did the organization use FPG as a factor in determining eligibility for providing discounted care? 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? 5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? 5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? 6a Did the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public?

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (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. Rows include Financial Assistance and Means-Tested Government Programs (a-d) and Other Benefits (e-k).

**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
<b>1</b> Physical improvements and housing						
<b>2</b> Economic development						
<b>3</b> Community support			173,945		173,945	0.380 %
<b>4</b> Environmental improvements			3,735		3,735	0.010 %
<b>5</b> Leadership development and training for community members						
<b>6</b> Coalition building						
<b>7</b> Community health improvement advocacy						
<b>8</b> Workforce development			176,631		176,631	0.390 %
<b>9</b> Other						
<b>10 Total</b>			354,311		354,311	0.780 %

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

		Yes	No
<b>1</b>	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .	Yes	
<b>2</b>	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount . . . . .		
<b>3</b>	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 . . . . .		
<b>4</b>	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**

<b>5</b>	Enter total revenue received from Medicare (including DSH and IME) . . . . .	19,148,722
<b>6</b>	Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	18,979,442
<b>7</b>	Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	169,280
<b>8</b>	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: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other	

**Section C. Collection Practices**

<b>9a</b>	Did the organization have a written debt collection policy during the tax year? . . . . .	Yes
<b>9b</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 . . . . .	Yes

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

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

**Part V Facility Information**

**Section A. Hospital Facilities**

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

**1**

Name, address, primary website address, and state license number

Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
See Additional Data Table										

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

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

FAIRVIEW HOSPITAL

Name of hospital facility or facility reporting group \_\_\_\_\_

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
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
<b>1</b>	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	Yes	
<b>a</b>	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b>	<input checked="" type="checkbox"/> Demographics of the community		
<b>c</b>	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b>	<input checked="" type="checkbox"/> How data was obtained		
<b>e</b>	<input checked="" type="checkbox"/> The health needs of the community		
<b>f</b>	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b>	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b>	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b>	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>2</b>	Indicate the tax year the hospital facility last conducted a CHNA <u>20 12</u>		
<b>3</b>	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .	Yes	
<b>4</b>	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	Yes	
<b>5</b>	Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	Yes	
<b>a</b>	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW.BERKSHIREHEALTHSYSTEMS.ORG/</u>		
<b>b</b>	<input checked="" type="checkbox"/> Other website (list url) <u>WWW.MASS.GOV/AGO/COMMUNITYBENEFITS</u>		
<b>c</b>	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>d</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>6</b>	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)		
<b>a</b>	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b>	<input checked="" type="checkbox"/> Execution of the implementation strategy		
<b>c</b>	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b>	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b>	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b>	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b>	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b>	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>7</b>	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .		No
<b>8a</b>	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)? . . . . .		No
<b>8b</b>	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .		
<b>c</b>	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)

<b>Financial Assistance Policy</b>		<b>Yes</b>	<b>No</b>
<b>9</b>	Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	Yes	
<b>10</b>	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	Yes	
<b>11</b>	Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	Yes	
<b>12</b>	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)	Yes	
<b>a</b>	<input checked="" type="checkbox"/> Income level		
<b>b</b>	<input type="checkbox"/> Asset level		
<b>c</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>d</b>	<input checked="" type="checkbox"/> Insurance status		
<b>e</b>	<input checked="" type="checkbox"/> Uninsured discount		
<b>f</b>	<input type="checkbox"/> Medicaid/Medicare		
<b>g</b>	<input type="checkbox"/> State regulation		
<b>h</b>	<input type="checkbox"/> Residency		
<b>i</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>13</b>	Explained the method for applying for financial assistance? . . . . .	Yes	
<b>14</b>	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	Yes	
<b>a</b>	<input type="checkbox"/> The policy was posted on the hospital facility's website		
<b>b</b>	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
<b>c</b>	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
<b>d</b>	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
<b>e</b>	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
<b>f</b>	<input checked="" type="checkbox"/> The policy was available upon request		
<b>g</b>	<input type="checkbox"/> Other (describe in Part VI)		

<b>Billing and Collections</b>		<b>Yes</b>	<b>No</b>
<b>15</b>	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	Yes	
<b>16</b>	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
<b>a</b>	<input type="checkbox"/> Reporting to credit agency		
<b>b</b>	<input type="checkbox"/> Lawsuits		
<b>c</b>	<input type="checkbox"/> Liens on residences		
<b>d</b>	<input type="checkbox"/> Body attachments		
<b>e</b>	<input type="checkbox"/> Other similar actions (describe in Section C)		
<b>17</b>	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		No
<b>a</b>	<input type="checkbox"/> Reporting to credit agency		
<b>b</b>	<input type="checkbox"/> Lawsuits		
<b>c</b>	<input type="checkbox"/> Liens on residences		
<b>d</b>	<input type="checkbox"/> Body attachments		
<b>e</b>	<input type="checkbox"/> Other similar actions (describe in Section C)		

**Part V Facility Information** *(continued)*

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a**  Notified individuals of the financial assistance policy on admission
  - b**  Notified individuals of the financial assistance policy prior to discharge
  - c**  Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
  - d**  Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
  - e**  Other (describe in Section C)

**Policy Relating to Emergency Medical Care**

**19** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .

If "No," indicate why

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility's policy was not in writing
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>19</b>	Yes	

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

**20** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

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

**21** During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . .

If "Yes," explain in Part VI

**22** During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . .

If "Yes," explain in Part VI

<b>21</b>		No
<b>22</b>		No

**Part V Facility Information** *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

**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?           **3**          

Name and address	Type of Facility (describe)
<b>1</b> FAIRVIEW HSP OUTPATNT PHYSICAL THERAPY 10 MAPLE AVE GREAT BARRINGTON, MA 01230	OUTPATIENT SERVICES
<b>2</b> FAIRVIEW PHYSICAL & SPORTS THERAPY CTR 710 STOCKBRIDGE RD STE 1 LEE, MA 01238	OUTPATIENT SERVICES
<b>3</b> FAIRVIEW HOSPITAL AQUATIC THERAPY PROG 15 CHRISSEY RD GREAT BARRINGTON, MA 01230	OUTPATIENT SERVICES
<b>4</b>	
<b>5</b>	
<b>6</b>	
<b>7</b>	
<b>8</b>	
<b>9</b>	
<b>10</b>	

**Part VI Supplemental Information**

Provide the following information

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

Form and Line Reference	Explanation
PART I, LINE 7	THE TOTAL COMMUNITY BENEFIT EXPENSE REPORTED ON PART I, LINES 7A, 7B, & 7C HAS BEEN CALCULATED USING THE RATIO OF PATIENT CARE COST TO CHARGES AS COMPUTED USING WORKSHEET 2 IN THE SCHEDULE H INSTRUCTIONS. BECAUSE FAIRVIEW HOSPITAL IS A FEDERALLY-DESIGNATED CRITICAL ACCESS HOSPITAL, THE REVENUE RECEIVED FROM MASSACHUSETTS FOR PATIENTS ELIGIBLE FOR MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PROGRAMS (LINES 7B & 7C, COLUMN (D)) IS BASED ON A COST-BASIS MODEL AND IS HIGHER THAN IT WOULD BE FOR NON-CRITICAL ACCESS HOSPITALS. AS A RESULT, THE NET COMMUNITY BENEFIT EXPENSE IN COLUMN (E) OF LINES 7B & 7C IS A NEGATIVE NUMBER. BAD DEBT EXPENSE HAS BEEN EXCLUDED FROM THE COMPUTATION OF ALL COMMUNITY BENEFIT EXPENSE SHOWN IN PART I, LINE 7.

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	BAD DEBT EXPENSE OF \$1,115,298 ATTRIBUTABLE TO PATIENT ACCOUNTS AND INCLUDED IN FORM 990, PART IX, LINE 25 COLUMN (A) HAS BEEN EXCLUDED FROM THE COMPUTATION OF ALL COMMUNITY BENEFIT EXPENSE, INCLUDING THE CALCULATION OF THE PERCENTAGES SHOWN IN SCHEDULE H PART I, LINE 7 COLUMN (F)

Form and Line Reference	Explanation
SCHEDULE H (FORM 990) PART I, LINE 6B	FAIRVIEW HOSPITAL AND BERKSHIRE MEDICAL CENTER EACH FILE A SEPARATE COMMUNITY BENEFITS REPORT WITH THE STATE OF MASSACHUSETTS FAIRVIEW'S FISCAL YEAR 2014 COMMUNITY BENEFITS REPORT CAN BE ACCESSED AT <a href="http://WWW.CBSYS.AGO.STATE.MA.US/CBPUBLIC/PUBLIC/ANNUAL_REPORTS_START.ASPX">WWW.CBSYS.AGO.STATE.MA.US/CBPUBLIC/PUBLIC/ANNUAL_REPORTS_START.ASPX</a>

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	<p>AS SUMMARIZED IN PART II, EXPENDITURES BY FAIRVIEW HOSPITAL TO PROTECT OR IMPROVE THE COMMUNITY'S HEALTH OR SAFETY INCLUDE THE FOLLOWING</p> <p>LINE 3 COMMUNITY SUPPORT EMERGENCY PREPAREDNESS - COMMUNITY BENEFIT EXPENSE \$6,040 THE HOSPITAL PARTICIPATED IN EMERGENCY PREPAREDNESS ACTIVITIES SUCH AS CONTINUING EDUCATION, PARTNERSHIP BUILDING, AND SUSTAINABILITY PURCHASES TO STRENGTHEN THE HOSPITAL'S ALL-HAZARD RESPONSE TO LOCAL, REGIONAL AND NATIONAL EVENTS</p> <p>LINE 3 COMMUNITY SUPPORT BIOTERRORISM PREPAREDNESS - COMMUNITY BENEFIT EXPENSE \$15,000 THE HOSPITAL PARTICIPATED IN BIOTERRORISM PREPAREDNESS EFFORTS SUCH AS MAINTAINING A PHARMACEUTICAL CACHE, TRAINING WITH COMMUNITY PARTNERS, AND CONTINUING EDUCATION</p> <p>LINE 3 COMMUNITY SUPPORT MEDICAL RESERVE CORPS - COMMUNITY BENEFIT EXPENSE \$32,765 THE HOSPITAL SUPPORTS THE BERKSHIRE MEDICAL RESERVE CORPS WHO ARE A GROUP OF LICENSED MEDICAL PROFESSIONALS AND NON-LICENSED INDIVIDUALS WHO ARE TRAINED TO RESPOND TO A PUBLIC HEALTH EMERGENCY SUCH AS A PANDEMIC OR SHELTERING SITUATION</p> <p>LINE 3 COMMUNITY SUPPORT COMMUNITY INFECTION CONTROL - COMMUNITY BENEFIT EXPENSE \$16,644 FAIRVIEW HOSPITAL SPONSORED FREE COMMUNITY FLU CLINICS FUNDS WERE USED TO PAY FOR THE CLINIC PLANNER, NURSES, SUPPLIES AND ADVERTISING</p> <p>LINE 3 COMMUNITY SUPPORT EMS COORDINATOR - COMMUNITY BENEFIT EXPENSE \$98,118 FAIRVIEW FUNDS AN EMERGENCY MEDICAL SERVICES COORDINATOR WHO WORKS WITH ALL LOCAL VOLUNTEER AND PAID AMBULANCE SQUADS TO PROVIDE CONTINUING EDUCATION, REGULATORY UPDATES, AND BEST PRACTICE UPDATES</p> <p>LINE 3 COMMUNITY SUPPORT HAZARDOUS MATERIALS RESPONSE DRILLS - COMMUNITY BENEFIT EXPENSE \$5,378 FAIRVIEW CONDUCTED A COMMUNITY-WIDE HAZARDOUS MATERIAL FULL-SCALE EXERCISE WHICH INCLUDED PARTICIPATION FROM LOCAL POLICE, FIRE, AND EMS AGENCIES</p> <p>LINE 4 ENVIRONMENTAL IMPROVEMENTS COMPOSTING - COMMUNITY BENEFIT EXPENSE \$3,735 IN ORDER TO REDUCE THE WASTE IN THE LOCAL LANDFILL, FAIRVIEW HAS CONTRACTED WITH A COMPANY WHO REMOVES ITS COMPOSTABLE WASTE SUCH AS FOOD SCRAPS AND PAPER PRODUCTS THE WASTE IS TAKEN TO A COMMERCIAL FACILITY WHERE IT IS PROCESSED INTO USABLE COMPOST</p> <p>LINE 8 WORKFORCE DEVELOPMENT PHYSICIAN RECRUITMENT - COMMUNITY BENEFIT EXPENSE \$93,282 THIS IS IN RESPONSE TO CRITICAL PHYSICIAN SHORTAGES IN THE HOSPITAL'S SERVICE AREA AND THE EXPENDITURES REPORTED ARE AN INVESTMENT IN INCREASING ACCESS TO PRIMARY CARE AND SPECIALTY PHYSICIANS AVAILABLE TO THE COMMUNITY BY ASSISTING IN ESTABLISHING NEW PHYSICIANS IN THE SERVICE AREA</p> <p>LINE 8 WORKFORCE DEVELOPMENT HEALTHCARE CAREER DEVELOPMENT PROGRAMS - COMMUNITY BENEFIT EXPENSE \$83,349 FAIRVIEW OFFERED LOCAL MIDDLE AND HIGH SCHOOL STUDENTS SHADOW AND INTERNSHIP EXPERIENCES EXPOSING THEM TO DIVERSE CAREERS IN HEALTHCARE FVH OFFERED STUDENTS PURSUING SPECIALIZED MEDICAL EDUCATION, INCLUDING PHYSICIAN'S ASSISTANTS AND PHYSICAL THERAPISTS, THE OPPORTUNITY TO GAIN CLINICAL EXPERIENCE AT THE HOSPITAL FAIRVIEW ALSO OFFERED INTERNSHIPS TO NURSING STUDENTS</p>

Form and Line Reference	Explanation
PART III, LINE 2	IN EVALUATING THE COLLECTABILITY OF PATIENT ACCOUNTS RECEIVABLE, FAIRVIEW HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES FOR BAD DEBTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID). FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.

Form and Line Reference	Explanation
PART III, LINE 3	NO BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER FAIRVIEW HOSPITAL'S CHARITY CARE POLICY HAS BEEN REPORTED ON LINE 3, PART III BECAUSE ALL GROSS PATIENT CHARGES ATTRIBUTABLE TO THESE PATIENTS THAT WERE NOT PAID FROM UNCOMPENSATED CARE POOLS OR PROGRAMS WERE WRITTEN OFF AS "FREE CARE" EXPENSE A PORTION OF FREE CARE EXPENSE, CALCULATED USING THE RATIO OF PATIENT CARE COST TO CHARGES AS COMPUTED USING WORKSHEET 2 IN THE SCHEDULE H INSTRUCTIONS, IS INCLUDED IN THE "FINANCIAL ASSISTANCE AT COST" AMOUNT IN SCHEDULE H PART I, LINE 7(A), COLUMN (C)

Form and Line Reference	Explanation
PART III, LINE 4	FOOTNOTE 4 ("CHARITY CARE") TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL INFORMATION OF BERKSHIRE HEALTH SYSTEMS, INC AND AFFILIATES (INCLUDING FAIRVIEW HOSPITAL) FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013 CONTAINS THE FOLLOWING REGARDING BAD DEBT EXPENSE "THE HEALTH SYSTEM PROVIDES CARE TO PATIENTS WHO MEET CHARITY CARE POLICY CRITERIA WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES " "IF A PATIENT IS INELIGIBLE FOR CHARITY CARE OR CARE AT REDUCED RATES BECAUSE THE PATIENT'S INCOME EXCEEDS THE ELIGIBILITY GUIDELINES, SERVICES RENDERED ARE RECORDED AT ESTABLISHED RATES AND ANY UNPAID ACCOUNT RECEIVABLE BALANCE IS WRITTEN OFF TO BAD DEBTS AFTER A REASONABLE COLLECTION EFFORT HAS BEEN MADE "

Form and Line Reference	Explanation
PART III, LINE 8	THE AMOUNT REPORTED ON LINE 6, PART III WAS DETERMINED USING THE COST ALLOCATION METHODOLOGY USED FOR THE MEDICARE COST REPORTS

Form and Line Reference	Explanation
PART III, LINE 9B	<p>THE FOLLOWING INDIVIDUALS AND PATIENT POPULATIONS ARE EXEMPT FROM ANY COLLECTION OR BILLING PROCEDURES PURSUANT TO STATE REGULATIONS PATIENTS ENROLLED IN A STATE HEALTH INSURANCE PROGRAM, INCLUDING BUT NOT LIMITED TO, MASSHEALTH, EMERGENCY AID TO THE ELDERLY, DISABLED AND CHILDREN, HEALTHY START, CHILDREN'S MEDICAL SECURITY PLAN, AND "LOW INCOME PATIENTS" AS DETERMINED BY THE OFFICE OF MEDICAID PLEASE NOTE THAT FAIRVIEW HOSPITAL (FVH) MAY SEEK COLLECTION ACTION AGAINST ANY PATIENT ENROLLED IN THE ABOVE MENTIONED PROGRAMS FOR THEIR REQUIRED CO-PAYMENTS AND DEDUCTIBLES THAT ARE SET FORTH BY EACH SPECIFIC PROGRAM FVH MAY ALSO INITIATE BILLING OR COLLECTION FOR A PATIENT WHO ALLEGES THAT HE OR SHE IS A PARTICIPANT IN A FINANCIAL ASSISTANCE PROGRAM THAT COVERS THE COSTS OF THE HOSPITAL SERVICES, BUT FAILS TO PROVIDE PROOF OF SUCH PARTICIPATION UPON RECEIPT OF SATISFACTORY PROOF THAT A PATIENT IS A PARTICIPANT IN A FINANCIAL ASSISTANCE PROGRAM (INCLUDING RECEIPT OR VERIFICATION OF SIGNED APPLICATION), FVH SHALL CEASE ITS BILLING OR COLLECTION ACTIVITIES FVH MAY CONTINUE COLLECTION ACTION ON ANY LOW INCOME PATIENT FOR SERVICES RENDERED PRIOR TO THE LOW INCOME PATIENT DETERMINATION, PROVIDED THAT THE CURRENT LOW INCOME PATIENT STATUS HAS BEEN TERMINATED OR EXPIRED HOWEVER, ONCE A PATIENT IS DETERMINED ELIGIBLE AND ENROLLED IN THE HEALTH SAFETY NET, MASSHEALTH, OR CERTAIN COMMONWEALTH CARE PROGRAMS, FVH WILL CEASE COLLECTION ACTIVITY FOR SERVICES, PREVIOUSLY BILLED, THAT NOW FALL INTO THE ELIGIBILITY PERIOD FVH MAY SEEK COLLECTION ACTION AGAINST ANY OF THE PATIENTS PARTICIPATING IN THE PROGRAMS LISTED ABOVE FOR NON-COVERED SERVICES THAT THE PATIENT HAS AGREED TO BE RESPONSIBLE FOR, PROVIDED THAT THE HOSPITAL OBTAINED THE PATIENT'S PRIOR WRITTEN CONSENT TO BE BILLED FOR THE SERVICE FVH WILL NOT UNDERTAKE COLLECTION ACTION AGAINST AN INDIVIDUAL THAT HAS BEEN APPROVED FOR MEDICAL HARDSHIP UNDER THE MASSACHUSETTS HEALTH SAFETY NET PROGRAM WITH RESPECT TO THE AMOUNT OF THE BILL THAT EXCEEDS THE MEDICAL HARDSHIP CONTRIBUTION FVH DOES NOT GARNISH A PATIENT'S OR THE PATIENT'S GUARANTOR'S WAGES OR EXECUTE A LIEN ON THE PATIENT'S OR THE PATIENT'S GUARANTOR'S PERSONAL RESIDENCE OR MOTOR VEHICLE FVH AND ITS AGENTS SHALL NOT CONTINUE COLLECTION OR BILLING ON A PATIENT WHO IS A MEMBER OF A BANKRUPTCY PROCEEDING EXCEPT TO SECURE ITS RIGHTS AS A CREDITOR IN THE APPROPRIATE ORDER</p>

Form and Line Reference	Explanation
PART VI, LINE 2	<p>NEEDS ASSESSMENT - FAIRVIEW ASSESSES THE NEEDS AND CHANGES IN OUR COMMUNITY THROUGH A BROAD RANGE OF ASSESSMENT INITIATIVES AND CONSTANT INTERACTION AND ENGAGEMENT WITH THE LOCAL COMMUNITY STATISTICAL EVIDENCE FROM HOSPITAL DATABASES, INCLUDING IN-PATIENT, EMERGENCY AND MAJOR DIAGNOSTIC CATEGORIES, AUGMENT FEDERAL, STATE AND LOCAL ASSESSMENTS WHICH HELP IDENTIFY AREAS CONSISTENT WITH, AND THOSE ABOVE, STANDARD NORMS FAIRVIEW RELIES ON THE MASSACHUSETTS DEPARTMENT OF PUBLIC HEALTH DEMOGRAPHIC DATA AND HEALTH REGIONALIZATION STATUS REPORTS TO OBTAIN THIS INFORMATION FAIRVIEW ALSO PARTICIPATES WITH THE WORK OF REGIONAL PARTNER ORGANIZATIONS AND UTILIZES ASSESSMENTS MADE AVAILABLE ON BEHALF OF SPECIFIC COMMUNITY INTERESTS AMONG THE ORGANIZATIONS THAT PROVIDE RELEVANT DATA ARE BERKSHIRE HEALTH SYSTEMS COMMUNITY HEALTH ASSESSMENT SURVEY, SOUTHERN BERKSHIRE YOUTH COALITION YOUTH SURVEY, UNITED WAY COMMUNITY IMPACT BASELINE REPORT, MASSACHUSETTS PREVENTION NEEDS ASSESSMENT SURVEY, CROSS-CULTURAL ACTION NETWORK, MASSACHUSETTS COUNTY HEALTH RANKINGS, BERKSHIRE HILLS REGIONAL SCHOOL DISTRICT BMI REPORTS, AND THE BERKSHIRE BOARDS OF HEALTH ASSOCIATION BERKSHIRE COMMUNITY HEALTH ASSESSMENT FAIRVIEW ALSO CONDUCTS ITS OWN SURVEY, SPECIFICALLY TARGETING THE SOUTHERN BERKSHIRE REGION, TO UNDERSTAND RESIDENTS' PERCEPTIONS OF HEALTHCARE SERVICE ACCESS, OBSTACLES TO CARE, PREFERRED METHODS OF COMMUNICATIONS, PERCEIVED HEALTH THREATS AND SIGNIFICANT ISSUES THAT AFFECT THEIR HEALTH STATUS FAIRVIEW HOSPITAL PLACES A HIGH PRIORITY ON BUILDING CLOSE ALLIANCES WITH EDUCATIONAL, BUSINESS, HEALTH AND WELFARE, SAFETY, AND LAW ENFORCEMENT AGENCIES AND SOCIAL SERVICES IN THE SOUTHERN BERKSHIRES THROUGH CONTINUAL ENGAGEMENT AND PARTNERING, FAIRVIEW STAYS AHEAD OF THE BROAD RANGE OF ISSUES AFFECTING OUR COMMUNITY ALLOWING IT TO RESPOND TO ISSUES THROUGH A CONSTITUENCY FOCUSED OUTREACH AND EDUCATION PROGRAM, WHICH IS BASED ON HEALTH NEEDS ASSESSMENTS AND TARGETS SPECIFIC HEALTH INFORMATION TO MEET THE NEEDS OF SPECIAL POPULATIONS, FAIRVIEW STRIVES TO INCREASE AWARENESS OF AND ACCESS TO PROGRAMS AND SERVICES, EDUCATION, SUPPORT AND INFORMATION, AND TO RAISE THE OVERALL HEALTH LITERACY AMONG OUR NEIGHBORS IN ADDITION, COMMUNITY HOSPITAL COMMITTEES, INCLUDING THE PATIENT FAMILY ADVISORY COUNCIL, ETHICS COUNCIL AND SPECIAL EVENTS COMMITTEES ALLOW FAIRVIEW TO MAINTAIN A DIRECT LINE TO OUR COMMUNITY, IN OUR EFFORT TO SERVE OUR COMMUNITY EFFECTIVELY</p>

Form and Line Reference	Explanation
PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE - FAIRVIEW HOSPITAL IS EXTREMELY PROACTIVE IN HELPING PATIENTS ACCESS COVERAGE THROUGH CONTINUOUS OUTREACH ACTIVITIES AND MEDIA COVERAGE, FAIRVIEW'S ADVOCACY FOR ACCESS TEAM PROMOTES INFORMATION ABOUT ELIGIBILITY TO INDIVIDUALS WHO CAN RECEIVE ASSISTANCE FROM FEDERAL, STATE, AND LOCAL GOVERNMENTS PATIENTS ARE CONNECTED TO THESE PROGRAMS BOTH FROM WITHIN THE HOSPITAL AS WELL AS ON A COMMUNITY LEVEL THE ADVOCACY FOR ACCESS OFFICE, LOCATED IN THE FRONT LOBBY OF THE HOSPITAL, MAINTAINS FLEXIBLE HOURS TO ACCOMMODATE THOSE SEEKING COVERAGE THROUGHOUT THE HOSPITAL, THE ADVOCACY TEAM HAS TRAINED STAFF TO INITIATE CONTACT TO FACILITATE ENROLLMENT AND ANSWER QUESTIONS PATIENTS MAY HAVE IN ADDITION, A FINANCIAL ADVISOR IS AVAILABLE DURING BUSINESS HOURS TO ASSIST PATIENTS IN CREATING FLEXIBLE BILLING ARRANGEMENTS AS WELL AS ADDRESSING BILLING ISSUES AND QUESTIONS THE SERVICE ECONOMY IN THE SOUTHERN BERKSHIRES HAS MANY UNINSURED AND UNDERINSURED WORKERS MANY OF THESE INDIVIDUALS HOLD MORE THAN ONE JOB THE ADVOCACY FOR ACCESS TEAM HAS PLACED SPECIAL EMPHASIS ON REACHING OUT TO THE SELF-EMPLOYED AS WELL AS IMMIGRANT COMMUNITIES TO PROVIDE THEM WITH INFORMATION AND ENROLL THEM IN HEALTH COVERAGE DURING THE PAST YEAR

Form and Line Reference	Explanation
PART VI, LINE 4	<p>COMMUNITY INFORMATION - FAIRVIEW HOSPITAL SERVES A RURAL AREA IN THE SOUTHWESTERN CORNER OF MASSACHUSETTS IN ADDITION TO NEARBY COMMUNITIES ACROSS THE BORDERS OF NEW YORK AND CONNECTICUT THERE IS A WIDE SOCIO-ECONOMIC RANGE IN THE COMMUNITY, NECESSITATING A DIVERSE COMMUNICATIONS PLAN, INCLUDING BOTH TRADITIONAL AND SOCIAL MEDIA HOWEVER, FAIRVIEW RECOGNIZES THE IMPACT THAT WORD-OF-MOUTH CONTINUES TO HOLD AND ENGAGES WITH A NETWORK OF COMMUNITY LEADERS WHO REPRESENT VARIOUS CONSTITUENCIES TO TAP INTO THESE NETWORKS DIRECTLY AND THROUGH COMMUNITY AFFILIATIONS SUCH AS THE SOUTHERN BERKSHIRE REGIONAL EMERGENCY PLANNING COMMITTEE, AN ALLIANCE OF THE TOWNS, EMERGENCY SERVICES, BOARDS OF HEALTH, SELECTMEN OF INDIVIDUAL TOWNS, AND THE HOSPITAL WHILE THE SOUTHERN BERKSHIRE COMMUNITY IS PREDOMINATELY CAUCASIAN, THERE IS A GROWING MULTI-CULTURAL COMMUNITY FAIRVIEW HOSPITAL HAS EXPANDED ITS NETWORK OF CONTACTS AND RESOURCES TO SERVE THIS COMMUNITY WHEN ANY HEALTH ISSUE IS ADDRESSED OR PROGRAM PROMOTED, THERE ARE MANY POINTS OF CONTACT REPRESENTING THIS COMMUNITY TO INITIATE A SIMILAR DISTRIBUTION OF INFORMATION TAILORED TO THE NEEDS OF SPECIFIC GROUPS ADDITIONALLY, THERE IS A SIGNIFICANT SECTOR OF SECOND-HOMEOWNERS, WHICH PROVIDES AN ECONOMIC BOOST TO THE CONSTRUCTION AND SERVICE INDUSTRY, BUT RAISES THE PRICE OF HOUSING, PLACING IT OUT OF REACH OF MANY LOCAL FAMILIES THERE ARE A SIGNIFICANT PERCENTAGE OF FAMILIES LIVING IN POVERTY IN FACT, TWENTY-FIVE PERCENT OF FAMILIES ARE LIVING BELOW 200% OF THE POVERTY LEVEL (MORE THAN 3% OVER THE STATE AVERAGE) AND THE AVERAGE PER CAPITA INCOME IS \$3,297 LOWER THAN THE STATE AVERAGE OVER 35% OF THE STUDENTS IN THE LOCAL ELEMENTARY SCHOOL ARE ON FREE OR REDUCED PRICE LUNCHES RURAL HOMELESSNESS IS A HIDDEN, BUT PERVASIVE SOCIAL AND ECONOMIC ISSUE FAIRVIEW HOSPITAL COLLABORATES WITH BOTH THE LOCAL HOMELESS SHELTER AND VOLUNTEERS IN MEDICINE TO PROVIDE NEEDED MEDICAL CARE AND MEALS THE PERCENTAGE OF ELDERS IN THE SOUTHERN BERKSHIRES IS SIGNIFICANTLY ABOVE THE STATE AVERAGE, SURPASSING 20% IN SOME RURAL COMMUNITIES ADDITIONALLY, MANY ELDERS ARE LIVING ALONE SENIOR CENTERS AND SERVICES ARE AN IMPORTANT COMMUNITY RESOURCE AND FAIRVIEW REGULARLY OFFERS PROGRAMS THROUGH THESE ORGANIZATIONS PUBLIC TRANSPORTATION IS LIMITED AND NOT EASILY ACCESSIBLE AS A RESULT, TRANSPORTATION IS AN OBSTACLE TO CARE FOR MANY, PARTICULARLY AMONG THE ELDERLY A PUBLIC TRANSPORTATION AGENCY RUNS A LIMITED BUS ROUTE WITH LIMITED HOURS ADDITIONAL ELDERLY TRANSPORTATION IS AVAILABLE BUT LIMITED PEOPLE WHO NEED TO ACCESS HEALTHCARE MUST RELY ON FAMILY OR FRIENDS TO GET TO MEDICAL CARE SPECIALTY CARE IS A PARTICULAR CHALLENGE TO OBTAIN FAIRVIEW HOSPITAL COLLABORATES WITH AREA ORGANIZATIONS TO HELP MAKE TRANSPORTATION OPTIONS AVAILABLE HEALTHCARE AND EDUCATION ARE THE PRIMARY EMPLOYMENT SECTORS THE SOUTHERN BERKSHIRE ECONOMY'S PRIMARY ECONOMIC ENGINE IS TOURISM, WITH A HIGH NUMBER OF HOTELS, BED AND BREAKFASTS, RESTAURANTS, AND RETAIL SHOPS AND SERVICES CATERING TO THE TOURIST COMMUNITY THE LOCAL CONSTRUCTION INDUSTRY WAS SEVERELY IMPACTED BY THE ECONOMIC DOWNTURN ALTHOUGH THESE ARE OFTEN SEASONAL AND SERVICE BASED JOBS, THEY ARE A SIGNIFICANT PART OF THE ECONOMY</p>

Form and Line Reference	Explanation
PART VI, LINE 5	<p>PROMOTION OF COMMUNITY HEALTH - FURTHERING OUR CHARITABLE PURPOSE AS PART OF BERKSHIRE HEALTH SYSTEMS, FAIRVIEW HOSPITAL'S COMMUNITY BENEFIT MISSION IS COMMITTED TO IDENTIFY, PRIORITIZE, AND MAKE INVESTMENTS THAT ADDRESS OUR COMMUNITIES' HEALTH NEEDS AND RAISE THE HEALTH STATUS OF OUR NEIGHBORS. FAIRVIEW SERVES AS THE RURAL REGION'S PRIMARY HEALTHCARE ORGANIZATION, AND ADDRESSES THE NEEDS OF "AT RISK" AND VULNERABLE POPULATIONS AS PART OF OVERALL PUBLIC HEALTH. FAIRVIEW SEEKS INPUT AND FEEDBACK TO IMPROVE EFFICIENT USE OF RESOURCES TO MEET IDENTIFIED COMMUNITY NEEDS AND ACTS AS A CATALYST TO PROMOTE HEALTH INITIATIVES SUCH AS FLU CLINICS, EMERGENCY PLANNING, AND OTHER PUBLIC HEALTH MANDATES. FAIRVIEW PARTICIPATES IN THE BERKSHIRE MEDICAL CENTER MONTHLY COMMUNITY BENEFITS MEETINGS AS WELL AS MAINTAINING A SEPARATE FAIRVIEW HOSPITAL COMMUNITY BENEFITS COMMITTEE WHICH MEETS TWICE A YEAR AND PROVIDES A PLATFORM THAT FOCUSES ON THE TWELVE SOUTHERN BERKSHIRE TOWNS IN ITS SERVICE AREA, ENGAGING COMMUNITY PROFESSIONALS ON THE SPECIFIC NEEDS OF OUR GEOGRAPHIC DISTRICT. THE FHCBC INCLUDES THE PRESIDENT, TWO VICE PRESIDENTS, AND LEADERS OF THE HOSPITAL DEPARTMENTS AND STAFF WHO ARE DIRECTLY INVOLVED WITH PATIENTS, ALLOWING A GREATER FOCUS ON THE SPECIFIC NEEDS OF THIS GEOGRAPHIC DISTRICT THROUGH A MULTIDISCIPLINARY APPROACH TO IDENTIFY EMERGING HEALTH ISSUES IN THE COMMUNITY. FAIRVIEW HOSPITAL VALUES THE COMMUNITY'S VITAL ROLE AS STEWARDS OF THEIR COMMUNITY HOSPITAL MEMBERS OF THE COMMUNITY, REPRESENTING VARIOUS DEMOGRAPHIC AND CONSTITUENCY GROUPS, SERVE ON OUR GOVERNING BOARDS AS WELL AS VARIOUS COMMITTEES WHICH ASSURE THE INPUT AND INTERESTS OF THE COMMUNITY ARE REPRESENTED AT THE HIGHEST LEVELS. HOSPITAL STAFF ALSO PLAY AN ACTIVE ROLE IN MANY LOCAL AND REGIONAL ORGANIZATIONS, SUPPORTING THEIR EFFORTS AND, BY ENGAGING WITH THEIR MISSION AND INTERESTS, CREATING NEW AVENUES OF COLLABORATION AND OPPORTUNITY TO BETTER MEET OUR COMMUNITY'S HEALTH NEEDS. AT THE END OF FISCAL YEAR 2014, THE CURRENT GOVERNING BODY OF FAIRVIEW HOSPITAL CONSISTED OF 17 COMMUNITY VOLUNTEERS, FOUR PHYSICIAN REPRESENTATIVES, AND AS AN EX-OFFICIO MEMBER, THE CHIEF EXECUTIVE OFFICER. THE COMMUNITY VOLUNTEERS ARE ELECTED FOR TERMS OF UP TO THREE YEARS, ARE SUBJECT TO TERM LIMITS, AND REPRESENT A WIDE SPECTRUM OF COMMUNITY INTERESTS - INCLUDING SOCIAL SERVICE PROVIDERS, LOCAL BUSINESS LEADERS, FINANCIAL PROFESSIONALS, CONSUMER ADVOCATES, AND EDUCATIONAL LEADERS. MOST COMMITTEES OF THE BOARD OF TRUSTEES INCLUDE ADDITIONAL COMMUNITY REPRESENTATIVES. FAIRVIEW ALSO MAINTAINS A PATIENT AND FAMILY COUNCIL TO PROVIDE INPUT AND ADVICE ON A WIDE RANGE OF SERVICE TOPICS. THE MEDICAL STAFF OF FAIRVIEW HOSPITAL IS OPEN TO ALL PHYSICIANS WHO MEET CLINICAL AND PATIENT SERVICE CRITERIA, ALTHOUGH CERTAIN HOSPITAL BASED SERVICES - RADIOLOGY, ANESTHESIA, EMERGENCY DEPARTMENT AND PATHOLOGY - ARE FUNCTIONALLY CLOSED BECAUSE OF THE MANNER IN WHICH THOSE DEPARTMENTS ARE STRUCTURED. FAIRVIEW REGULARLY EXPENDS PERSONNEL AND FINANCIAL RESOURCES IN SUPPORT OF COMMUNITY INITIATIVES THAT PROMOTE IMPROVEMENTS IN COMMUNITY HEALTH AND WELL-BEING FOR WHICH IT DOES NOT EXPECT REIMBURSEMENT. THE HOSPITAL UTILIZES SURPLUS FUNDS FOR CAPITAL IMPROVEMENTS, TO MAINTAIN ACCESS TO HOSPITAL SERVICES AND PRIMARY CARE, TO EXPAND ACCESS POINTS OF CARE, AND TO SUPPORT SERVICES THAT SUPPORT COMMUNITY BENEFIT PRIORITIES INCLUDING CHRONIC DISEASE, EDUCATION, AND ACCESS TO CARE. FAIRVIEW'S EXTENSIVE COMMUNITY OUTREACH AND SUPPORT PROGRAMS INCLUDE TOBACCO TREATMENT, PARKINSON'S EXERCISE, AND CPR AND LIFE SAFETY TRAINING. IN ADDITION, FAIRVIEW PROVIDES FINANCIAL SUPPORT FOR LOCAL INITIATIVES, INCLUDING YOUTH SPORTS AND RECREATIONAL ACTIVITIES, TIED TO MESSAGING THAT ADDRESSES THE COMMUNITY'S CONCERN FOR ALCOHOL AND SUBSTANCE ABUSE, AN ISSUE IDENTIFIED AS A COMMUNITY CONCERN IN A RECENT ASSESSMENT. FAIRVIEW HOSPITAL'S SERVICE AREA IS A DESIGNATED MEDICALLY UNDERSERVED COMMUNITY AND IT HAS PLACED A HIGH PRIORITY ON RECRUITING PHYSICIANS AND MEDICAL PERSONNEL TO THE AREA TO SUPPORT ACCESS TO PRIMARY HEALTH NEEDS. FURTHER EFFORT AND RESOURCES HAVE BEEN SPENT INCREASING ACCESS TO SPECIALTY SERVICES. MANY OF THESE PROVIDERS ARE NOW EMPLOYEES DIRECTLY AFFILIATED WITH FAIRVIEW HOSPITAL, BERKSHIRE MEDICAL CENTER, OR BERKSHIRE HEALTH SYSTEMS. MORE OVER, BMC AND FAIRVIEW HAVE, IN APPROPRIATE WAYS, PROVIDED SUBSTANTIAL ASSISTANCE TO COMMUNITY MEDICAL PRACTICES TO RECRUIT AND SUPPORT THE PRACTICE START-UP OF NEW PHYSICIANS IN NEEDED SPECIALTIES FACING AN INCREASINGLY CHALLENGING ENVIRONMENT IN WHICH TO ATTRACT SKILLED HEALTHCARE PROVIDERS, FAIRVIEW HOSPITAL IS ACTIVELY ENGAGED IN CAREER DEVELOPMENT AT MANY LEVELS OF PROFESSIONAL TRAINING TO ALLOW STUDENTS LIVING IN OUR RURAL COMMUNITY ACCESS TO HIGH QUALITY TRAINING PROGRAMS IN THE HOPE THAT THEY WILL BE THE FOUNDATION OF OUR FUTURE HEALTHCARE WORKFORCE AS STEWARD OF THE COMMUNITY'S PRIMARY HEALTH ORGANIZATION, AND A NOT-FOR-PROFIT ORGANIZATION, FAIRVIEW HOSPITAL UTIL</p>

Form and Line Reference	Explanation
PART VI, LINE 5	<p>IZES ANY SURPLUS FUNDS TO MEET THE HIGHEST PRIORITY NEEDS INCLUDING PATIENT CARE, SERVICE AND PROGRAM DEVELOPMENT, MEDICAL EDUCATION OF ALL STAFF, COMMUNITY SUPPORT, AND EDUCATION AND RESEARCH AS THE CENTER OF THE HEALTHCARE COMMUNITY IN THE SOUTHERN BERKSHIRES, FAIRVIE W HOSPITAL IS AN ACTIVE LEADER IN THE PROMOTION OF BETTER HEALTH IN OUR COMMUNITY FAIRVIE W OFFERS PRIMARY SERVICES TO ALL WHO SEEK CARE, REGARDLESS OF ABILITY TO PAY, FREE OR LOW-C OST EDUCATIONAL PROGRAMS, SUPPORT GROUPS, AND SCREENINGS TO PROVIDE VALUABLE INFORMATION T O OUR COMMUNITY, WITH PARTICULAR FOCUS ON VULNERABLE POPULATIONS, ONGOING MEDIA COMMUNICATI ON FOR IMPORTANT HEALTH ACCESS INFORMATION INCLUDING FLU PREVENTION, VACCINATIONS, AND COM MONWEALTH CARE DEADLINES, HEALTHY MENUS, MORE SUSTAINABLE OR ENVIRONMENTALLY FRIENDLY POLIC IES, AND DISCONTINUATION OF SUGAR DRINKS IN THE HOSPITAL TO SERVE AS A ROLE MODEL FOR A HE ALTHIER COMMUNITY, AND LEADERSHIP AND COLLABORATION IN PUBLIC HEALTH INITIATIVES INCLUDING EMERGENCY PLANNING, BOARDS OF HEALTH, AND OTHER COMMUNITY-WIDE INITIATIVES A SPECIFIC AREA OF FOCUS THAT REFLECTS THE IMPORTANCE AND IMPACT OF COLLABORATION IS YOUTH OBESITY FAIRV IEW HOSPITAL HAS LAUNCHED OPERATION BETTER START, A SATELLITE PROGRAM OF BERKSHIRE MEDICAL CENTER, TO BRING AN AWARD WINNING PROGRAM TO THE SOUTHERN BERKSHIRES THIS PROGRAM TARGET S OBESITY IN YOUTH WITH A MULTI-DISCIPLINARY TEAM THAT ADDRESSES THE MANY ISSUES INVOLVED IN OBESITY AND TREATS NOT ONLY THE CHILD, BUT THE FAMILY, TO ACHIEVE IMPROVED HEALTH FOR T HE ENTIRE FAMILY UNIT IN OTHER AREAS, FAIRVIEW HAS TAKEN A PROACTIVE APPROACH TO BETTER H EALTH THROUGH BETTER NUTRITION AS WELL IN ADDITION TO NUTRITION COUNSELING, FAIRVIEW OFFE RS A SIX-WEEK MINDFULNESS EATING PROGRAM, AND ITS FOOD SERVICES IS A LEADER IN THE NATION AS A HOSPITAL THAT SETS A HIGHER STANDARD IN HEALTHY EATING WITHIN THE HOSPITAL FAIRVIEW WAS THE FIRST HOSPITAL IN THE COUNTRY TO DISCONTINUE THE SALE OF SUGAR-SWEETENED BEVERAGES AT THE HOSPITAL AND THE FIRST HOSPITAL IN MASSACHUSETTS TO SIGN THE HEALTHCARE WITHOUT HA RM PLEDGE</p>

Form and Line Reference	Explanation
PART VI, LINE 6	AFFILIATED HEALTHCARE SYSTEM - FAIRVIEW HOSPITAL IS A PART OF AN INTEGRATED, NON-PROFIT HEALTHCARE SYSTEM THAT INCLUDES (A) A TEACHING HOSPITAL, (B) A CRITICAL ACCESS COMMUNITY HOSPITAL [FAIRVIEW], (C) A LARGE, MULTISPECIALTY FACULTY PRACTICE ORGANIZATION, (D) A HOME HEALTH AGENCY, AND (E) BY CONTRACT AND CLOSE COORDINATION, A NON-PROFIT SENIOR CARE ORGANIZATION THAT INCLUDES SUB-ACUTE SERVICES IN REHABILITATION AND LONG-TERM CARE FACILITIES, ASSISTED LIVING FACILITIES, HOSPICE CARE SERVICES, SENIOR DAY CARE, AND OTHER ELDERCARE SERVICES FAIRVIEW ENGAGES IN HEALTHCARE NEEDS ASSESSMENT AND PLANNING ON A SYSTEM-WIDE BASIS, WITH A GOAL OF A SEAMLESS TRANSITION OF PATIENT-CENTERED CARE ACROSS THE SPECTRUM OF SERVICES OFFERED BY EACH OF THE SYSTEM'S COMPONENT ENTITIES FAIRVIEW, ALONG WITH ITS AFFILIATES, CONTINUES TO DEVELOP INTEGRATED CLINICAL AND INFORMATION SYSTEMS ACROSS THE ENTIRE ORGANIZATION SO AS TO RENDER CARE EFFICIENTLY, EFFECTIVELY, AND CONSISTENTLY AT EVERY CARE SITE THE VARIOUS AFFILIATES, SUCH AS THE FACULTY PRACTICE ORGANIZATION, ARE FULLY INTEGRATED INTO THE COMMUNITY BENEFIT PROCESS AND SUPPORT THE HOSPITAL'S PRIORITIES BY HONORING OUR FREE CARE GUIDELINES AND ENGAGING IN SPECIFIC PROGRAMS AND INITIATIVES DESIGNED TO MEET COMMUNITY NEEDS

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	MA

# Additional Data

**Software ID:**

**Software Version:**

**EIN:** 04-2133860

**Name:** FAIRVIEW HOSPITAL

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

Form and Line Reference	Explanation
FAIRVIEW HOSPITAL	<p>PART V, SECTION B, LINE 3 COMMUNITY HEALTH NEEDS ASSESSMENT - FAIRVIEW HOSPITAL HAS UTILIZED AN ACTIVE COMMUNITY HEALTH NEEDS ASSESSMENT AS PART OF ITS COMMUNITY BENEFIT PROCESS FOR A NUMBER OF YEARS THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IS UPDATED IN CONJUNCTION WITH THE CHNA OF BERKSHIRE MEDICAL CENTER AS ONE OF THE MANY SOURCES OF INFORMATION THAT DIRECTS ITS EFFORTS, AND THE UPDATE IN THE FISCAL YEAR ENDED 09/30/12 DIRECTED ITS EFFORTS IN THE FISCAL YEAR ENDED 09/30/14 FAIRVIEW'S CHNA UTILIZED ALL AVAILABLE CLINICAL, HEALTH STATUS, DEMOGRAPHIC, AND SOCIO-ECONOMIC DATA AVAILABLE TO FORM THE FOUNDATION OF OUR NEEDS ASSESSMENT IN ADDITION WE GATHERED AVAILABLE QUALITATIVE DATA FROM OUR MANY ADVISORY GROUPS, COMMUNITY FORUMS, SURVEYS (INCLUDING AN E-SURVEY CONDUCTED IN BOTH ENGLISH AND SPANISH), AND FOCUS GROUPS THE WELLNESS AND OUTREACH PROGRAMS ALSO SUPPLEMENT OUR UNDERSTANDING OF THE HEALTH STATUS OF OUR COMMUNITY, HEALTH RISK FACTORS, AND BARRIERS TO HEALTH AND HEALTHCARE IN NOVEMBER 2011, IN COLLABORATION WITH OUR PUBLIC HEALTH COLLEAGUES FROM ACROSS BERKSHIRE COUNTY, FAIRVIEW PARTICIPATED IN A COMMUNITY WIDE MEETING SPONSORED BY BERKSHIRE MEDICAL CENTER TO REVIEW THE HEALTH NEEDS OF OUR COMMUNITY AND SOLICIT ADDITIONAL FEEDBACK FROM OVER 70 COMMUNITY BASED ORGANIZATIONS THE FEEDBACK GATHERED INPUT ON SPECIFIC ACTIONS THAT COULD BE TAKEN AT INDIVIDUAL, FAMILY, AND ORGANIZATIONAL LEVELS AS WELL AS IDENTIFYING GAPS IN SERVICE IN ADDITION TO PRIORITIZING THE MOST IMPORTANT NEEDS FOR THE COMMUNITY AS A WHOLE WE HAVE PARTICIPATED IN THIS COMMUNITY GROUP AT LEAST ANNUALLY TO REVIEW DATA, CONFIRM PRIORITIES, DISCUSS NEEDS, AND WORK TOGETHER TO ADDRESS THE IDENTIFIED PRIORITIES AND NEEDS IN 2012 WE FORMALIZED THE COUNTY HEALTH INITIATIVE (CHI) WITH THE GOAL OF WORKING TOGETHER TO IMPROVE COMMUNITY HEALTH THE LEADERSHIP TEAM OF THE CHI INCLUDED BERKSHIRE MEDICAL CENTER, FAIRVIEW HOSPITAL, NORTH ADAMS REGIONAL HOSPITAL, BERKSHIRE COUNTY BOARDS OF HEALTH, THE BERKSHIRE ALLIANCE FOR PUBLIC HEALTH, TRI-TOWN HEALTH DEPARTMENT, PITTSFIELD BOARD OF HEALTH, BERKSHIRE UNITED WAY, AND NORTHERN BERKSHIRE COMMUNITY COALITION THE NEEDS DATA, ALONG WITH STATE PRIORITIES, ARE USED TO DETERMINE OUR ANNUAL COMMUNITY BENEFIT PRIORITIES, WHICH ARE ESTABLISHED BY THE COMMUNITY BENEFIT AND ACCESS COMMITTEE OF THE BOARD OF TRUSTEES IN ITS PLANNING, FVH LOOKS FOR OPPORTUNITIES TO MAKE BETTER AND MORE EFFECTIVE USE OF EXISTING RESOURCES AND PROVIDERS, AS WELL AS TO IDENTIFY GAPS IN SERVICE FVH WORKS WITH INTERNAL RESOURCES AND COMMUNITY AND REGIONAL PARTNERS, WITH THE HELP OF EVIDENCED BASED OR BEST PRACTICE PROGRAMS, TO DEVELOP AND IMPLEMENT PROGRAMS AND INITIATIVES TO MEET COMMUNITY NEED</p>

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

Form and Line Reference	Explanation
FAIRVIEW HOSPITAL	<p>PART V, SECTION B, LINE 4 CHNA CONDUCTED WITH OTHER HOSPITAL FACILITIES - FAIRVIEW HOSPITAL IS AN AFFILIATE HOSPITAL OF BERKSHIRE MEDICAL CENTER AND BERKSHIRE HEALTH SYSTEMS, THE REGIONAL PROVIDER OF HEALTHCARE IN THE BERKSHIRES FAIRVIEW HOSPITAL PARTICIPATES IN THE BERKSHIRE HEALTH SYSTEMS COMMUNITY HEALTH NEEDS ASSESSMENT AND CONSIDERS IT THE PRIMARY RESOURCE FOR COMMUNITY FEEDBACK FOR OVERALL HEALTH NEEDS AND STATUS OF OUR REGION THE HEALTHCARE PRIORITIES IDENTIFIED BY THE BERKSHIRE HEALTH SYSTEMS REPORT ARE THE GUIDING FRAMEWORK THAT FAIRVIEW USES TO EFFECTIVELY COLLABORATE WITH OTHER PROVIDERS TO IDENTIFY PRIORITY NEEDS AND DEVELOP PLANS TO MEET THEM IN ADDITION TO THE BERKSHIRE HEALTH SYSTEMS CHNA, FAIRVIEW HOSPITAL CONDUCTS AN ADDITIONAL COMMUNITY HEALTH QUESTIONNAIRE FOR THE TWELVE TOWNS IN THE SOUTHERN BERKSHIRES THAT IT SERVES THE GOAL OF THIS TARGETED SURVEY IS TO GAIN ADDITIONAL FEEDBACK OF THE PERCEPTIONS OF THE RESIDENTS OF THE SOUTHWESTERN CORNER OF BERKSHIRE COUNTY AS TO THE CHALLENGES, OBSTACLES AND PRIORITY NEEDS THEY FEEL NEED TO BE ADDRESSED</p>

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

Form and Line Reference	Explanation
FAIRVIEW HOSPITAL	<p>PART V, SECTION B, LINE 7 WERE ALL NEEDS IDENTIFIED IN CHNA ADDRESSED? - FAIRVIEW HOSPITAL FOLLOWS THE PRIORITIES OF THE BERKSHIRE HEALTH SYSTEMS COMMUNITY HEALTH NEEDS ASSESSMENT FAIRVIEW HOSPITAL, A CRITICAL ACCESS HOSPITAL, SERVES A RURAL COMMUNITY IN THE SOUTHWESTERN CORNER OF MASSACHUSETTS FAIRVIEW HAS PUT IN PLACE MANY PROGRAMS AND SERVICES THAT ADDRESS THE NEEDS OF VULNERABLE POPULATIONS, EQUITY OF ACCESS, CHRONIC DISEASE AND WELLNESS IN ADDITION TO ITS ROLE AS SERVING AS THE PRIMARY ACUTE CARE FACILITY FOR OUR NEIGHBORS FAIRVIEW HAS MADE SIGNIFICANT PROGRESS IN RESPONDING TO NEEDS INCLUDING NEW HEALTH SERVICES, SUPPORT GROUPS, EDUCATION AND OUTREACH, INCLUDING MANY IN COLLABORATION WITH BERKSHIRE MEDICAL CENTER THE RECENT ESTABLISHMENT OF OPERATION BETTER START, A PROGRAM THAT TARGETS YOUTH OBESITY, AND DIABETES EDUCATION ARE EXAMPLES OF HOW REGIONAL RESOURCES CAN BE MADE AVAILABLE AS A SATELLITE IN A RURAL COMMUNITY IN CASES THAT REQUIRE MORE SPECIALTY, OR IT CANNOT FINANCIALLY SUPPORT, FAIRVIEW HOSPITAL MAY NOT BE ABLE TO FILL THE NEED LOCALLY AND RELIES ON A REGIONAL NETWORK OF HEALTH RESOURCES OF BERKSHIRE HEALTH SYSTEMS</p>

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

Form and Line Reference	Explanation
FAIRVIEW HOSPITAL	PART V, SECTION B, LINE 20D THE MAXIMUM AMOUNT THAT CAN BE CHARGED TO A PATIENT ELIGIBLE FOR FINANCIAL ASSISTANCE IS 95% OF THE FACILITY'S STANDARD CHARGES

**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2013**

**Open to Public Inspection**

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

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

▶ **Attach to Form 990. ▶ See separate instructions.**

▶ **Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FAIRVIEW HOSPITAL

Employer identification number

04-2133860

**Part I Questions Regarding Compensation**

- 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.
- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

- b** If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?

- 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.
- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> 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?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

- 5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:
- a** The organization?
- b** Any related organization?
- 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?
- b** Any related organization?
- 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.
- 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.
- 9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		No
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
FORM 990, PART VII AND SCHEDULE J (FORM 990), PART II	<p>SUPPLEMENTAL COMPENSATION INFORMATION IN REFERENCE TO FORM 990, PART VII AND SCHEDULE J PART II, NO COMPENSATION IS PAID BY THE FILING ENTITY TO ANY DIRECTOR (TRUSTEE) FOR HIS OR HER ROLE AS DIRECTOR (TRUSTEE), WITH THE EXCEPTION OF BRIAN T BURKE, MD, WHOSE COMPENSATION RELATES SOLELY TO SERVICES RENDERED FOR TAX-EXEMPT PURPOSES AND NOT TO HIS ROLE AS DIRECTOR (TRUSTEE) THE PRINCIPAL OFFICERS OF FAIRVIEW HOSPITAL ARE ALL COMPENSATED BY BHS MANAGEMENT SERVICES, INC (BMS), A SUPPORTING ORGANIZATION OF THE FILING ENTITY A PORTION OF THE COMPENSATION AMOUNT PAID TO THE PRINCIPAL OFFICERS OF THE FILING ENTITY IS ALLOCATED INTERNALLY AMONG THE FILING ENTITY AND ITS 26 ASSOCIATED NON-PROFIT, TAX-EXEMPT ENTITIES IN ORDER TO PROPERLY REFLECT THE DIVISION OF THE OFFICERS' TIME AND EFFORT AMONG THOSE VARIOUS ENTITIES AND EACH ENTITY'S RELATIVE CONTRIBUTION TO THE OFFICERS' TOTAL COMPENSATION (SEE BELOW) COMPENSATION OF THE CHIEF EXECUTIVE OFFICER, DAVID PHELPS, IS REVIEWED AND ESTABLISHED AT LEAST BIANNUALLY BY THE INDEPENDENT VOLUNTEER GOVERNING BODY OF BERKSHIRE HEALTH SYSTEMS, INC (PARENT ORGANIZATION OF FAIRVIEW HOSPITAL), BASED ON PERFORMANCE REVIEWS AND COMPARISON TO INDEPENDENTLY ESTABLISHED, REGIONALLY APPROPRIATE BENCHMARKS FOR SIMILAR POSITIONS IN SIMILARLY SIZED HEALTHCARE ORGANIZATIONS, AS VERIFIED BY INDEPENDENT, NATIONALLY RECOGNIZED COMPENSATION CONSULTANTS COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES IS SET IN ACCORDANCE WITH GOVERNING BODY-ESTABLISHED PRINCIPLES BASED ON COMPARABLE BENCHMARKS IDENTIFIED BY SUCH INDEPENDENT CONSULTANTS IN THE REPORTING YEAR, THE GOVERNING BODY TARGETED TOTAL COMPENSATION FOR MANAGEMENT EMPLOYEES AT THE 60TH PERCENTILE OF APPROPRIATE BENCHMARKS (OTHER THAN THE CHIEF EXECUTIVE OFFICER WHOSE TOTAL COMPENSATION REMAINS TARGETED AT THE 50TH PERCENTILE) FOR MOST OF MR PHELPS' 20-PLUS YEAR TENURE AS CHIEF EXECUTIVE OFFICER, A WRITTEN AGREEMENT BETWEEN BERKSHIRE HEALTH SYSTEMS (BHS) AND MR PHELPS HAS CALLED FOR BHS (AND ITS AFFILIATES) TO FUND A RETIREMENT PROGRAM THAT, WHEN ADDED TO HIS BASE COMPENSATION AND OTHER ROUTINE BENEFITS, IS INTENDED TO BRING MR PHELPS' TOTAL COMPENSATION CLOSE TO THE 50TH PERCENTILE RANGE OF TOTAL COMPENSATION FOR COMPARABLE EXECUTIVES IN COMPARABLE HEALTHCARE ORGANIZATIONS, AS DETERMINED BY INDEPENDENT, NATIONALLY RECOGNIZED COMPENSATION REVIEWERS MR PHELPS' TOTAL COMPENSATION AS REPORTED ON THIS TAX RETURN INCLUDES THE COST OF A LIFE INSURANCE POLICY AS WELL AS CERTAIN OTHER TAXABLE BENEFITS THAT ARE GENERALLY AVAILABLE TO EMPLOYEES OF FAIRVIEW HOSPITAL AND ITS RELATED ORGANIZATIONS MR PHELPS' LIFE INSURANCE PAYMENT IS REPORTED SEPARATELY IN FORM 990 PART VII SECTION A LINE 1A AND SCHEDULE J PART II THE FOLLOWING LIST SHOWS THE ENTITIES TO WHICH THE IDENTIFIED OFFICER PROVIDED SERVICES, THE AVERAGE WEEKLY HOURS ALLOCATED TO EACH ENTITY, AND THE RESPECTIVE ALLOCABLE SHARE OF HIS OR HER ANNUAL COMPENSATION (REPORTABLE COMPENSATION AND OTHER COMPENSATION) FOR CALENDAR 2013 DAVID E PHELPS, PRESIDENT (ALLOCATION IS INCLUSIVE OF \$107,692 ANNUAL LIFE INSURANCE PAYMENT WHICH IS INCLUDED IN FORM 990 PART VII SECTION A LINE 1A ITEM 20 COLUMN E AND SCHEDULE J PART II ITEM 3 COLUMN B(III) ) BERKSHIRE MEDICAL CENTER, INC 25 9 WEEKLY HOURS/50 WEEKLY HOURS \$427,918 FAIRVIEW HOSPITAL 3 5 HOURS/50 HOURS \$57,827 BERKSHIRE FACULTY SERVICES, INC 8 6 HOURS/50 HOURS \$142,089 BERKSHIRE INDEMNITY CO, SPC, LTD 2 HOURS/50 HOURS \$33,044 BHS MANAGEMENT SERVICES, INC (10 HOURS/50 HOURS) FOR BENEFIT OF BOURNE MANAGEMENT SYSTEMS, INC \$11,069 GREENFIELD MANAGEMENT SYSTEMS, INC \$10,244 NEW BEDFORD MANAGEMENT SYSTEMS, INC \$11,730 NORTHAMPTON MANAGEMENT SYSTEMS, INC \$9,913 EAST LONGMEADOW MANAGEMENT SYSTEMS, INC \$5,618 DANVERS MANAGEMENT SYSTEMS, INC \$5,287 PEABODY MANAGEMENT SYSTEMS, INC \$9,582 SOUTH YARMOUTH MANAGEMENT SYSTEMS, INC \$6,113 BERKSHIRE PENNSYLVANIA, INC \$9,087 XENIA EAST MANAGEMENT SYSTEMS, INC \$2,643 WILLOWOOD OF GREAT BARRINGTON, INC \$8,426 WILLOWOOD OF NORTH ADAMS, INC \$9,582 WILLOWOOD OF WILLIAMSTOWN, INC \$12,061 HILLCREST EXTENDED CARE SERVICES, INC \$22,140 BERKSHIRE RETIREMENT COMMUNITY, INC \$7,435 BERKSHIRE EXTENDED CARE SERVICES, INC \$661 INTEGRINURSE, INC \$1,983 INTEGRIScript, INC \$4,792 HOSPICECARE IN THE BERKSHIRES, INC \$10,574 PITTSFIELD MANAGEMENT SYSTEMS, INC \$6,279 TOTAL REPORTABLE COMPENSATION AND OTHER COMPENSATION \$826,097 DARLENE RODOWICZ, TREASURER BERKSHIRE MEDICAL CENTER, INC 37 WEEKLY HOURS/50 WEEKLY HOURS \$370,141 FAIRVIEW HOSPITAL 3 HOURS/50 HOURS \$30,011 BERKSHIRE FACULTY SERVICES, INC 7 HOURS/50 HOURS \$70,027 BERKSHIRE INDEMNITY CO, SPC, LTD 2 5 HOURS/50 HOURS \$25,009 BHS MANAGEMENT SERVICES, INC FOR THE BENEFIT OF BERKSHIRE HEALTHCARE SYSTEMS, INC 0 5 HOUR/50 HOURS \$5,002 TOTAL REPORTABLE COMPENSATION AND OTHER COMPENSATION \$500,190</p>

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 04-2133860  
**Name:** FAIRVIEW HOSPITAL

**Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
BRIAN T BURKE MD TRUSTEE/PHYSICIAN	(i)	214,225	0	4,508	10,030	29,510	258,273	0
	(ii)	0	0	0	0	0	0	0
DAVID PHELPS PRESIDENT/TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	639,677	0	39,500	11,475	27,753	718,405	0
DAVID PHELPS ANNUAL LIFE INSURANCE	(i)	0	0	0	0	0	0	0
	(ii)	0	0	107,692	0	0	107,692	0
EUGENE A DELLEA PRESIDENT, FAIRVIEW HOSPITAL	(i)	0	0	0	0	0	0	0
	(ii)	209,921	0	31,448	10,162	11,269	262,800	0
DARLENE M RODOWICZ TREASURER	(i)	0	0	0	0	0	0	0
	(ii)	419,918	0	43,718	11,475	25,079	500,190	0
ADRIAN ELLIOT MD DIRECTOR, EMERGENCY DEPT	(i)	277,741	17,845	2,051	11,298	27,378	336,313	0
	(ii)	0	0	0	0	0	0	0
DOREEN HUTCHINSON VICE PRESIDENT, OPERATIONS	(i)	169,759	0	16,117	8,557	29,249	223,682	0
	(ii)	0	0	0	0	0	0	0
RAYMOND SABATELLI MD DIRECTOR, EMERGENCY DEPT	(i)	299,827	20,730	831	11,297	27,767	360,452	0
	(ii)	0	0	0	0	0	0	0
GLEN R LOVEJOY MD PHYSICIAN	(i)	247,370	29,596	3,515	10,213	29,634	320,328	0
	(ii)	0	0	0	0	0	0	0
ROBERT RATTNER MD PHYSICIAN	(i)	238,710	19,548	2,622	11,229	3,044	275,153	0
	(ii)	0	0	0	0	0	0	0
CORINNE D KALSER MD PHYSICIAN	(i)	227,364	21,803	4,529	11,436	26,036	291,168	0
	(ii)	0	0	0	0	0	0	0
WILLIAM F PETRONE MD PHYSICIAN	(i)	226,926	16,016	5,639	3,298	12,694	264,573	0
	(ii)	0	0	0	0	0	0	0
KERSTIN L VOSS MD PHYSICIAN	(i)	199,822	19,625	1,917	9,311	13,128	243,803	0
	(ii)	0	0	0	0	0	0	0
RICHARD F SALLUZZO MD PHYSICIAN/FORMER KEY EE	(i)	105,499	0	0	832	5,847	112,178	0
	(ii)	0	0	0	0	0	0	0

**Schedule K  
(Form 990)**

**Supplemental Information on Tax Exempt Bonds**

OMB No 1545-0047

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**  
 ▶ **Attach to Form 990.** ▶ **See separate instructions.**  
 ▶ **Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**2013**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FAIRVIEW HOSPITAL

Employer identification number  
04-2133860

**Part I Bond Issues**

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
<b>A</b>	MASS HEALTH & EDUCATION FACIL AUTHORITY SER F	04-2456011	57586CLN3	07-26-2005	53,089,428	REFUND SER C & D BONDS,CAPITAL EXP		X		X		X
<b>B</b>	MASS DEVELOPMENT FINANCE AGENCY BHS ISSUESER G	04-3431814	57583UQP6	05-23-2012	93,491,421	REFUND SER A, B, & E, CAPITAL EXP		X		X		X

**Part II Proceeds**

		A		B		C		D	
<b>1</b>	Amount of bonds retired	23,360,000		5,025,000					
<b>2</b>	Amount of bonds legally defeased								
<b>3</b>	Total proceeds of issue	55,228,739		93,491,421					
<b>4</b>	Gross proceeds in reserve funds	5,019,000							
<b>5</b>	Capitalized interest from proceeds								
<b>6</b>	Proceeds in refunding escrows								
<b>7</b>	Issuance costs from proceeds	1,003,800		1,245,681					
<b>8</b>	Credit enhancement from proceeds	898,795							
<b>9</b>	Working capital expenditures from proceeds	73,681							
<b>10</b>	Capital expenditures from proceeds	9,003,428		8,171,944					
<b>11</b>	Other spent proceeds	39,230,035		84,073,796					
<b>12</b>	Other unspent proceeds								
<b>13</b>	Year of substantial completion	2008		2011					
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>14</b>	Were the bonds issued as part of a current refunding issue?	X		X					
<b>15</b>	Were the bonds issued as part of an advance refunding issue?		X		X				
<b>16</b>	Has the final allocation of proceeds been made?	X		X					
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

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

**Part IV Arbitrage**

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

**Part IV Arbitrage (Continued)**

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

**Part V Procedures To Undertake Corrective Action**

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

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

**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

**Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.**

**▶ Attach to Form 990 or 990-EZ.**

**▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No 1545-0047

**2013**

**Open to Public Inspection**

Name of the organization  
FAIRVIEW HOSPITAL

**Employer identification number**

04-2133860

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3	FAIRVIEW HOSPITAL RELIES ON BHS MANAGEMENT SERVICES, INC (BMS) TO PROVIDE MANAGEMENT AND SUPPORT SERVICES THE FOLLOWING LIST SHOWS POSITIONS THAT ARE HELD BY EMPLOYEES OF BMS AND THE AMOUNT OF COMPENSATION PAID IN CALENDAR YEAR 2013 TO THOSE EMPLOYEES BY BMS DAVID E PHELPS, CHIEF EXECUTIVE OFFICER (SEE COMPENSATION REPORTED ON FORM 990, PART VII, SECTION A, AND SCHEDULE J, PART II) DARLENE M RODOWICZ, CHIEF FINANCIAL OFFICER (SEE COMPENSATION REPORTED ON FORM 990, PART VII, SECTION A, AND SCHEDULE J, PART II) JOHN ROGERS, VP-GENERAL COUNSEL (SEE COMPENSATION REPORTED ON BHS MANAGEMENT SERVICES' FORM 990, PART VII, SECTION A, AND SCHEDULE J, PART II) ARTHUR MILANO, VP-HUMAN RESOURCES (SEE COMPENSATION REPORTED ON BHS MANAGEMENT SERVICES' FORM 990, PART VII, SECTION A, AND SCHEDULE J, PART II) EUGENE A DELLEA, PRESIDENT-FAIRVIEW HOSPITAL (SEE COMPENSATION REPORTED ON FORM 990, PART VII, SECTION A, AND SCHEDULE J, PART II) ANTHONY J RINALDI, VP-FAIRVIEW HOSPITAL (SEE COMPENSATION REPORTED ON BHS MANAGEMENT SERVICES' FORM 990, PART VII, SECTION A, AND SCHEDULE J, PART II)

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	BERKSHIRE HEALTH SYSTEMS, INC IS THE SOLE CORPORATE MEMBER

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE BOARD OF TRUSTEES IS COMPOSED OF THE INCUMBENT MEMBERS OF THE BOARD OF TRUSTEES OF BERKSHIRE HEALTH SYSTEMS, INC

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	BERKSHIRE HEALTH SYSTEMS, INC WILL MAKE THE FORMS 990 FOR BHS AND ITS AFFILIATES AVAILABLE TO THE MEMBERS OF THE RESPECTIVE GOVERNING BODIES FOR THEIR REVIEW BY (A) SENDING COPIES TO THEM PHYSICALLY OR ELECTRONICALLY, OR (B) NOTIFYING THE MEMBERS THAT THE FORMS 990 CAN BE ACCESSED BY A SECURE WEB-BASED FOLDER BEFORE THEY ARE FILED WITH THE IRS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION ENFORCES & MONITORS ITS CONFLICT OF INTEREST POLICY BY REQUIRING ALL MEMBERS OF THE GOVERNING BODY & SENIOR MANAGEMENT TO DISCLOSE POTENTIAL CONFLICTS OF INTEREST (A) ANNUALLY & (B) AS POTENTIAL CONFLICTS ARISE. SENIOR EMPLOYEES ARE NOT PERMITTED TO HAVE MATERIAL CONFLICTS OF INTEREST. MEMBERS OF THE GOVERNING BODY ARE TO ABSTAIN FROM ACTIONS THAT MAY BE INFLUENCED BY THEIR CONFLICT OR POTENTIAL CONFLICT BY (A) NOT VOTING, OR (B) NOT VOTING & LEAVING THE ROOM, OR (C) LEAVING THE GOVERNING BODY, AS DETERMINED BY THE GOVERNING BODY.

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART VI, SECTION B, LINE 15	FAIRVIEW HOSPITAL RELIES ON BHS MANAGEMENT SERVICES, INC TO SUPPLY ITS CHIEF EXECUTIVE OFFICER THE COMPENSATION OF CEO DAVID PHELPS IS REVIEWED AND ESTABLISHED AT LEAST BIANNUALLY BY THE INDEPENDENT VOLUNTEER GOVERNING BODY OF BERKSHIRE HEALTH SYSTEMS, INC (PARENT ORGANIZATION OF FAIRVIEW HOSPITAL), BASED ON PERFORMANCE REVIEWS AND COMPARISON TO INDEPENDENTLY ESTABLISHED, REGIONALLY APPROPRIATE BENCHMARKS FOR SIMILAR POSITIONS IN SIMILARLY SIZED HEALTHCARE ORGANIZATIONS, AS VERIFIED BY INDEPENDENT, NATIONALLY RECOGNIZED COMPENSATION CONSULTANTS. COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES IS SET IN ACCORDANCE WITH GOVERNING BODY-ESTABLISHED PRINCIPLES BASED ON COMPARABLE BENCHMARKS IDENTIFIED BY SUCH INDEPENDENT CONSULTANTS. IN THE REPORTING YEAR, THE GOVERNING BODY TARGETED TOTAL COMPENSATION FOR MANAGEMENT EMPLOYEES AT THE 60TH PERCENTILE OF APPROPRIATE BENCHMARKS (OTHER THAN THE CHIEF EXECUTIVE OFFICER WHOSE TOTAL COMPENSATION REMAINS TARGETED AT THE 50TH PERCENTILE.)

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC AT THE OFFICES OF (A) THE CHIEF FINANCIAL OFFICER & (B) THE VICE PRESIDENT, GENERAL COUNSEL AT 725 NORTH STREET, PITTSFIELD, MASSACHUSETTS 01201

Return Reference	Explanation
FORM 990, PART VII, SECTION A, COLUMN (B)	AVERAGE HOURS PER WEEK EDMUND H HORNSTEIN, DO'S HOURS SHOWN ARE FOR SERVICES AS A TRUSTEE, FOR WHICH HE RECEIVES NO COMPENSATION DR HORNSTEIN RECEIVES PAYMENT FROM BERKSHIRE MEDICAL CENTER FOR PHYSICIAN SERVICES JOHN R KEARNS, MD'S HOURS SHOWN ARE FOR SERVICES AS A TRUSTEE, FOR WHICH HE RECEIVES NO COMPENSATION DR KEARNS RECEIVES PAYMENT FROM BERKSHIRE MEDICAL CENTER FOR PHYSICIAN SERVICES ALL TRUSTEES (BOARD MEMBERS) RECEIVE NO COMPENSATION FOR SERVICES AS TRUSTEES

Return Reference	Explanation
FORM 990, PART VII, SECTION A, COLUMN (A)	TRUSTEES NOT SERVING AT FISCAL YEAR-END THE TERMS OF BRONLY S BOYD AND CAROLE G SIEGEL ON THE BOARD OF TRUSTEES (DIRECTORS) EXPIRED PRIOR TO THE END OF THE FISCAL YEAR REPORTED ON THIS RETURN

<b>Return Reference</b>	<b>Explanation</b>
FORM 990, PART XII, QUESTION 2C	OVERSIGHT OF AUDIT & SELECTION OF INDEPENDENT ACCOUNTANT A COMMITTEE OF THE BOARD OF TRUSTEES HAS RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT ACCOUNTANT THIS PROCESS HAS NOT CHANGED FROM THE PRIOR FISCAL YEAR

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

▶ **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](http://www.irs.gov/form990).**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FAIRVIEW HOSPITAL

**Employer identification number**

04-2133860

**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	No
<b>(1)</b> BERKSHIRE HEALTH SYSTEMS INC 725 NORTH ST PITTSFIELD, MA 01201 04-2442944	PARENT CORPORATION	MA	501(C)(3)	11B	N/A		No
<b>(2)</b> BERKSHIRE MEDICAL CENTER INC 725 NORTH ST PITTSFIELD, MA 01201 04-2791396	ACUTE CARE HOSPITAL	MA	501(C)(3)	3	N/A		No
<b>(3)</b> BERKSHIRE FACULTY SERVICES INC 725 NORTH ST PITTSFIELD, MA 01201 04-2995053	PHYSICIAN SERVICES	MA	501(C)(3)	11B	N/A		No
<b>(4)</b> BHS MANAGEMENT SERVICES INC 725 NORTH ST PITTSFIELD, MA 01201 22-2755258	MANAGEMENT SERVICES	MA	501(C)(3)	11B	N/A		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
<b>(1)</b> TRI-STATE MEDICAL MANAGEMENT CORP  725 NORTH STREET PITTSFIELD, MA 01201 04-2913352	REAL ESTATE MGMT	MA	FAIRVIEW HOSPITAL	C			100.000 %		No
<b>(2)</b> WILLIAMSTOWN MEDICAL ASSOCIATES PC  197 ADAMS ROAD WILLIAMSTOWN, MA 01267 04-2680535	HEALTHCARE SERVICES	MA	N/A	C					No

**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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
<b>(1)</b> TRI-STATE MEDICAL MANAGEMENT CORP	D	186,460	FAIR MARKET VALUE



**Part VII Supplemental Information**

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

**Return Reference****Explanation**

Form **4562**  
 Department of the Treasury  
 Internal Revenue Service (99)

**Depreciation and Amortization**  
 (Including Information on Listed Property)

OMB No 1545-0172  
**2013**  
 Attachment  
 Sequence No **179**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return FAIRVIEW HOSPITAL	Business or activity to which this form relates FORM 990 PAGE 10	<b>Identifying number</b>  04-2133860
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**Part I Election To Expense Certain Property Under Section 179**  
*Note: If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount (see instructions)	1	500,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4 Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2014 Add lines 9 and 10, less line 12	13	

**Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	2,089,677

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2013	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

**Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part IV Summary (see instructions.)**

21 Listed property Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	2,089,677
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A-Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? 24b If "Yes," is the evidence written? 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 26 Property used more than 50% in a qualified business use 27 Property used 50% or less in a qualified business use 28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 29 Add amounts in column (i), line 26 Enter here and on line 7, page 1

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles) 31 Total commuting miles driven during the year 32 Total other personal(noncommuting) miles driven 33 Total miles driven during the year Add lines 30 through 32 34 Was the vehicle available for personal use during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? 36 Is another vehicle available for personal use?

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners 39 Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received? 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions) Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year 42 Amortization of costs that begins during your 2013 tax year (see instructions) 43 Amortization of costs that began before your 2013 tax year 44 Total. Add amounts in column (f) See the instructions for where to report

Form **4562**  
 Department of the Treasury  
 Internal Revenue Service (99)

**Depreciation and Amortization**  
**(Including Information on Listed Property)**

OMB No 1545-0172  
**2013**  
 Attachment  
 Sequence No **179**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return FAIRVIEW HOSPITAL	Business or activity to which this form relates CELL PHONE COMPANY RENT-ROOF & CLOSET SP	<b>Identifying number</b>  04-2133860
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**Part I Election To Expense Certain Property Under Section 179**  
*Note: If you have any listed property, complete Part V before you complete Part I.*

<b>1</b> Maximum amount (see instructions)	<b>1</b>	500,000
<b>2</b> Total cost of section 179 property placed in service (see instructions)	<b>2</b>	
<b>3</b> Threshold cost of section 179 property before reduction in limitation (see instructions)	<b>3</b>	2,000,000
<b>4</b> Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	<b>4</b>	
<b>5</b> Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	<b>5</b>	

<b>6</b>	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
<b>7</b>	Listed property Enter the amount from line 29	<b>7</b>	
<b>8</b>	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	<b>8</b>	
<b>9</b>	Tentative deduction Enter the smaller of line 5 or line 8	<b>9</b>	
<b>10</b>	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	<b>10</b>	
<b>11</b>	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	<b>11</b>	
<b>12</b>	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	<b>12</b>	
<b>13</b>	Carryover of disallowed deduction to 2014 Add lines 9 and 10, less line 12	<b>13</b>	

**Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)**

<b>14</b> Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	<b>14</b>	
<b>15</b> Property subject to section 168(f)(1) election	<b>15</b>	
<b>16</b> Other depreciation (including ACRS)	<b>16</b>	79

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

<b>17</b> MACRS deductions for assets placed in service in tax years beginning before 2013	<b>17</b>	
<b>18</b> If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>19a</b> 3-year property						
<b>b</b> 5-year property						
<b>c</b> 7-year property						
<b>d</b> 10-year property						
<b>e</b> 15-year property						
<b>f</b> 20-year property						
<b>g</b> 25-year property			25 yrs		S/L	
<b>h</b> Residential rental property			27 5 yrs	MM	S/L	
<b>i</b> Nonresidential real property			39 yrs	MM	S/L	

**Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System**

<b>20a</b> Class life					S/L	
<b>b</b> 12-year			12 yrs		S/L	
<b>c</b> 40-year			40 yrs	MM	S/L	

**Part IV Summary (see instructions.)**

<b>21</b> Listed property Enter amount from line 28	<b>21</b>	
<b>22 Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	<b>22</b>	79
<b>23</b> For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	<b>23</b>	

**Part V Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**

**Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

**24a** Do you have evidence to support the business/investment use claimed?  Yes  No **24b** If "Yes," is the evidence written?  Yes  No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation/deduction, (i) Elected section 179 cost.

**25** Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) **25**

**26** Property used more than 50% in a qualified business use

**27** Property used 50% or less in a qualified business use

**28** Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

**29** Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

**Section B—Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns (a) through (f) for Vehicle 1 through Vehicle 6. Rows include 30-33 (miles driven) and 34-36 (availability and use).

**Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table for Section C with questions 37-41 and Yes/No columns. Includes a Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

Table for Section VI with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

**42** Amortization of costs that begins during your 2013 tax year (see instructions)

**43** Amortization of costs that began before your 2013 tax year **43**

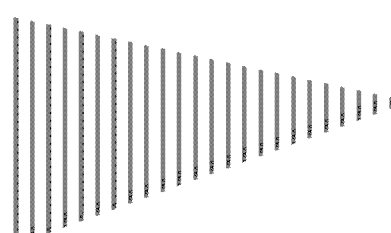
**44 Total.** Add amounts in column (f). See the instructions for where to report **44**

# **Audited Consolidated Financial Statements**

## **Berkshire Health Systems, Inc. and Affiliates and Supplementary Financial Information**

Years ended September 30, 2014 and 2013

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Building a better  
working world

Berkshire Health Systems, Inc. and Affiliates

Audited Consolidated Financial Statements  
and Supplementary Financial Information

Years ended September 30, 2014 and 2013

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Building a better working world

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## Report of Independent Auditors

Board of Trustees  
Berkshire Health Systems, Inc  
Pittsfield, Massachusetts

We have audited the accompanying consolidated financial statements of Berkshire Health Systems, Inc and Affiliates (the Health System), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

### Management’s Responsibility for the Financial Statements

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

### Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Berkshire Health Systems, Inc and Affiliates at September 30, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U S generally accepted accounting principles

*Ernst & Young LLP*

February 25, 2015



Berkshire Health Systems, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	<b>Years ended September 30</b>	
	<b>2014</b>	2013
Patient service revenue (net of contractual allowances and discounts)	<b>\$ 449,712,377</b>	\$ 408,985,036
Less provision for bad debts	<b>12,520,989</b>	11,297,273
Patient service revenue, net	<b>437,191,388</b>	397,687,763
Other revenue	<b>34,497,685</b>	31,050,110
Total revenues	<b>471,689,073</b>	428,737,873
 Expenses		
Salaries and wages	<b>245,148,149</b>	223,094,055
Fringe benefits	<b>60,511,011</b>	56,030,313
Supplies and other	<b>118,506,021</b>	100,530,556
Health Safety Net assessment	<b>1,782,226</b>	1,731,288
Depreciation and amortization	<b>26,761,390</b>	24,721,474
Interest	<b>4,320,223</b>	4,552,067
Total expenses	<b>457,029,020</b>	410,659,753
 Gain from operations	 <b>14,660,053</b>	 18,078,120
 Nonoperating gains		
Investment gains	<b>11,133,310</b>	5,703,970
Other, net gains	<b>1,774,711</b>	2,069,701
Excess of fair value of net assets acquired over consideration paid	<b>1,783,990</b>	-
Total nonoperating gains	<b>14,692,011</b>	7,773,671
 Excess of revenues over expenses	 <b>29,352,064</b>	 25,851,791

Berkshire Health Systems, Inc. and Affiliates

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

	<b>Years ended September 30</b>	
	<b>2014</b>	2013
Unrestricted net assets		
Excess of revenues over expenses	<b>\$ 29,352,064</b>	\$ 25,851,791
Contribution related to acquisition of Williamstown Medical Associates	-	210,014
Net unrealized gains on investments	<b>8,423,196</b>	16,364,710
Grant funds used for plant, property and equipment	<b>337,514</b>	-
Net assets released from restrictions used for purchase of property and equipment	<b>427,693</b>	965,932
Increase in unrestricted net assets	<b>38,540,467</b>	43,392,447
Temporarily restricted net assets		
Restricted contributions	<b>1,191,369</b>	2,307,547
Realized gains on investments	<b>1,292,364</b>	399,524
Unrealized gains on investments	<b>655,659</b>	1,800,170
Net assets released from restrictions for operating purposes	<b>(249,580)</b>	(170,662)
Net assets released from restrictions for purchase of property and equipment	<b>(427,693)</b>	(965,932)
Increase in temporarily restricted net assets	<b>2,462,119</b>	3,370,647
Permanently restricted net assets		
Reclassification of endowment contribution	-	(20,835)
Decrease in permanently restricted net assets	-	(20,835)
Increase in net assets	<b>41,002,586</b>	46,742,259
Net assets, beginning of year	<b>302,442,462</b>	255,700,203
Net assets, end of year	<b>\$ 343,445,048</b>	\$ 302,442,462

*See accompanying notes.*

Berkshire Health Systems, Inc. and Affiliates

Consolidated Statements of Cash Flows

	<b>Years ended September 30</b>	
	<b>2014</b>	<b>2013</b>
<b>Operating activities and net gains</b>		
Increase in net assets	<b>\$ 41,002,586</b>	\$ 46,742,259
Adjustments to reconcile increase in net assets to net cash provided by operating activities and net gains		
Unrealized gains on unrestricted investments	<b>(8,423,196)</b>	(16,364,710)
Realized and unrealized gains on restricted investments	<b>(1,948,023)</b>	(2,199,694)
Amortization of debt discount/premium	<b>(876,446)</b>	(917,301)
Depreciation and amortization	<b>26,761,390</b>	24,721,474
Excess of fair value of net assets acquired over consideration paid	<b>(1,783,990)</b>	-
Equity income in Yankee Alliance, LLC	<b>(1,656,952)</b>	-
Restricted contributions	<b>(1,191,369)</b>	(2,286,712)
Effects of changes in operating assets and liabilities		
Accounts receivable, net	<b>(2,793,489)</b>	(3,076,369)
Note and other receivables, inventories, prepaid expenses and other current assets	<b>(3,469,130)</b>	(3,344,537)
Accounts payable	<b>3,757,970</b>	(428,563)
Accrued salaries, fees and related withholdings, accrued expenses, and deferred revenue	<b>5,280,058</b>	(92,313)
Due to third-party payors	<b>(1,916,132)</b>	9,226,259
Other liabilities	<b>(1,417,636)</b>	(436,902)
Net cash provided by operating activities and net gains	<b>51,325,641</b>	51,542,891
<b>Investing activities</b>		
Additions to property and equipment	<b>(37,530,527)</b>	(54,906,346)
Consideration paid for acquisition	<b>(4,027,000)</b>	-
(Increase) decrease in funds held by trustees	<b>(83,552)</b>	1,077,029
Increase in funds designated by Boards	<b>(10,672,222)</b>	(6,281,630)
Decrease in funds held for donor-restricted purposes	<b>33,261</b>	65,807
Receipts on BHCS promissory note	<b>226,356</b>	221,195
Increase in other ongoing management fees and purchased services	<b>(113,269)</b>	(134,352)
Decrease in other assets	<b>6,707</b>	226,722
Net cash used in investing activities	<b>(52,160,246)</b>	(59,731,575)

*Continued on next page*

Berkshire Health Systems, Inc. and Affiliates

Consolidated Statements of Cash Flows  
(continued)

	<b>Years ended September 30</b>	
	<b>2014</b>	<b>2013</b>
<b>Financing activities</b>		
Repayment of long-term obligations	<b>\$ (5,925,000)</b>	\$ (6,000,000)
Restricted contributions	<b>1,191,369</b>	2,286,712
Net cash used in financing activities	<b>(4,733,631)</b>	(3,713,288)
Net decrease in cash and cash equivalents	<b>(5,568,236)</b>	(11,901,972)
Cash and cash equivalents at beginning of year	<b>45,748,070</b>	57,650,042
Cash and cash equivalents at end of year	<b>\$ 40,179,834</b>	\$ 45,748,070
Supplemental disclosure of cash flow information for interest paid	<b>\$4,456,573</b>	\$4,081,510

*See accompanying notes.*

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements

Years Ended September 30, 2014 and 2013

**1. Organization**

The consolidated financial statements include the accounts of Berkshire Health Systems, Inc and its controlled affiliates (collectively, the Health System) The following is a summary of controlled affiliated organizations included in the consolidated financial statements

<b>Organization</b>	<b>Nature and Purpose</b>
<b>Parent</b> Berkshire Health Systems, Inc (BHS)	The parent corporation which provides support for its controlled affiliates
<b>Hospitals</b> Berkshire Medical Center, Inc (the Medical Center) Fairview Hospital (the Hospital)	Not-for-profit hospital-operating corporations organized for the delivery of health care services
<b>Management Company</b> BHS Management Services, Inc (BMS)	A corporation that provides management services to controlled affiliates of BHS and Berkshire Healthcare Systems, Inc and affiliates (the Managed Entities)
<b>Others</b> Berkshire Faculty Services, Inc	A corporation that provides medical education, primary care, medical, surgical subspecialty and other physician services for the benefit of the Medical Center and the Hospital
Tri-State Medical Management Corp	A corporation that manages a physician office location for the benefit of the Hospital
Williamstown Medical Associates, PC	A single shareholder partnership that provides primary care physician services to the Williamstown area
Berkshire Indemnity Company SPC, LTD (BIC)	A segregated portfolio organized in 2003, within Berkshire Insurance Company SPC, LTD, a Cayman Islands Insurance Captive BHS owns 50% of Berkshire Insurance Company SPC, LTD and 100% of BIC

# Berkshire Health Systems, Inc and Affiliates

## Notes to Consolidated Financial Statements (continued)

### 1. Organization (continued)

BHS controls each of its affiliated entities through its status either as sole corporate member, as sole stockholder or under a management control agreement. BHS, the Medical Center and the Hospital are an obligated group for purposes of various debt financings.

Effective January 2013, the Health System assumed control of Williamstown Medical Associates through a management control agreement. Through the management control agreement, the Health System acquired substantially all of the assets and assumed the liabilities of Williamstown Medical Associates. The acquisition has been accounted for using the acquisition method of accounting with the excess of fair value of the assets acquired over the liabilities assumed recognized as a contribution received.

The fair value of the assets acquired and liabilities assumed for Williamstown Medical Associates on January 1, 2013, are as follows:

Current assets	\$ 456,424
Property, plant, and equipment	1,329
Liabilities assumed	<u>(247,739)</u>
Contribution received	<u>\$ 210,014</u>

### 2. Summary of Significant Accounting Policies

#### Principles of Consolidation

The consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States. The consolidated financial statements include the accounts of the above-named entities. All intercompany balances and transactions have been eliminated.

#### Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Health System has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Health System in perpetuity. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

## **2. Summary of Significant Accounting Policies (continued)**

### **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 currency on hand, demand deposits with banks or other financial institutions, and short-term investments with maturities of 90 days or less from the date of purchase Amounts whose use is limited or restricted are reported in accordance with their intended use, and are excluded from cash and cash equivalents The carrying values reported in the consolidated balance sheets approximate fair value

### **Inventories**

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

### **Investments and Investment Income**

Investments in equity and debt securities are measured at fair value in the consolidated balance sheets Investment income or loss (including realized gains and losses on investments, other than temporary impairments of investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law Unrealized gains and losses on investments are excluded from the excess of revenues over expenses The Health System reviews investments where the fair value is substantially below cost, and in cases where the decline is considered to be other than temporary, an adjustment is recorded to recognize the loss Investment income on proceeds of borrowings that are held by a trustee, to the extent not capitalized, and unrestricted income of endowment funds are reported as other revenue Investment income from all other general fund investments is reported as nonoperating gains

The Medical Center accounts for its investment in Yankee Alliance, LLC on the equity method of accounting The Medical Center's interest in the earnings of Yankee Alliance, LLC was \$1,656,952 for the year ended September 30, 2014.

## **2. Summary of Significant Accounting Policies (continued)**

### **Property and Equipment**

Property and equipment is recorded at cost or, if received by gift or bequest, at fair value when received. Depreciation is charged to operations using the straight-line method, based upon the estimated useful lives of the depreciable assets. Property and equipment under capital leases is amortized using the straight-line method over the shorter of the lease term or its estimated useful life. Such amortization is included with depreciation expense. Renovations and improvements which extend the useful lives of property and equipment are capitalized and recorded at cost.

### **Costs of Borrowing**

Deferred financing costs and original issue premiums are amortized over the period that the related obligation is outstanding using the effective interest method.

### **Net Patient Service Revenue**

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

### **Allowance for Doubtful Accounts**

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Health System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Health System analyzes contractually due amounts and provides for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid). For receivables associated with self-pay patients, the Health System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The allowance for uncollectable amounts was approximately \$17,806,000 and \$17,083,000 as of September 30, 2014 and 2013, respectively. This balance as a percent of accounts receivable, net of contractual adjustments, was approximately 25% as of both September 30, 2014 and 2013.

## **2. Summary of Significant Accounting Policies (continued)**

### **Gifts and Bequests**

Unrestricted gifts and bequests are included in other revenue in the combined statements of operations and changes in net assets. Restricted gifts and bequests are credited directly to the applicable restricted net asset category.

### **Professional Liability Insurance**

The Health System covers its primary hospital and physician professional liability and commercial general liability risk on a claims-made basis with tail coverage through a captive insurance company, BIC. The Health System establishes reserves for unpaid losses, with the assistance of consulting actuaries, based on a combination of industry and hospital-specific data. Management believes these reserves, which at September 30, 2014 and 2013, total \$11,198,000 and \$11,912,000, respectively, are adequate, however, no assurance can be given that the ultimate settlement of losses may not vary materially from the liability recorded. Future adjustments to the amounts recorded resulting from the continual review process, as well as differences between estimates and ultimate payments, will be reflected in the consolidated statements of operations and changes in net assets of future years when such adjustments, if any, become known.

### **Income Taxes**

Provisions for income taxes were made for Tri-State Medical Management, Inc. (Tri-State), which is a taxable corporation. Tri-State has cumulative net operating losses of approximately \$210,000 for income tax purposes. These losses result in a deferred tax asset of \$84,000, which is offset by a corresponding valuation allowance of the same amount. BHS Segregated Portfolio of BIC is a segregated cell of a captive insurance company in the Cayman Islands. BHS Segregated Portfolio is not an insurance arrangement for federal tax purposes and does not operate in the U.S., therefore no federal income tax is applied. Further, BHS Segregated Portfolio is not subject to Cayman Islands taxation. All other entities qualify as tax-exempt, not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is required for those entities.

The Medical Center has an interest in Yankee Alliance, LLC purchasing partnership which results in unrelated business income (UBI). The Medical Center estimates UBI of approximately \$809,000 and \$1,030,000 for 2014 and 2013, respectively, which resulted in tax expense of approximately \$359,000 and \$435,000 for 2014 and 2013, respectively, which is recorded in nonoperating gains on the consolidated statements of operations and changes in net assets.

## **2. Summary of Significant Accounting Policies (continued)**

### **Asset Retirement Obligation**

Conditional asset retirement obligations for certain buildings and land improvements amounted to \$3,263,000 and \$1,910,000 as of September 30, 2014 and 2013, respectively. The change in amounts resulted from \$ 2,066,250 of assumed liabilities plus \$ 45,961 of accretion expense, less \$759,211 of abatement work. The obligations are recorded as other liabilities in the accompanying consolidated balance sheets.

### **New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASU 2014-09 is required beginning October 1, 2017, and management is currently evaluating the effect of this guidance on the financial statements.

## **3. Third-Party Payment Arrangements**

The Medical Center and the Hospital maintain agreements with the Social Security Administration under the Medicare Program and the Commonwealth of Massachusetts (Commonwealth) under the Medicaid Program and various other insurance companies. These agreements provide for payment to the Medical Center and the Hospital for services rendered to patients covered by these programs based on the applicable regulations or contracts as described below.

### **Medicare**

The Medical Center is paid for Medicare patients under the Prospective Payment System (PPS), the national Medicare system in which hospitals are paid a standard amount for inpatients adjusted for the patient's diagnosis, and a majority of Medicare outpatient services are paid based upon ambulatory payment classifications (APCs). Certain services are excluded from APCs and are paid under fee schedules or other payment methodologies.

The Hospital received the Critical Access Hospital (CAH) designation from Medicare during 2003. CAHs are reimbursed on a reasonable-cost basis for inpatient and outpatient services.

### **3. Third-Party Payment Arrangements (continued)**

#### **Medicaid**

The Commonwealth Executive Office of Health & Human Services utilizes a prospective payment methodology for acute hospital services provided to Medicaid beneficiaries. Medicaid pays hospitals a fixed amount per discharge for inpatient services. Outpatient services are paid on a prospective payment methodology based upon a Payment Amount Per Episode (PAPE). The Hospital is reimbursed on a reasonable cost basis for inpatient and outpatient services. The Medical Center and the Hospital contract with Boston Medical Center Healthnet Plan, a Medicaid HMO. Payment is based on the Medicaid payment methodology for inpatient services and a percentage of charges for outpatient services.

#### **Health Safety Net Program**

The Health Safety Net (HSN) program reimburses hospitals for uncompensated care based on actual services provided at rates approximating the Medicare PPS. Reimbursement rates are subject to available funds. The HSN program is partially funded by acute hospitals through an assessment on gross charges billed to non-government payors. The Medical Center and the Hospital have recorded estimates of their final settlements with the HSN program. The Medical Center and the Hospital have recorded their gross obligations to the program as an expense in the consolidated statements of operations and changes in net assets. Reimbursement from the HSN program for uncompensated care is recorded as net patient service revenue.

#### **Commonwealth Care**

The Medical Center and the Hospital contract with Boston Medical Center Healthnet Plan, Health New England, Celticare and Network Health for the Health Connector's health insurance program for uninsured adults who meet income and other eligibility requirements. Payment is based on a percentage of Medicaid rates.

#### **Non-governmental Payors**

The Medical Center and the Hospital have entered into contracts with non-governmental payors whereby they are paid on a per case, per diem or discounted charge basis.

#### **Third-Party Settlements**

Several of the above agreements require the Medical Center and the Hospital to prepare and file settlement reports annually. Settlement reports have been submitted for all prior years, final settlements have been made with Medicare through 2011 for the Medical Center and through 2010 for the Hospital. Provisions have been made in the consolidated financial statements for prior and current year estimated final settlements.

### **3. Third-Party Payment Arrangements (continued)**

#### **Third-Party Settlements (continued)**

The Health System primarily provides health care services to residents of Berkshire County. Revenues from the Medicare and Medicaid programs accounted for approximately 45% and 11%, respectively, of the Health System's net patient service revenues for the year ended September 30, 2014, and 45% and 11%, respectively, for the year ended September 30, 2013. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

Adjustments to estimates of prior year settlements with third-party payors are reflected in current year net patient service revenue and increased net patient service revenue by \$5,379,000 and \$5,783,000 in 2014 and 2013, respectively.

#### **4. Charity Care**

The Health System provides care to patients who meet charity care policy criteria without charge or at amounts less than established rates. Because Health System entities do not pursue collection of amounts qualifying as charity care, such amounts are not reported as revenue. The Health System's charity care policy is based on the poverty income guidelines established by the Massachusetts Division of Healthcare Finance and Policy.

If a patient is ineligible for charity care or care at reduced rates because the patient's income exceeds the eligibility guidelines, services rendered are recorded at established rates and any unpaid account receivable balance is written off to bad debts after a reasonable collection effort has been made.

During 2014 and 2013, the Health System provided \$4,164,659 and \$9,387,111 in charity care, respectively, based on established rates. The net cost of charity includes the direct and indirect cost of providing charity care services, offset by revenues received from financial assistance donations. The cost is estimated by utilizing a ratio of cost to gross charges applied to the gross uncompensated charges associated with providing charity care. The cost of charity care provided during the years ended September 30, 2014 and 2013, was \$1,844,797 and \$4,245,002, respectively. Donations received to offset charity services provided totaled \$66,045 and \$22,064 for the years ended September 30, 2014 and 2013, respectively. During 2014 and 2013, the Medical Center and the Hospital received \$1,003,456 and \$2,970,507, respectively, from the HSN program for reimbursement of charity care. During 2014 and 2013, the Medical Center and the Hospital paid an assessment into the HSN program of \$1,782,226 and \$1,731,288, respectively.

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**5. Related-Party Transactions**

As of September 30, 2014 and 2013, BHS had \$1,174,946 and \$1,061,677, respectively, due from nursing homes and other entities (collectively, the Managed Entities) owned and operated by Berkshire Healthcare Systems, Inc (BHCS) and managed by BMS for ongoing management fees and purchased services

On August 31, 2009, BHCS issued a promissory note to BHS related to the transfer of Pittsfield Management Systems, Inc The note bears interest at 2.75% with monthly installments of \$25,308 through September 1, 2024 As of September 30, 2014 and 2013, the note had a balance of \$2,653,574 and \$2,879,930, respectively, of which \$234,687 and \$227,355 is included in note and other receivables, and \$2,418,887 and \$2,652,575 is included in other assets in 2014 and 2013, respectively

**6. Investments**

**Assets Limited as to Use**

The composition and classification of investments at September 30, 2014 and 2013, is set forth in the following table Investments are stated at fair value

	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	<b>\$ 40,179,834</b>	\$ 45,748,070
Funds held by trustees – current	<b>8,743,340</b>	8,659,689
Assets whose use is limited		
Funds designated by Boards	<b>188,856,915</b>	169,761,497
Funds held by trustees	<b>5,018,901</b>	5,019,000
Funds held as endowments	<b>7,006,159</b>	7,006,159
Funds held for donor-restricted purposes	<b>15,402,419</b>	13,487,657
Deferred compensation	<b>8,505,379</b>	7,272,079
	<b><u>\$ 273,712,947</u></b>	<b><u>\$ 256,954,151</u></b>

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**6. Investments (continued)**

**Assets Limited as to Use (continued)**

The following is a summary of the composition of cash, investments, and assets whose use is limited as of September 30

	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	\$ 41,151,192	\$ 48,577,380
Equity securities		
Consumer discretionary and staples	26,837,671	24,027,270
Energy and utilities	11,913,216	10,729,985
Financials	18,720,572	14,602,390
Health care	10,270,545	9,410,395
Industrials and materials	20,264,513	18,163,221
Information technologies	17,848,335	15,305,763
Telecommunication services	4,921,599	4,069,657
Total U S equities	110,776,451	96,308,681
Non-U S equities	36,481,289	31,542,010
U S Treasury and U S Government Agency debt	21,715,677	17,285,130
Other government debt issues	6,625,516	6,978,160
Corporate debt securities	29,346,260	25,842,470
REITs and mortgage-backed securities	17,758,075	21,909,989
Mutual funds	9,858,487	8,510,331
	<u>\$ 273,712,947</u>	<u>\$ 256,954,151</u>

Investment income and realized and unrealized gains consisted of the following for the years ended September 30

	<b>2014</b>	<b>2013</b>
Income		
Other revenue - interest income	\$ 396,563	\$ 466,505
Nonoperating gains		
Interest income	\$ 3,368,349	\$ 3,365,845
Realized gains on sale of securities	7,764,961	2,338,125
Total investment gains	\$ 11,133,310	\$ 5,703,970
Other changes in net assets		
Net unrealized gains – unrestricted net assets	\$ 8,423,196	\$ 16,364,710
Net realized gains – restricted net assets	\$ 1,292,364	\$ 399,524
Net unrealized gains – restricted net assets	\$ 655,659	\$ 1,800,170

**6. Investments (continued)**

**Assets Limited as to Use (continued)**

Management continually reviews its investment portfolio and evaluates whether declines in the fair value of securities should be considered other than temporary. Factored into this evaluation are the general market conditions, the issuer's financial condition and near-term prospects, conditions in the issuer's industry, the recommendation of advisors, and the length of time and extent to which the market value has been less than cost. During the years ended September 30, 2014 and 2013, the Health System recorded losses of \$10,284 and \$ 111,346 for other than temporary declines in the fair value of investments.

At September 30, 2014, investments with a fair value of \$3,673,087 have unrealized losses of \$509,774, of which \$406,161 had been unrealized for over one year. At September 30, 2013, investments with a fair value of \$8,531,628 had unrealized losses of \$181,937, of which \$19,024 had been unrealized for over one year. The Health System has the intent and ability to hold these investments until recovery.

Investment management fees were \$133,910 and \$127,640 for the years ended September 30, 2014 and 2013, respectively. These are netted against investment income.

**Fair Value of Financial Instruments**

As of September 30, 2014, the Health System held certain assets that are required to be measured at fair value on a recurring basis. These include cash and cash equivalents, investments and assets whose use is limited. The valuation techniques used to measure fair value are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs are generally unsupported by market activity. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Investments classified in this level generally include exchange-traded equity securities.

Level 2: Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Investments classified in this level generally include fixed-income securities, including asset-backed securities.

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**6. Investments (continued)**

**Fair Value of Financial Instruments (continued)**

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

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

Financial instruments carried at fair value as of September 30, 2014, are classified in the table below in one of the three categories described above.

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 41,091,646	\$ 59,546	\$ -	\$ 41,151,192
Equity securities.				
Consumer discretionary	17,837,566	8,425,105	575,000	26,837,671
Energy and utilities	8,391,238	3,521,978	-	11,913,216
Financials	14,229,395	4,491,177	-	18,720,572
Health care	10,091,185	179,360	-	10,270,545
Industrials and materials	16,740,728	3,523,785	-	20,264,513
Information technologies	14,074,149	3,774,186	-	17,848,335
Telecommunication services	1,761,868	3,159,731	-	4,921,599
Non-U S equities	35,767,712	713,577	-	36,481,289
U S Treasury and U S Government				
Agency debt	19,911,970	1,803,707	-	21,715,677
Other government debt issues	6,386,669	238,847	-	6,625,516
Corporate debt securities	23,160,943	6,185,317	-	29,346,260
REITs and mortgage-backed securities	17,758,075	-	-	17,758,075
Mutual funds	9,858,487	-	-	9,858,487
	<u>\$ 237,061,631</u>	<u>\$ 36,076,316</u>	<u>\$ 575,000</u>	<u>\$ 273,712,947</u>

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**6. Investments (continued)**

**Fair Value of Financial Instruments (continued)**

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 48,522,233	\$ 55,147	\$ -	\$ 48,577,380
Equity securities				
Consumer discretionary	15,989,860	7,179,910	857,500	24,027,270
Energy and utilities	7,508,296	3,221,689	-	10,729,985
Financials	11,178,905	3,423,485	-	14,602,390
Health care	9,207,746	202,649	-	9,410,395
Industrials and materials	15,043,889	3,119,332	-	18,163,221
Information technologies	12,272,743	3,033,020	-	15,305,763
Telecommunication services	1,538,297	2,531,360	-	4,069,657
Non-U S equities	30,786,038	755,972	-	31,542,010
U S Treasury and U S Government				
Agency debt	15,396,337	1,888,793	-	17,285,130
Other government debt issues	6,728,046	250,114	-	6,978,160
Corporate debt securities	19,365,378	6,477,092	-	25,842,470
REITs and mortgage-backed securities	21,515,634	394,355	-	21,909,989
Mutual funds	8,510,331	-	-	8,510,331
	<b>\$223,563,733</b>	<b>\$ 32,532,918</b>	<b>\$ 857,500</b>	<b>\$ 256,954,151</b>

The following table is a rollforward of the consolidated statements of net assets amounts for financial instruments classified by the Health System in Level 3 of the valuation hierarchy defined above.

	<b>Year Ended September 30</b>	
	<b>2014</b>	<b>2013</b>
Balance, beginning of year	<b>\$ 857,500</b>	\$ 115,200
Donations	-	844,800
Net change in value	<b>(282,500)</b>	(102,500)
Balance, end of year	<b>\$ 575,000</b>	\$ 857,500

The fair value and carrying values of the Health System's financial instruments that are not required to be carried at fair value are as follows as of September 30, 2014 and 2013

	<b>September 30, 2014</b>		September 30, 2013	
	<b>Fair Value</b>	<b>Carrying Value</b>	Fair Value	Carrying Value
Long-term debt	<b>\$118,850,300</b>	<b>\$114,124,967</b>	\$124,775,300	\$120,926,413

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**6. Investments (continued)**

**Fair Value of Financial Instruments (continued)**

The fair value of the Health System's long-term debt is based on quoted market prices for similar bonds and is classified by the Health System in Level 2 of the valuation hierarchy

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 assets is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers. The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Health System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Level 3 assets consist of donated stock in a closely held corporation. The corporation annually provides an independently compiled analysis of the corporate stock value which utilizes the income approach and market approach. This value is applied to the total quantity of the corporate stock held.

**7. Property and Equipment**

Property and equipment consisted of the following at September 30.

	<b>2014</b>	<b>2013</b>
Land and improvements	<b>\$ 13,357,543</b>	\$ 11,315,397
Buildings and building improvements	<b>216,051,988</b>	176,722,232
Fixed equipment	<b>89,093,608</b>	81,640,571
Major movable equipment	<b>162,676,552</b>	145,494,517
	<b>481,179,691</b>	415,172,717
Less accumulated depreciation and amortization	<b>(289,132,954)</b>	(263,060,912)
	<b>192,046,737</b>	152,111,805
Construction in progress	<b>19,505,882</b>	40,604,362
	<b>\$ 211,552,619</b>	\$ 192,716,167

The cost to complete construction in progress at September 30, 2014 and 2013, was approximately \$7,000,000 and \$5,500,000, respectively

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**7. Property and Equipment (continued)**

On August 29, 2014, the Medical Center purchased the building and contents of the former Northern Berkshire Healthcare, Inc and affiliates from the U S Bankruptcy Court Trustee. The purchase included certain outbuildings on the hospital campus, and a medical office building. The acquisition has been accounted for using the acquisition method of accounting with the excess of fair value of the net assets acquired over the consideration paid recognized in the excess of revenues over expenses in the consolidated statements of operations and changes in net assets.

The fair value of the assets acquired is included in property, plant and equipment as follows.

Land	\$ 1,040,000
Buildings	4,610,000
Equipment	2,227,240
Total assets	<u>7,877,240</u>
Less asset retirement obligation assumed	2,066,250
Consideration paid	<u>4,027,000</u>
Excess of fair value of net assets acquired over consideration paid	<u>\$ 1,783,990</u>

**8. Long-Term Obligations**

Long-term obligations consisted of the following at September 30.

	<u>2014</u>	<u>2013</u>
Obligated Group		
Massachusetts Development Finance Agency (MDFFA), formerly MHEFA, Revenue Bonds, Berkshire Health Systems, Inc Issues:		
2012 Series G, net of unamortized premium of \$7,327,281 in 2014 and \$8,026,749 in 2013	<b>\$ 86,792,281</b>	\$ 89,846,749
2005 Series F, net of unamortized premium of \$502,686 in 2014 and \$679,664 in 2013	<b>27,332,686</b>	31,079,664
	<b>114,124,967</b>	120,926,413
Less portion classified as current	<b>(6,145,000)</b>	(5,925,000)
Total long-term obligations	<b><u>\$ 107,979,967</u></b>	<b><u>\$ 115,001,413</u></b>

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**8. Long-Term Obligations (continued)**

**Obligated Group**

On May 23, 2012, MDFA issued Revenue Bonds, Series G, with a face value of \$84,490,000 which were used to refund debt and finance additions to property or equipment. The Series G bonds are fixed rate bonds and bear interest at rates ranging from 2.0% to 5.0% per annum and mature in various annual amounts through 2031. The Series G bonds are redeemable prior to maturity without premiums after October 1, 2021.

On July 15, 2005, MHEFA issued Revenue Bonds, Series F, with a face value of \$50,190,000 which was used to refund debt and finance additions to property and equipment. The Series F bonds are fixed rate bonds and bear interest at rates ranging from 3.875% to 5.0% per annum and mature in various annual amounts through 2020. The Series F bonds are redeemable prior to maturity without premiums after October 1, 2015.

Under a Master Trust Indenture (MTI), the Obligated Group granted MHEFA a lien on its revenues, excluding revenues related to endowment funds whose principal and income are restricted and not available to be pledged. The Obligated Group also purchased bond insurance as additional security for the payment of principal and interest.

The MTI provides for, among other requirements, the maintenance by the Obligated Group of a minimum debt service ratio and restrictions on incurring additional debt and the sale or disposition of assets, and requires the Obligated Group to comply with various financial and other reporting requirements. The Obligated Group is in compliance with those requirements at September 30, 2014.

**Maturities**

Aggregate maturities of the Health System subsequent to September 30, 2014, are as follows.

<u>Year ending September 30</u>	
2015	\$ 6,145,000
2016	6,365,000
2017	6,640,000
2018	7,035,000
2019	7,355,000
2020 and thereafter	<u>72,755,000</u>
Total face maturities	106,295,000
Unamortized bond premiums	<u>7,829,967</u>
	<u><u>114,124,967</u></u>

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**9. Funds Held by Trustees**

Under the terms of the agreements with MHEFA, certain funds are required to be maintained as follows at September 30

	<b>2014</b>	<b>2013</b>
Escrow for long-term obligations		
Debt service fund	<b>\$ 8,743,340</b>	\$ 8,659,689
Debt service reserve fund	<b>5,018,901</b>	5,019,000
	<b>13,762,241</b>	13,678,689
Less portion classified as current	<b>(8,743,340)</b>	(8,659,689)
	<b>\$ 5,018,901</b>	\$ 5,019,000

These funds are primarily invested in money market funds and United States Government securities and are carried at fair value. Income earned of \$231,869 and \$246,049 in 2014 and 2013, respectively, on certain debt-financed funds held in escrow has been reported as other revenue. Income of \$182 and \$186 in 2014 and 2013, respectively, has been reported as nonoperating gains since the related funds held in escrow have been contributed by the Obligated Group.

**10. Lease Commitments**

Minimum rental commitments under noncancelable operating leases for buildings and equipment are as follows

<u><b>Year ending September 30</b></u>	<u><b>Operating Leases</b></u>
2015	\$ 777,073
2016	575,447
2017	351,610
2018	244,688
2019	100,400
Total minimum lease payments	<u>\$ 2,049,218</u>

Rent expense under noncancelable operating leases approximated \$682,923 in 2014 and \$477,193 in 2013.

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**11. Temporarily and Permanently Restricted Net Assets**

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

	<u>2014</u>	<u>2013</u>
Health care services		
Patient care	\$ 1,759,451	\$ 1,516,243
Education	1,227,534	1,185,560
Property and equipment	2,546,768	2,601,646
Scholarship	342,249	84,415
Undistributed appreciation on permanently restricted funds	<u>14,284,577</u>	<u>12,310,596</u>
	<u>\$ 20,160,579</u>	<u>\$ 17,698,460</u>

Permanently restricted net assets at September 30 are restricted to.

	<u>2014</u>	<u>2013</u>
Investments to be held in perpetuity, the income from which is restricted as to use	\$ 5,504,205	\$ 5,504,205
Investments to be held in perpetuity, the income from which is unrestricted	<u>1,501,954</u>	<u>1,501,954</u>
	<u>\$ 7,006,159</u>	<u>\$ 7,006,159</u>

During 2014 and 2013, net assets of \$677,273 and \$1,136,594, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes as noted above

**Interpretation of Relevant Law**

The Commonwealth of Massachusetts requires the preservation of the fair value of the original gift as of the date of the donor-restricted endowment, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Medical Center and the Hospital classify as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Medical Center and the Hospital consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the Health System.

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**11. Temporarily and Permanently Restricted Net Assets (continued)**

The following represents the net asset classes of the Health System endowment funds, as well as the changes in endowments, for the year ended September 30, 2014:

	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets at October 1, 2013	\$ 13,913,432	\$ 7,006,159	\$ 20,919,591
Investment income	92,427	-	92,427
Realized gains on investments	1,199,936	-	1,199,936
Unrealized gains on investments	655,659	-	655,659
Endowment net assets at September 30, 2014	<u>\$ 15,861,454</u>	<u>\$ 7,006,159</u>	<u>\$ 22,867,613</u>

The following represents the net asset classes of the Health System endowment funds, as well as the changes in endowments, for the year ended September 30, 2013:

	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets at October 1, 2012	\$11,735,539	\$7,026,994	\$18,762,533
Investment income	96,796	-	96,796
Endowment expenditures	(21,801)	-	(21,801)
Contribution reclassification	-	(20,835)	(20,835)
Realized gains on investments	302,728	-	302,728
Unrealized gains on investments	1,800,170	-	1,800,170
Endowment net assets at September 30, 2013	<u>\$13,913,432</u>	<u>\$7,006,159</u>	<u>\$20,919,591</u>

**12. Pension Plans**

Pension benefits are available to eligible employees of the Health System through the defined contribution Berkshire Health Systems Partnership Tax Deferred Annuity Retirement Plan (the Plan) and the Berkshire Health Systems 457B Deferred Compensation Plan (the 457B Plan)

The Plan allows employees of the Health System, age 21 or older, who are regularly scheduled to work at least twenty hours per week, to participate in the Plan upon the completion of one year of service. Employees may contribute up to 21 5% of their base pay

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**12. Pension Plans (continued)**

Each week, the Health System makes a minimum fixed contribution to the Plan from 2.5% to 3.5% of each participant's salary, and a matching contribution of 50% of employee voluntary contributions on the first 4% of a participant's salary for those employees who elect to contribute. Contributions made by the Health System to the Plan in fiscal 2014 and 2013 were \$9,127,751 and \$8,630,242, respectively.

The 457B Plan is a non-qualified supplemental retirement plan available to certain executives of Berkshire Health Systems. The contribution limit for 2014 is \$17,500 (employee plus employer). Contributions made by the Health System to the plan in fiscal 2014 and 2013 were \$261,054 and \$181,644, respectively.

**13. Commitments and Contingencies**

The Health System has obtained a \$4,395,000 surety bond from an insurance company, as security for potential workers' compensation obligations as required by the Commonwealth.

At September 30, 2014, there was no amount outstanding under the Health System's \$5,000,000 secured demand line of credit from TD Bank. Interest is equal to LIBOR plus 1.5%, resulting in an interest rate of 1.66% at September 30, 2014.

**14. Functional Expenses**

The Health System provides general health care services to residents within its geographic region. Expenses related to providing these services at September 30 are as follows:

	<u>2014</u>	<u>2013</u>
Health care services	\$ 399,459,725	\$ 356,879,231
General and administrative	57,569,295	53,780,522
	<u>\$ 457,029,020</u>	<u>\$ 410,659,753</u>

Berkshire Health Systems, Inc and Affiliates

Notes to Consolidated Financial Statements (continued)

**15. Concentration of Credit Risk**

The Health System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30 was as follows.

	<b>2014</b>	<b>2013</b>
Medicare	<b>40 %</b>	37%
Medicaid and connector products	<b>18</b>	19
Commercial insurances	<b>31</b>	33
Patients	<b>10</b>	11
	<b>100 %</b>	100%

Revenues from third party payors, the uninsured, and other revenues, net of contractual allowances and discounts at September 30 was as follows

	<b>2014</b>	<b>%</b>	<b>2013</b>	<b>2013</b>
Medicare	<b>\$ 201,793,278</b>	<b>45 %</b>	183,190,547	45 %
Medicaid and connector products	<b>49,845,670</b>	<b>11</b>	44,142,131	11
Commercial insurances	<b>190,160,813</b>	<b>42</b>	172,717,376	42
Patients	<b>7,912,616</b>	<b>2</b>	8,934,982	2
Patient service revenues	<b>\$ 449,712,377</b>	<b>100%</b>	\$408,985,036	100%

**16. Medicare and Medicaid Electronic Health Record (EHR) Program**

Certain health care providers can earn up to four incentive payments between federal fiscal years 2011 and 2016 if certain specific program criteria are met. The providers are required to establish an EHR system and maintain its meaningful use status for a continuous 90-day period. In subsequent years, such meaningful use must be maintained for the entire 365-day federal fiscal year.

The Health System records the revenue related to this program when management is reasonably assured that the Health System has complied with the terms of the program.

The Health System has included \$2,932,000 and \$2,500,000 in other revenue related to the program in fiscal years 2014 and 2013, respectively. The payments are based on submitted cost report data from fiscal year 2012 and prior used to project the total incentive payments. Each subsequent payment will be adjusted for changes in the projected total incentive payment. The Health System's attestation of compliance with the meaningful use criteria is subject to audit by the federal or state government or its designee.

**17. Subsequent Event**

The Health System evaluated the impact of subsequent events through February 25, 2015, representing the date at which the consolidated financial statements were issued.



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## Auditors' Report on Supplementary Financial Information

Board of Trustees  
Berkshire Health Systems, Inc  
Pittsfield, Massachusetts

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating balance sheet and consolidating statement of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Ernst & Young LLP*

February 25, 2015

# Berkshire Health Systems, Inc. and Affiliates

## Consolidating Balance Sheet

September 30, 2014

Assets	Consolidated	Eliminations and Reclassifi- cations	BHS Management Services, Inc.	Berkshire Faculty Services, Inc.	Williamstown Medical Associates, Inc.	Tri-State Medical Management Corp.	Berkshire Indemnity Company SPC, LTD.
Current assets							
Cash and cash equivalents	\$ 40,179,834		\$ 14,782		\$ 160,572		\$12,220,279
Accounts receivable, less allowance for uncollectable amounts of \$17,806,000	54,301,033		1,668,618		267,911		
Note and other receivables	7,469,154		\$ 5,467	79,913			
Inventories	8,572,536						
Funds held by trustees	8,743,340						
Due from third-party payors	2,381,366						
Due from managed entities	1,174,946						
Prepaid expenses and other current assets	2,632,812		865,570	41,929			125,365
Due from affiliates	-	\$(2,252,746)	1,389,181	863,565			
Total current assets	125,455,021	(2,252,746)	2,260,218	2,668,807	428,483	-	12,345,644
Due from affiliates	-	(186,461)					
Assets whose use is limited							
Funds designated by Boards	188,856,915						
Funds held by trustees	5,018,901						
Funds held as endowments	7,006,159						
Funds held for donor-restricted purposes	15,402,419						
Deferred compensation	8,505,379		2,511,690	1,559,187			
Total assets whose use is limited	224,789,773		2,511,690	1,559,187	-	-	-
Property and equipment, net	211,552,619		2,573,694			\$ 192,606	
Deferred financing costs, net	1,237,186						
Other assets	5,677,068						
Investments in subsidiaries	-	(100)					
Total assets	\$ 568,711,667	\$ (2,439,307)	\$ 7,345,602	\$ 4,227,994	\$ 428,483	\$ 192,606	\$ 12,345,644

Berkshire Health Systems, Inc. and Affiliates  
Consolidating Balance Sheet (continued)

September 30, 2014

Assets	Obligated Group	Eliminations and Reclassifications	Berkshire Medical Center, Inc.	Fairview Hospital, Inc.	Berkshire Health Systems, Inc.
Current assets					
Cash and cash equivalents	\$ 27,784,201		\$ 26,481,522	\$ 162,597	\$ 1,140,082
Accounts receivable, less allowance for uncollectable amounts of \$17,347,000	52,364,504		47,563,330	4,801,174	
Note and other receivables	7,383,774		7,007,419	102,050	274,305
Inventories	8,572,536		8,110,150	462,386	
Funds held by trustees	8,743,340		8,314,894	428,446	
Due from third-party payors	2,381,366		2,381,366		
Due from managed entities	1,174,946				1,174,946
Prepaid expenses and other current assets	1,599,948		1,546,572	53,376	
Due from affiliates	-	\$ (8,364,471)		562,857	7,801,614
Total current assets	110,004,615	(8,364,471)	101,405,253	6,572,886	10,390,947
Due from affiliates	186,461	(9,453,575)	9,453,575	186,461	
Assets whose use is limited					
Funds designated by Boards	188,856,915		171,082,735	17,774,180	
Funds held by trustees	5,018,901		4,767,956	250,945	
Funds held as endowments	7,006,159		6,747,917	258,242	
Funds held for donor-restricted purposes	15,402,419		14,283,393	1,119,026	
Deferred compensation	4,434,502		4,316,611	117,891	
Total assets whose use is limited	220,718,896		201,198,612	19,520,284	-
Property and equipment, net	208,786,319		196,664,400	12,121,919	
Deferred financing costs, net	1,237,186		1,179,658	57,528	
Other assets	5,677,068		3,187,634	10,546	2,478,888
Investments in subsidiaries	100				100
Total assets	\$ 546,610,645	\$ (17,818,046)	\$ 513,089,132	\$ 38,469,624	\$ 12,869,935

Berkshire Health Systems, Inc. and Affiliates

Consolidating Balance Sheet (continued)

September 30, 2014

Liabilities and Net Assets	Consolidated	Eliminations and Reclassifi- cations	BHS Management Services, Inc.	Berkshire Faculty Services, Inc.	Williamstown Medical Associates, Inc.	Tri-State Medical Management Corp.	Berkshire Indemnity Company SPC, LTD.
Current liabilities							
Accounts payable	\$ 16,080,098		\$ 883,072	\$ 138,432		\$ 96	\$ 349,913
Accrued salaries and related withholdings	25,056,209		3,284,029	2,382,424	\$ 274,230		
Accrued expenses	11,459,443		666,811	147,951		6,049	
Deferred revenue	1,687,346						
Due to third-party payors	32,994,027						
Current portion of long-term obligations	6,145,000						
Due to affiliates	-	\$(2,252,746)					
Total current liabilities	93,422,123	(2,252,746)	4,833,912	2,668,807	274,230	6,145	349,913
Due to affiliates	-	(186,461)				186,461	
Deferred compensation	8,505,379		2,511,690	1,559,187			
Other liabilities	15,359,150						11,210,625
Long-term obligations, less current portion	107,979,967						
Total liabilities	225,266,619	(2,439,207)	7,345,602	4,227,994	274,230	192,606	11,560,338
Net assets							
Unrestricted	316,278,310	(100)			154,253		785,106
Temporarily restricted	20,160,579						
Permanently restricted	7,006,159						
Total net assets	343,445,048	(100)	-	-	154,253	-	785,106
Total liabilities and net assets	\$ 568,711,667	\$ (2,439,307)	\$ 7,345,602	\$ 4,227,994	\$ 428,483	\$ 192,606	\$ 12,345,644

Berkshire Health Systems, Inc. and Affiliates  
Consolidating Balance Sheet (continued)

September 30, 2014

Liabilities and Net Assets	Obligated Group	Eliminations and Reclassifications	Berkshire Medical Center, Inc.	Fairview Hospital, Inc.	Berkshire Health Systems, Inc.
Current liabilities					
Accounts payable	\$ 14,708,585		\$ 14,007,986	\$ 699,376	\$ 1,223
Accrued salaries and related withholdings	19,115,526		17,247,281	1,868,245	
Accrued expenses	10,638,632		9,864,827	773,680	125
Deferred revenue	1,687,346		1,074,780	612,566	
Due to third-party payors	32,994,027		30,699,090	2,294,937	
Current portion of long-term obligations	6,145,000		5,842,600	302,400	
Due to affiliates	2,252,746	\$ (8,364,471)	10,617,217		
Total current liabilities	87,541,862	(8,364,471)	89,353,781	6,551,204	1,348
Due to affiliates	-	(9,453,575)		2,400,000	7,053,575
Deferred compensation	4,434,502		4,316,611	117,891	
Other liabilities	4,148,525		3,449,098	699,427	
Long-term obligations, less current portion	107,979,967		102,749,703	5,230,264	
Total liabilities	204,104,856	(17,818,046)	199,869,193	14,998,786	7,054,923
Net assets					
Unrestricted	315,339,051		288,956,394	20,567,645	5,815,012
Temporarily restricted	20,160,579		17,515,628	2,644,951	
Permanently restricted	7,006,159		6,747,917	258,242	
Total net assets	342,505,789		313,219,939	23,470,838	5,815,012
Total liabilities and net assets	\$546,610,645	\$ (17,818,046)	\$ 513,089,132	\$ 38,469,624	\$ 12,869,935

# Berkshire Health Systems, Inc. and Affiliates

## Consolidating Statement of Operations and Changes in Net Assets

Year ended September 30, 2014

	Eliminations and Reclassifi- cations	BHS Management Services, Inc.	Berkshire Faculty Services, Inc.	Williamstown Medical Associates, Inc.	Tri-State Medical Management Corp.	Berkshire Indemnity Company SPC, LTD.
Net patient service revenue	\$ 449,712,377	\$ 20,432,832		\$ 4,399,622		
Less: provision for bad debts	12,520,989	707,103		200		
Patent service revenue, net	437,191,388	19,725,729		4,399,422		
Other revenue	34,497,685	\$ (41,584,470)	\$ 51,482,473	502,549	\$ 75,682	\$ 2,722,678
Total revenues	471,689,073	(41,584,470)	51,482,473	4,901,971	75,682	2,722,678
Expenses						
Salaries and wages	245,148,149	24,354,602	23,649,122	3,430,895		
Fringe benefits	60,511,011	7,262,379	3,386,238	862,281		
Supplies and other	118,506,021	(41,584,470)	19,705,876	1,176,545	44,621	2,722,678
Health Safety Net assessment	1,782,226					
Depreciation and amortization	26,761,390	159,616		1,334	40,070	
Interest	4,320,223					
Total expenses	457,029,020	(41,584,470)	51,482,473	5,471,055	84,691	2,722,678
Gain (loss) from operations	14,660,053	-	(12,970,128)	(569,084)	(9,009)	-
Nonoperating gains and (losses)						
Investment gains	11,133,310		45,729	17,202		
Other, net	1,774,711					
Excess of fair value of net assets acquired over consideration paid	1,783,990	9,009				
Loss on investments in subsidiary	-					
Total nonoperating gains (losses)	14,692,011	9,009	45,729	17,202	-	-
Excess (deficiency) of revenues over expenses	29,352,064	9,009	(12,924,399)	(551,882)	(9,009)	-

## Berkshire Health Systems, Inc. and Affiliates

### Consolidating Statement of Operations and Changes in Net Assets (continued)

Year ended September 30, 2014

	Consolidated	Eliminations and Reclassifi- cations	BHS Management Services, Inc.	Berkshire Faculty Services, Inc.	Williamstown Medical Associates, Inc.	Tri-State Medical Management Corp.	Berkshire Indemnity Company SPC, LTD.
Unrestricted net assets							
Excess (deficiency) of revenues over expenses	\$ 29,352,064	\$ 9,009		\$ (12,924,399)	\$ (551,882)	\$ (9,009)	\$ -
Williamstown Medical Associates							
Net unrealized gains on investments	8,423,196						102,749
Grant funds used for plant, property and equipment	337,514						
Net assets released from restrictions used for purchase of property and equipment	427,693						
Equity transfer	-						
Investment from Parent	-	(9,009)		12,924,399	535,000	9,009	
Increase(decrease) in unrestricted net assets	38,540,467	-	-	-	(16,882)	-	102,749
Temporarily restricted net assets							
Restricted contributions	1,191,369						
Realized gains on investments	1,292,364						
Unrealized gains on investments	655,659						
Net assets released from restrictions for operating purposes	(249,580)						
Net assets released from restrictions for purchase of property and equipment	(427,693)						
Increase in temporarily restricted net assets	2,462,119	-	-	-	-	-	-
Permanently restricted net assets							
Reclass of endowment contribution	-						
Decrease in permanently restricted net assets	-						
Increase (decrease) in net assets	41,002,586				(16,882)		102,749
Net assets, beginning of year	302,442,462	(100)			171,135		682,357
Net assets, end of year	\$343,445,048	\$ (100)	\$ -	\$ -	\$ 154,253	\$ -	\$ 785,106

## Berkshire Health Systems, Inc. and Affiliates

### Consolidating Statement of Operations and Changes in Net Assets (continued)

Year ended September 30, 2014

	Eliminations and Reclassifi- cations	Berkshire Medical Center, Inc.	Fairview Hospital, Inc.	Berkshire Health Systems, Inc.
Net patient service revenue		\$ 378,107,683	\$ 46,772,240	
Less provision for bad debts		10,698,388	1,115,298	
Patient service revenue, net		367,409,295	45,656,942	
Other revenue	\$ (2,359,458)	19,828,990	1,384,361	\$ 158
Total revenues	(2,359,458)	387,238,285	47,041,303	158
Expenses				
Salaries and wages		172,245,614	21,467,916	
Fringe benefits		43,851,167	5,148,946	
Supplies and other	(2,359,458)	115,656,063	15,038,897	50
Health Safety Net assessment		1,587,012	195,214	
Depreciation and amortization		24,461,524	2,098,846	
Interest		4,110,555	209,668	
Total expenses	(2,359,458)	361,911,935	44,159,487	50
Gain (loss) from operations	-	25,326,350	2,881,816	108
Nonoperating gains and (losses)				
Investment gains		10,051,271	1,019,108	
Other, net		1,670,071	28,293	76,347
Excess of fair value of assets acquired over consideration paid		1,783,990		
Loss on investments in subsidiary	(9,009)		(9,009)	
Total nonoperating gains (losses)	-	13,505,332	1,038,392	76,347
Excess (deficiency) of revenues over expenses	-	38,831,682	3,920,208	76,455

**Berkshire Health Systems, Inc. and Affiliates**  
**Consolidating Statement of Operations and Changes in Net Assets (continued)**

Year ended September 30, 2014

	<b>Obligated Group</b>	<b>Eliminations and Reclassifications</b>	<b>Berkshire Medical Center, Inc.</b>	<b>Fairview Hospital, Inc.</b>	<b>Berkshire Health Systems, Inc.</b>
Unrestricted net assets					
Excess of revenues over expenses	\$ 42,828,345		\$ 38,831,682	\$ 3,920,208	\$ 76,455
Williamstown Medical Associates					
Net unrealized gains on investments	8,320,447		7,553,917	766,530	
Grant funds used for plant, property and equipment	337,514			337,514	
Net assets released from restrictions used for purchase of property and equipment	427,693		279,843	147,850	
Equity transfer	(13,459,399)		(12,058,177)	(1,401,222)	
Increase in unrestricted net assets	<u>38,454,600</u>		<u>34,607,265</u>	<u>3,770,880</u>	<u>76,455</u>
Temporarily restricted net assets					
Restricted contributions	1,191,369		596,415	594,954	
Realized gains on investments	1,292,364		1,249,507	42,857	
Unrealized gains on investments	655,659		604,670	50,989	
Net assets released from restrictions for operating purposes	(249,580)		(107,533)	(142,047)	
Net assets released from restrictions for purchase of property and equipment	(427,693)		(279,843)	(147,850)	
Increase in temporarily restricted net assets	<u>2,462,119</u>		<u>2,063,216</u>	<u>398,903</u>	<u>-</u>
Permanently restricted net assets					
Reclass of endowment contribution	-		-	-	-
Decrease in permanently restricted net assets	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Increase in net assets	40,916,719		36,670,481	4,169,783	76,455
Net assets, beginning of year	301,589,070		276,549,458	19,301,055	5,738,557
Net assets, end of year	<u>\$ 342,505,789</u>		<u>\$ 313,219,939</u>	<u>\$ 23,470,838</u>	<u>\$ 5,815,012</u>

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