

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2016 calendar year, or tax year beginning **OCT 1, 2016** and ending **JUN 30, 2017**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Alice Peck Day Memorial Hospital Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 10 Alice Peck Day Drive City or town, state or province, country, and ZIP or foreign postal code Lebanon, NH 03766 F Name and address of principal officer: Susan E. Mooney, MD, MS same as C above	D Employer identification number 02-0222791 E Telephone number (603) 448-3121 G Gross receipts \$ 50,513,993. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I 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		
J Website: ▶ www.alicepeckday.org		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
L Year of formation: 1943		M State of legal domicile: NH

Part I Summary

	1	Briefly describe the organization's mission or most significant activities: Critical Access Hospital		
Activities & Governance	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	19
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	596
	6	Total number of volunteers (estimate if necessary)	6	67
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 1,152,108.	Current Year 360,135.
	9	Program service revenue (Part VIII, line 2g)	61,540,202.	48,706,952.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<770,893.>	22,398.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	61,921,417.	49,089,485.
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	27,500.
14		Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	35,770,947.	26,352,582.
16a		Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b		Total fundraising expenses (Part IX, column (D), line 25) ▶ 136,799.		
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	26,285,377.	22,343,930.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	62,083,824.	48,737,102.
	19	Revenue less expenses. Subtract line 18 from line 12	<162,407.>	352,383.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 45,079,639.	End of Year 53,279,410.
	21	Total liabilities (Part X, line 26)	26,473,105.	34,015,801.
	22	Net assets or fund balances. Subtract line 21 from line 20	18,606,534.	19,263,609.

Part II Signature Block

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

Sign Here	Signature of officer Susan E. Mooney, MD, MS, President & CEO Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name Nicholas E. Porto	Preparer's signature
	Date 05/11/18	Check if self-employed <input type="checkbox"/> PTIN P01310283
	Firm's name ▶ BAKER NEWMAN & NOYES, LLC	Firm's EIN ▶ 01-0494526
	Firm's address ▶ 650 ELM STREET, SUITE 302 MANCHESTER, NH 03101	Phone no. (800) 244-7444

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 [X]

1 Briefly describe the organization's mission: The mission of Alice Peck Day Health Systems is to provide personalized, highest quality, patient-focused healthcare services which are responsive to community needs, promote wellness, and continually improve the quality of healthcare in the community.

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

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 \$ 45,787,116. including grants of \$ 40,590.) (Revenue \$ 48,706,952.) Alice Peck Day Memorial Hospital is a community-based critical access hospital operating in Lebanon, NH. The Hospital began as a small cottage hospital in 1932. From its humble beginnings, Alice Peck Day has continually demonstrated its commitment to provide patient-focused health care services which improve the quality of life within its community and promote wellness for all. Alice Peck Day Memorial Hospital is a charitable health care organization which is dedicated to serving its community. This commitment includes granting credit to patients, substantially all of whom are local residents. The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than the established rates. Collections are not pursued for amounts determined to qualify as

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 45,787,116.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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

X

Table with columns for line numbers (1a-14b), descriptions of questions, and Yes/No columns. Includes entries for Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8282, Form 8899, Form 1098-C, Form 4947(a)(1), and Form 720.

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	1a 19		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **NH**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website 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, address, and telephone number of the person who possesses the organization's books and records: **Todd Roberts - (603) 448-3121**
10 Alice Peck Day Drive, Lebanon, NH 03766

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Robert J. Bauman Trustee	1.00 1.00	X						0.	0.	0.
(2) George T. Blike Trustee	1.00 40.00	X						0.	455,044.	247,013.
(3) Edward T. Kerrigan Trustee (part year)	1.00 3.00	X						0.	0.	0.
(4) Gay L. Landstrom Trustee (part year)	1.00 60.00	X						0.	579,445.	39,835.
(5) George W. Lange Trustee	1.00 0.00	X						0.	0.	0.
(6) Anne D. MacEwan Trustee	1.00 2.00	X						0.	0.	0.
(7) Mark E. Melendy Trustee	1.00 3.00	X						0.	0.	0.
(8) Edward J. Merrens Trustee	1.00 40.00	X						0.	521,421.	58,731.
(9) Tina E. Naimie Trustee	1.00 41.50	X						0.	238,714.	19,881.
(10) Mary M. Oseid Trustee	1.00 40.00	X						0.	252,760.	194,385.
(11) Brett C. Peltzer Trustee	1.00 2.00	X						0.	0.	0.
(12) Brenan Riehl Trustee	1.00 0.00	X						0.	0.	0.
(13) Roderic O. Young Trustee	1.00 40.00	X						0.	313,027.	42,229.
(14) Michael F. Long Chair	2.00 1.00	X		X				0.	0.	0.
(15) Rev. Dr. Guy J. D. Collins Vice Chair	2.00 3.00	X		X				0.	0.	0.
(16) Bruce N. Johnstone Treasurer	2.00 2.00	X		X				0.	0.	0.
(17) Martha P. Candon Secretary	2.00 1.00	X		X				0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Susan E. Mooney, MD, MS President & CEO	49.00 12.00	X		X				327,104.	81,776.	72,206.
(19) Kathryn M. Vargo, MD Medical Staff President	30.00 1.00	X		X				221,351.	0.	55,744.
(20) Beverley A. Rankin, RN, BSN VP Patient Care, CNO	60.00 0.00	X		X				165,257.	0.	61,227.
(21) Randall D. Lea, MD, MPH VP & Chief Medical Officer	28.00 1.00	X		X				203,735.	0.	40,861.
(22) Timothy Graham, MBA, FHFMA, CPA Interim CFO (begin 9/16)	40.00 20.00			X				80,500.	20,125.	0.
(23) Derrick Hollings Interim CFO (5/16-9/16)	40.00 20.00			X				51,326.	12,832.	0.
(24) J. Todd Miller, MS VP & COO	40.00 20.00			X				135,617.	33,904.	43,561.
(25) Diane C. Riley, MD, CAQSH Orthopaedic Surgeon	40.00 0.00					X		439,104.	0.	41,955.
(26) Paul Sansone, MD Pain Management MD	40.00 0.00					X		439,041.	0.	51,599.
1b Sub-total								2,063,035.	2,509,048.	969,227.
c Total from continuation sheets to Part VII, Section A								1,572,140.	0.	193,669.
d Total (add lines 1b and 1c)								3,635,175.	2,509,048.	1,162,896.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **52**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Upper Valley Neurology 106 Hanover Street, Lebanon, NH 03766	Professional Medical Services	2,950,771.
EmCare, 13737 Noel Road, Suite 1600, Dallas, TX 75240	Professional Medical Services	413,769.
Navin, Haffty & Associates, LLC 1900 W. Park Drive, Westborough, MA 01581	Temp Employee Services	356,622.
Leaders for Today, 981 Worcester Street, #1c, Wellesley, MA 02482	Executive Search	301,586.
Conifer Health Solutions 3560 Dallas Parkway, Frisco, TX 75034	Professional Medical Services	198,587.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **9**

See Part VII, Section A Continuation sheets

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) Leonard M. Rudolf, MD Orthopaedic Surgeon	40.00 0.00					X		502,295.	0.	55,714.
(28) John P. Houde, MD Orthopaedic Surgeon	40.00 0.00					X		513,074.	0.	59,119.
(29) Ivan Tomek, MD Orthopaedic Surgeon	40.00 0.00					X		556,771.	0.	78,836.
Total to Part VII, Section A, line 1c								1,572,140.		193,669.

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	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a	13,333.					
	b Membership dues	1b						
	c Fundraising events	1c						
	d Related organizations	1d	25,000.					
	e Government grants (contributions)	1e						
	f All other contributions, gifts, grants, and similar amounts not included above	1f	321,802.					
	g Noncash contributions included in lines 1a-1f: \$		15,679.					
	h Total. Add lines 1a-1f			360,135.				
Program Service Revenue	2 a Patient services	Business Code	621400	49,910,870.	49,910,870.			
	b Other operating		621400	697,549.	697,549.			
	c Nutritional services		722210	86,703.	86,703.			
	d Provision for Bad Debt		621400	<1,988,170.>	<1,988,170.>			
	e							
	f All other program service revenue							
	g Total. Add lines 2a-2f			48,706,952.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			160,657.			160,657.	
	4 Income from investment of tax-exempt bond proceeds							
	5 Royalties							
	6 a Gross rents	(i) Real	16,800.					
		(ii) Personal						
		b Less: rental expenses		16,800.				
		c Rental income or (loss)		0.				
	d Net rental income or (loss)							
	7 a Gross amount from sales of assets other than inventory	(i) Securities	237,224.	1,032,225.				
		(ii) Other						
		b Less: cost or other basis and sales expenses		216,130.	1,191,578.			
		c Gain or (loss)		21,094.	<159,353.>			
	d Net gain or (loss)				<138,259.>		<138,259.>	
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a						
b Less: direct expenses		b						
c Net income or (loss) from fundraising events								
9 a Gross income from gaming activities. See Part IV, line 19	a							
	b Less: direct expenses	b						
	c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a							
	b Less: cost of goods sold	b						
	c Net income or (loss) from sales of inventory							
Miscellaneous Revenue		Business Code						
11 a								
	b							
	c							
	d All other revenue							
e Total. Add lines 11a-11d								
12 Total revenue. See instructions.				49,089,485.	48,706,952.	0.	22,398.	

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 X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	24,500.	24,500.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	16,090.	16,090.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,433,734.	812,206.	621,528.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	20,617,444.	19,956,081.	578,483.	82,880.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	334,026.	314,287.	18,381.	1,358.
9 Other employee benefits	2,525,310.	2,457,274.	57,577.	10,459.
10 Payroll taxes	1,442,068.	1,362,322.	74,259.	5,487.
11 Fees for services (non-employees):				
a Management				
b Legal	20,819.		20,819.	
c Accounting	49,506.		49,506.	
d Lobbying	11,632.		11,632.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	8,545,318.	8,147,200.	381,025.	17,093.
12 Advertising and promotion	71,725.		71,725.	
13 Office expenses	813,482.	256,128.	554,778.	2,576.
14 Information technology	127,608.	117,670.	9,896.	42.
15 Royalties				
16 Occupancy	791,495.	739,388.	47,872.	4,235.
17 Travel	95,446.	69,679.	25,531.	236.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	324,806.	297,116.	25,988.	1,702.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,129,769.	1,033,456.	90,393.	5,920.
23 Insurance	803,137.	797,869.	4,944.	324.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Medical supplies/equipm	6,581,132.	6,575,553.	5,276.	303.
b Medicaid Enhancement ta	1,977,911.	1,977,911.		
c Equipment rental/mainte	520,166.	506,638.	13,448.	80.
d MRI Expenses	309,822.	309,822.		
e All other expenses	170,156.	15,926.	150,126.	4,104.
25 Total functional expenses. Add lines 1 through 24e	48,737,102.	45,787,116.	2,813,187.	136,799.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

		(A)		(B)	
		Beginning of year		End of year	
Assets	1 Cash - non-interest-bearing	368,891.	1	657,704.	
	2 Savings and temporary cash investments	9,814,339.	2	10,729,206.	
	3 Pledges and grants receivable, net	114,301.	3	67,463.	
	4 Accounts receivable, net	9,980,697.	4	8,878,043.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use	1,148,993.	8	1,214,330.	
	9 Prepaid expenses and deferred charges	456,436.	9	1,041,417.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 53,651,291.			
	b Less: accumulated depreciation	10b 30,205,301.	16,301,740.	10c	23,445,990.
	11 Investments - publicly traded securities	4,676,212.	11	5,107,061.	
	12 Investments - other securities. See Part IV, line 11	8,500.	12	8,500.	
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets	266,872.	14	139,333.	
	15 Other assets. See Part IV, line 11	1,942,658.	15	1,990,363.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	45,079,639.	16	53,279,410.		
Liabilities	17 Accounts payable and accrued expenses	8,873,731.	17	7,158,192.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities	16,191,501.	20	15,805,409.	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties	640,411.	23	430,570.	
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	767,462.	25	10,621,630.	
	26 Total liabilities. Add lines 17 through 25	26,473,105.	26	34,015,801.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	18,251,337.	27	18,965,454.	
	28 Temporarily restricted net assets	323,352.	28	264,615.	
	29 Permanently restricted net assets	31,845.	29	33,540.	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	18,606,534.	33	19,263,609.	
34 Total liabilities and net assets/fund balances	45,079,639.	34	53,279,410.		

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	49,089,485.
2	Total expenses (must equal Part IX, column (A), line 25)	2	48,737,102.
3	Revenue less expenses. Subtract line 2 from line 1	3	352,383.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	18,606,534.
5	Net unrealized gains (losses) on investments	5	304,692.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	19,263,609.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-022791

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 12, 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 (Form 990 or 990-EZ).)
- 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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 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.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations _____
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2015 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2016. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

(Complete only if you checked the box on line 10 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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2016. 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 - 2015. 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 Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes	No
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions	
9 Distributable amount for 2016 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions			
3 Excess distributions carryover, if any, to 2016:			
a			
b			
c From 2013			
d From 2014			
e From 2015			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2016 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions			
6 Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions			
7 Excess distributions carryover to 2017. Add lines 3j and 4c			
8 Breakdown of line 7:			
a			
b Excess from 2013			
c Excess from 2014			
d Excess from 2015			
e Excess from 2016			

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Part I Contributors (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>	 <hr/> <hr/> <hr/>	\$ <u>7,500.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>	 <hr/> <hr/> <hr/>	\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>3</u>	 <hr/> <hr/> <hr/>	\$ <u>20,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>4</u>	 <hr/> <hr/> <hr/>	\$ <u>25,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>5</u>	 <hr/> <hr/> <hr/>	\$ <u>20,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>6</u>	 <hr/> <hr/> <hr/>	\$ <u>7,897.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Part I Contributors (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	 <hr/> <hr/> <hr/>	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	 <hr/> <hr/> <hr/>	\$ 13,333.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	 <hr/> <hr/> <hr/>	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	 <hr/> <hr/> <hr/>	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	 <hr/> <hr/> <hr/>	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	 <hr/> <hr/> <hr/>	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Part I Contributors (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	 <hr/> <hr/> <hr/>	\$ <u>20,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14	 <hr/> <hr/> <hr/>	\$ <u>9,276.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
15	 <hr/> <hr/> <hr/>	\$ <u>6,403.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
16	 <hr/> <hr/> <hr/>	\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
17	 <hr/> <hr/> <hr/>	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
18	 <hr/> <hr/> <hr/>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Part II Noncash Property (See instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
14	Publicly Traded Securities _____ _____ _____	\$ 9,276.	02/27/17
15	Publicly Traded Securities _____ _____ _____	\$ 6,403.	05/31/17
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____

Name of organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2016

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

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

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

Name of organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political campaign activity expenditures ▶ \$ _____

3 Volunteer hours for political campaign activities _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No

4a Was a correction made? Yes No

b If "Yes," describe in Part IV.

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____

4 Did the filing organization file Form 1120-POL for this year? Yes No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2016

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%;">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.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?	X		7,132.
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		4,500.
j Total. Add lines 1c through 1i			11,632.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Part II-B, Line 1, Lobbying Activities:

The Organization pays dues to the New Hampshire Hospital Association and the American Hospital Association, a portion of which are attributable to lobbying activities.

Also, APD belongs to the 10 Mile CAH Coalition which engaged Strategic

Part IV Supplemental Information *(continued)*

Health Resources (SHR) for purposes of furthering lobbying efforts with regards to attempts to eliminate CAH status.

The CEO participates in periodic telephone calls with this group in attempts to keep the issue of rural healthcare and the key role that CAHs play in rural healthcare in front of the various legislative delegations

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

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

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization Alice Peck Day Memorial Hospital **Employer identification number** 02-022791

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

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

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

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

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

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

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

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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)?

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" on 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) Revenue included on 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 Revenue included on 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" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	31,845.	30,268.	30,883.	30,452.	27,686.
b Contributions					
c Net investment earnings, gains, and losses	1,385.	1,577.	<615.>	431.	2,766.
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	33,230.	31,845.	30,268.	30,883.	30,452.

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

- a Board designated or quasi-endowment .00 %
- b Permanent endowment 100.00 %
- c Temporarily restricted endowment .00 %

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

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

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

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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		927,577.		927,577.
b Buildings		20,254,694.	11,714,785.	8,539,909.
c Leasehold improvements		255,968.	205,855.	50,113.
d Equipment		22,832,311.	18,284,661.	4,547,650.
e Other		9,380,741.		9,380,741.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				23,445,990.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Medical Liability Payable	490,000.
(3) Deferred Annuity	70,271.
(4) Estimated Third-Party Payor	
(5) Settlements	765,546.
(6) Due to Affiliate	869,813.
(7) Accrued Construction Costs for	
(8) Building Under Development	8,426,000.
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	10,621,630.

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" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	49,410,977.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	304,692.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	16,800.
e	Add lines 2a through 2d	2e	321,492.
3	Subtract line 2e from line 1	3	49,089,485.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	49,089,485.

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

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

1	Total expenses and losses per audited financial statements	1	48,753,902.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	16,800.
e	Add lines 2a through 2d	2e	16,800.
3	Subtract line 2e from line 1	3	48,737,102.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	48,737,102.

Part XIII Supplemental Information.

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

Part V, line 4:

The Organization uses the income from its endowment funds for use in operations.

Part X, Line 2:

Under the State of New Hampshire's tax code, the State imposes a Medicaid enhancement tax (MET) equal to approximately 5.5% of Hospital net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospital was \$2,607,700 for the year ended June 30, 2017.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to

Part XIII Supplemental Information (continued)

Medicaid disproportionate share funding retroactive to July 1, 2010.

Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. For the year ended June 30, 2017, the Hospital recognized disproportionate share funding (net of related reserves and changes in estimates) totaling \$1,910,417. Currently the State makes disproportionate share hospital payments to support up to 75% of the actual uncompensated care costs for New Hampshire's hospitals with critical access designation.

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State in 2011 and 2012, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The Hospital records changes in accounting estimates relative to established reserves in the period additional information such as indications of adjustments, are received.

A contingency currently exists relative to the treatment of provider taxes in New Hampshire for Hospital fiscal years 2011 through 2015. Although the Medicare Administrative Contractor has issued the 2011 Notice of Program Reimbursement with the New Hampshire tax included as a reimbursable expense, a concurrent Reopening Notice was issued in the event CMS changes its policy on the reimbursement of provider taxes. Management estimates a maximum potential negative impact of \$5,572,000 as a result of the treatment of provider taxes in New Hampshire for fiscal years 2011 through

Part XIII Supplemental Information (continued)

2017. As of the date of these financial statements, management has not provided a specific reserve for the potential reopening of 2011 or final settlement of 2012 through 2016. An unfavorable outcome or likelihood cannot be currently assessed.

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code. Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income, and had taken no uncertain tax positions that require adjustment to the combined financial statements, other than the contingency discussed in the Medicaid Enhancement Tax, Medicaid Disproportionate Share, and Certain Contingencies section above.

Part XI, Line 2d - Other Adjustments:

Rental Expenses 16,800.

Part XII, Line 2d - Other Adjustments:

Rental Expenses 16,800.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2016

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**
▶ **Attach to Form 990.**
▶ **Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.**

**Open to Public
Inspection**

Name of the organization **Alice Peck Day Memorial Hospital** Employer identification number **02-0222791**

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>225</u> %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			198,947.		198,947.	.41%
b Medicaid (from Worksheet 3, column a)			5,674,067.	4,855,793.	818,274.	1.68%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			5,873,014.	4,855,793.	1,017,221.	2.09%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			66,550.		66,550.	.14%
f Health professions education (from Worksheet 5)			20,643.		20,643.	.04%
g Subsidized health services (from Worksheet 6)			4,468,934.	4,265,909.	203,025.	.42%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			50,416.		50,416.	.10%
j Total. Other Benefits			4,606,543.	4,265,909.	340,634.	.70%
k Total. Add lines 7d and 7j			10,479,557.	9,121,702.	1,357,855.	2.79%

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			16,957.		16,957.	.03%
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy			18,514.		18,514.	.04%
8 Workforce development						
9 Other						
10 Total			35,471.		35,471.	.07%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	16,810,915.
6 Enter Medicare allowable costs of care relating to payments on line 5	16,495,547.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	315,368.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

Part V Facility Information

Section A. Hospital Facilities

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

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

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

1 Alice Peck Day Memorial Hospital
10 Alice Peck Day Drive
Lebanon, NH 03766
www.alicepeckday.org
00016

Table with columns: Licensed hospital, Gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1: X, X, X, X, X, Physician Clinics.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group Alice Peck Day Memorial Hospital

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 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 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	X	
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>see Part V, Section C</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>See Part V, Section C</u>		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>see Part V, Section C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a 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)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group Alice Peck Day Memorial Hospital

	Yes	No
<p>Did the hospital facility have in place during the tax year a written financial assistance policy that:</p> <p>13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?</p> <p>If "Yes," indicate the eligibility criteria explained in the FAP:</p> <p>a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>225</u> %</p> <p>b <input type="checkbox"/> Income level other than FPG (describe in Section C)</p> <p>c <input checked="" type="checkbox"/> Asset level</p> <p>d <input checked="" type="checkbox"/> Medical indigency</p> <p>e <input checked="" type="checkbox"/> Insurance status</p> <p>f <input checked="" type="checkbox"/> Underinsurance status</p> <p>g <input checked="" type="checkbox"/> Residency</p> <p>h <input checked="" type="checkbox"/> Other (describe in Section C)</p>	X	
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
<p>If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):</p> <p>a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application</p> <p>b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application</p> <p>c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process</p> <p>d <input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications</p> <p>e <input type="checkbox"/> Other (describe in Section C)</p>		
16 Was widely publicized within the community served by the hospital facility?	X	
<p>If "Yes," indicate how the hospital facility publicized the policy (check all that apply):</p> <p>a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>see Part V, Section C</u></p> <p>b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>see Part V, Section C</u></p> <p>c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>see Part V, Section C</u></p> <p>d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention</p> <p>h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP</p> <p>i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations</p> <p>j <input checked="" type="checkbox"/> Other (describe in Section C)</p>		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group Alice Peck Day Memorial Hospital

	Yes	No
17 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 all of the actions the hospital facility or other authorized party may take upon nonpayment?	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized 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?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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?	X	
If "No," indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group Alice Peck Day Memorial Hospital

		Yes	No
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c	<input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d	<input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.	23	X
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	24	X

Schedule H (Form 990) 2016

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Alice Peck Day Memorial Hospital:

Part V, Section B, Line 5: With a shared Hospital Service Area, Alice Peck Day Memorial Hospital collaborated with Dartmouth-Hitchcock in conducting the 2016 Community Health Needs Assessment. Technical expertise was provided by Community Health Institute, the NH affiliate of JSI, a nation-wide public health management consulting and research organization. Input from the joint hospital service area, in an effort to hear from community residents and key stakeholders was gathered using a multi-pronged strategy: 1) a community survey was completed by 1,566 individuals. These surveys were available through town listings, at primary care clinics, a homeless shelter, free community dinners, senior housing projects and other community locations. 2) An online key stakeholder survey was completed by 69 community leaders and service providers, representing the following sections: Human Service/Social Service, Education/Youth Services, Municipal/County Government, Mental/Behavioral Health, Home Health Care, Primary Health Care, Medical Subspecialty, Public Safety/Fire, Public Health, Community Members, Dental Health Care, Emergency Medical Service and the Business Sector. 3) In an effort to get input and community-level context on health issues that matter to the community, four discussion groups were convened representing a variety of key community sectors: business leaders, teenage mothers, low income families and the United Valley Interfaith Project.

Alice Peck Day Memorial Hospital:

Part V, Section B, Line 6a: Alice Peck Day Memorial Hospital

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Dartmouth-Hitchcock Medical Center

New London Hospital

Valley Regional Hospital

Mt. Ascutney Hospital and Health Center

Alice Peck Day Memorial Hospital:

Part V, Section B, Line 6b: Technical assistance for the Hospital's 2015 CHNA was provided by Community Health Institute.

Alice Peck Day Memorial Hospital:

Part V, Section B, Line 11: Please see attached Implementation Plan.

Alice Peck Day Memorial Hospital:

Part V, Section B, Line 13h: Alice Peck Day Memorial Hospital offers financial assistance to patients demonstrating need. In making the need determination, APD participates with and honors the founding principles and guidelines of the New Hampshire Health Access Network (NHHAN). Accordingly, decisions regarding the granting of financial assistance will be based primarily on a patient and his or her household income and assets. There will be minimal consideration of expenses except when they identify areas for further investigation or incomplete or inaccurate information. The value of a patient's principal residence is not considered in qualifying a patient for in-house assistance. APD requires exhaustion of other payment methodologies, including but not limited to,

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

worker's compensation, veterans benefits, Medicaid, liability insurance, victims of crime, and COBRA. When applicable, proof of determination may be required prior to consideration for financial assistance.

Alice Peck Day Memorial Hospital:

Part V, Section B, Line 16j: Please see Part V, Line 3 for a description of the financial assistance program and the efforts made to publicize and promote the program.

Alice Peck Day Memorial Hospital prints and distributes its financial assistance application in Spanish when requested.

Part V, Line 7a & 7b:

CHNA can be found on the Hospital's homepage at:

www.alicepeckday.org/

Other websites:

[http://www.mtascutneyhospital.org/community-services/
community-resources/community-health-needs](http://www.mtascutneyhospital.org/community-services/community-resources/community-health-needs)

[http://www.dartmouth-hitchcock.org/documents/
pdf/FY16-18%20CHNA.pdf](http://www.dartmouth-hitchcock.org/documents/pdf/FY16-18%20CHNA.pdf)

Part V, Line 10a:

Implementation Plan can be found at:

<http://www.alicepeckday.org/assets/>

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

APDMH_CH_Implementation_Plan_2017.pdf

Multiple horizontal lines for providing supplemental information.

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? 7

Name and address	Type of Facility (describe)
1 Neurosurgery Services at APD (NSAPD) 106 Hanover Street Lebanon, NH 03766	Neurosurgery Physician Clinic
2 RAM Center for Community Care 5 Alice Peck Day Drive Lebanon, NH 03766	Primary Care Physician Clinic
3 APD Orthopaedic Clinic 17 Alice Peck Day Drive Lebanon, NH 03766	Orthopaedic Physician Clinic
4 Women's Care Center 141 Mascoma Street Lebanon, NH 03766	OB/GYN Physician Clinic
5 General Surgery Clinic 10 Alice Peck Day Drive, 12 Mascoma St Lebanon, NH 03766	General Surgeon Clinic
6 Pain Management Clinic 17 Alice Peck Day Drive, B Lebanon, NH 03766	Pain Management Clinic
7 Occupational Health Services 127 Mascoma Street, 2nd Floor Lebanon, NH 03766	Occupational Health Physician Clinic

Part VI Supplemental Information

Provide the following information.

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

Part I, Line 3c:

Alice Peck Day provides sliding scale coverage with 100% coverage for those with household income below 200% of the Federal Poverty Limit (FPL) and partial coverage for those with household income between 200% and 225% of FPL. The coverage tiers are maintained on the APD website, from all financial counselors, or by mail upon request.

Part I, Line 7:

The costs of charity care and means-tested programs are calculated using the facility-wide cost to charge ratio as calculated in Worksheet 2. Subsidized health services are calculated using the cost to charge ratios per service area, using a step-down cost allocation methodology consistent with Medicare cost report methodology.

Part II, Community Building Activities:

Alice Peck Day actively promotes community-based leadership development. Staff members participate in the Lebanon Chamber of Commerce, Foundation for Healthy Communities, the Rural Health Coalition, and the Advocacy Task

Part VI Supplemental Information

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- 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.

Force. As an active member of the community, APD works to be proactive concerning disaster readiness. Staff have participated in onsite training for disaster preparedness as well as off-site training with other regional hospitals. Collaborative efforts include all hazard regional training, emergency response training, and a regional mass casualty response program to help facilitate cooperative efforts if such needs arise.

Part III, Line 2:

Bad debt cost is calculated using a cost to charge ratio using a step-down cost allocation methodology consistent with Medicare cost reporting. In FY17, accounts written off to bad debt included gross charges being written off less any payments received against those charges. Any cash collected on accounts previously written off is included as an offset to bad debt expense as recoveries of bad debt. We estimated the amount of charity care in bad debt expense based on the number of applications for charity care. We believe the amount is minimal based on our extensive efforts to educate our patients and staff about our various payment plans and charity care to ensure that patients who qualify for any of our

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.

programs utilize them. Depending on the specific circumstances, a patient may be eligible for charity care, discounted care, time-payment programs, or a combination of the above. Due to these efforts, the amounts written off to bad debt that could qualify as charity care are minimal. Footnote 2 of the audited combined financial statements includes the following to address bad debt: Accounts receivable are stated at the amount management expects to collect on outstanding balances. Management provides for possible uncollectible amounts through a charge to operations and a credit to the valuation allowance based on its assessment of individual accounts and historical adjustments. Accounts deemed uncollectible are written off through a charge against the established allowance.

Part III, Line 3:

See narrative for Schedule H, Part III, Line 2 and Line 4.

Part III, Line 4:

See Footnote 2 on Page 11 of the attached audited financial statements.

Part VI Supplemental Information

Provide the following information.

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

Part III, Line 8:

Medicare allowable costs for the Medicare Cost Report are reported in accordance with CMS guidelines using the cost to charge ratio methodology.

Part III, Line 9b:

Our bad debts collection policy applies to all patient accounts in a consistent manner. The policy specifically indicates that, after a second statement is sent with no payment received, a patient accounts representative will contact the patient by phone to determine if a financial assistance application or payment plan is appropriate. This is completed to avoid further escalation of past due account(s) if the patient may qualify for full or partial relief under the charity care policy. If the application is successful, then the qualifying balance or balances are classified as charity care and no longer pursued for collections. Once a patient balance is classified as charity care, it is not subject to collection activities. Alice Peck Day is committed to helping our patients obtain quality healthcare, regardless of ability to pay. Our financial assistance programs encourage and enable our patients

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.
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- 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.

to make healthcare decisions free of financial barriers. We educate our patients about our programs and provide assistance prior to their receiving services, at registration for services, and during our billing process to ensure that any and all patients in need of assistance are provided with the help they qualify for under APD programs. Brochures and signs are placed in high traffic areas such as the ER and registration. Our staff is trained to identify patients during registration, provide information, and offer assistance in completing the necessary forms. During our billing process, calls are made to patients with outstanding balances. APD staff work with patients to identify problems they are facing in dealing with outstanding balances. Patients are notified again of the many types of financial assistance available for which they may qualify. Programs are explained and assistance is offered, if needed, in completing the applications. Due to this multi-level approach and staff that is trained to identify clients who may need financial assistance, very few qualifying patients reach the point of bad debt. Our collection policies and procedures, in conjunction with our small size, allow our organization to place great emphasis on helping all patients who may be in

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.
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- 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.

need to apply for, and obtain, the appropriate level of financial assistance.

Schedule H, Part V, Section B, Line 16a-16c:

Financial Assistance Policy, Financial Assistance Policy Application, and Plain Language Summary can be found at:

www.alicepeckday.org/patients/financial_services/financial_assistance/

Part VI, Line 2:

In addition to completing a comprehensive needs assessment every three years, the organization's Community Health Director serves on the Steering Committee of the Public Health Council of the Upper Valley, one of the State of New Hampshire's 13 regional health networks, which also serves 22 communities in Vermont. The PHC is comprised of community leaders and representatives from multiple community sectors, working together to set regional health priorities, provide guidance to regional public health activities, and ensure coordination of health improvement projects. In

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.
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- 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.
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2014, the PHC created the Upper Valley Agenda for Public Health, and the following year, the 2015-2017 Upper Valley Community Health Improvement Plan. The Public Health Council provides a "finger on the pulse" of the community, and by serving in a leadership role, Alice Peck Day Memorial Hospital is able to stay abreast of the health care needs of our local service area.

Part VI, Line 3:

Alice Peck Day believes that quality health care should be available to all, regardless of ability to pay. Our financial assistance programs and staff are dedicated to helping people obtain the care they need. We reach out to our patients in many different ways to ensure that they are aware that help is available and to help guide them through the process. Brochures and signage are posted in high traffic areas such as the emergency room, registration, and the lobby. Registration staff are trained to identify patients who may be in need of financial assistance. Once identified, staff notify the patient that APD has various forms of financial assistance and explain that assistance is available for anyone

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.
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who might require help or guidance in completing any necessary paperwork. In addition to the above, our billing staff are trained to help identify and offer assistance to anyone who might require financial assistance. Patients with outstanding claims are contacted by our credit coordinator who works with them to clear up balances through the variety of programs we offer. Assistance is also provided in applying for federal/state programs to those who qualify. Specially trained staff guide applicants through the process to ensure forms are filled out correctly, all required documentation is attached, and the applicants understand what they can expect to happen along the way.

Part VI, Line 4:

Alice Peck Day Memorial Hospital is part of the Lebanon Health Care service area. The Lebanon service area comprises cities and towns in New Hampshire and Vermont. APD's service area in NH comprises 15 towns in addition to the city of Lebanon, including Canaan, Cornish, Croydon, Dorchester, Enfield, Grafton, Grantham, Hanover, Lyme, Newport, Orange, Orford, Piermont, Plainfield and Warren. Vermont towns include East

Part VI Supplemental Information

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Thetford, Fairlee, Hartford, Hartland, North Hartland, North Thetford,
 Post Mills, Quechee, Sharon, South Strafford, Strafford, Thetford,
 Thetford Center, Vershire, West Vershire, West Fairlee, West Hartford,
 White River Junction and Woodstock.

Demographics:

Age: According to the 2013 American Community Survey, the population of the APD Service Area is slightly older on average than the New Hampshire and Vermont populations. 15.6% of the service area is over age 65, compared with 14.2% in New Hampshire and 15.2% in Vermont.

Income, poverty and unemployment: 9.7% of children in the hospital service area live at or below 100% FPL, with 27.0% living below 200%FPL. The unemployment rate of 6.8% for the region is equal to the statewide rate for Vermont, and slightly lower than the statewide rate of 7.0% for New Hampshire.

Education: A higher proportion of the hospital service area (93.9) have

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earned at least a high school diploma or equivalent compared to New Hampshire (91.8) and Vermont (91.4) overall.

Language: The percent of the hospital service area, ages 5 or higher, who report speaking English "less than very well" is 1.6, compared with a statewide rate of 2.5% in New Hampshire and 1.5% in Vermont.

Part VI, Line 5:

In addition to initiatives to deliver affordable care to our under and uninsured patients through our Financial Assistance programs, the organization provides a wide variety of no-cost or low-cost programs and services for the community. We work in partnership with local and state agencies, including (but not limited to) the Lebanon, Mascoma, Hartford, Hartland and Newport school districts, the NH Division of Health and Human Services, NH Oral Health Coalition, the Public Health Council of the Upper Valley, and the Vermont Dept of Health. Among the free programs and services APD offers in response to demonstrated community need are: Cash support and an in-kind donation of space for the Good Neighbor Health

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Clinic; vouchers for emergency prescription assistance, and one-on-one assistance with applying for prescription assistance programs offered through drug companies; flu vaccinations for the community; health professions education to medical, nursing and allied health students; cash support to the Grafton County Senior Citizens Council, for transportation; cash donations to human service agencies; subsidized health education programs including Childbirth Education and Breastfeeding Support.

APD's Community Health Department is well known in the region for Upper Valley Smiles, a unique school-based oral health program for low-income elementary school children enrolled in ten schools across the Upper Valley. The APD dental team visits each school annually, providing classroom oral health education, dental screenings, fluoride varnish, sealants and (in NH only) decay-stopping fluoride treatments and interim therapeutic restorations, all at little or no cost to parents.

Part VI, Line 6:

Alice Peck Day (APD) Memorial Hospital is a critical access hospital

Part VI Supplemental Information

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located in Lebanon, NH. The Hospital is served by a board of trustees consisting of local citizens active in community activities and organizations. The majority of board members are not employed by the hospital, and include local government and business representatives as well as practicing independent physicians. Despite its small size, APD is committed to giving back to the community to the greatest extent possible. During FY17, cash donations were given to organizations to help those in need. Local financial contributions helped support free primary care clinics for the uninsured, provided transportation for the elderly and disabled to receive medical care, and provided local nonprofit organizations with meeting space and refreshments. Alice Peck Day supported: community flu clinics, the West Central Behavioral Health agency, a free summer lunch program for low-income school-age children in Lebanon public housing sites, emergency prescription drug vouchers for uninsured patients, and a pilot "before school" morning activity program for children in the Canaan Elementary School.

Alice Peck Day Memorial Hospital's Department of Community Health is best

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known and celebrated locally for Upper Valley Smiles, a free school-based dental program that provides a critical safety net for low-income children in the Lebanon, Mascoma, Hartford, and Hartland school districts. During fiscal year 2017, the Upper Valley Smiles program of oral health education, dental screenings, preventive treatment, and referrals to dental offices was offered in ten elementary schools. 2,898 children received classroom oral health education, 700 children had a dental screening, 6,902 children received preventive care (fluoride varnish, sealants, and in NH schools, temporary fillings and decay-stopping fluoride), and 163 children were referred to a dental office for restorative treatment.

To promote health professional education, APD provided tuition reimbursement for health professions employees. APD sponsored and coordinated the district-wide professional development day for school nurses in our local area and for others within our region. These initiatives and ongoing efforts continue to address several of the most pressing community needs as identified in our community needs assessment.

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In 2014, the Board of Alice Peck Day Memorial Hospital, Inc. accompanied by the Board of Dartmouth-Hitchcock Health, Inc. (D-HH), approved an affiliation agreement between the Hospital and D-HH. This affiliation became effective on March 2, 2016 and for financial reporting purposes was deemed effective on March 1, 2016. As a result, the sole corporate member of the Hospital became D-HH. This agreement is intended to improve, integrate, and streamline patient care between the Hospital and D-HH, as well as other efficiencies that may be achieved through the affiliation.

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

NH

Alice Peck Day Memorial Hospital
FY '2017 Community Health Implementation Plan

Executive Summary

During the period March through July, 2015, Alice Peck Day Memorial Hospital (hereafter referred to as APD) collaborated with Dartmouth-Hitchcock in conducting a Community Health Needs Assessment. The report, published in December 2015, identified community health concerns, priorities and opportunities for community health and health care delivery systems improvement.

Ten high priority community health needs were identified through primary and secondary data analysis, as well as qualitative research that was inclusive of a wide spectrum of health and human services professionals and community residents. The prioritized list includes:

1. Access to mental health care
2. Access to affordable health insurance including prescription drugs
3. Substance misuse (alcohol and drug use, including heroin)
4. Access to dental health care
5. Lack of physical activity
6. Poor nutrition/access to affordable healthy foods
7. Income; poverty; family stress
8. Affordable housing
9. Access to primary health care
10. Health care for seniors

Attachment I lists APD's current strategies, impact and evaluation plan for each of the high priority health needs identified above, with the exception of #s 7 and 8. Historically, these social determinants of health have not fallen with the primary purview of our health care delivery system. While we acknowledge the growing interplay between economic and educational status and health, APD as a small, community-based rural hospital is not currently positioned to directly address these significant areas of concern. We recognize the critical role that health care providers and institutions can play in mitigating these factors, and are considering investments in these areas, alone or in collaboration with our community partners, in the near future. For the purposes of this report, however, income, poverty, family stress and affordable housing concerns are not addressed.

Attachment I

Alice Peck Day Memorial Hospital Community Health Implementation Plan, FY „17

Population Health Concern 1: Access to Mental/Behavioral Health Care

Strategy/ Impact	Resources/Collaborators	Evaluation Plan
Provide cash support to the West Central Behavioral Health “Same Day Access” project, Phase II, Access Redesign. <i>Impact:</i> client wait times will be reduced by more than 50%, client engagement and retention rates will increase by at least 10%, and cost efficiencies of approximately 24% will be achieved.	R: \$10,000 grant to WCBH	WCBH will partner with MTM Services in establishing a rigorous data tracking and measurement system.
Provide site and in-kind technical assistance to the “Rx for School Success” pilot project. <i>Impact:</i> improved health and wellbeing of children experiencing learning difficulties who do not qualify for IEP and related academic support services	R: Primary care clinic space; APD pediatricians; APD Director of Quality; DH Population Health Council Grant C: Center for School Success	Evaluation grant, written in collaboration with the Center for Program Design and Evaluation at Dartmouth College (and the Center for School Success) was submitted to the Endowment for Health.
Expand screening for depression to include all primary care patients ages 12 through adult during annual wellness visit. <i>Impact:</i> 3000+ patients screened and offered appropriate follow-up treatment	R: Primary Care Clinical Staff Time	Number of patients screened and referred
Support development of the Region I NH Section 1115 Medicaid waiver. <i>Impact:</i> Transform the State’s behavioral health delivery system to help improve care and slow long-term growth in health care costs.	R: Staff time: Primary Care Practice Director, Director of Quality, Executive Director of the Multispecialty Practice	Region I Project Plan Outcome Measures

Population Health Concern 2: Access to Affordable Health Insurance and Prescription Drugs

Strategy/ Impact	Resources/Collaborators	Evaluation Plan
<p>Provide Marketplace health insurance counseling during Open Enrollment (and for individuals eligible for SEP). <i>Impact:</i> Patients with health insurance more likely to seek “the right care at the right time in the right place”</p>	<p>R: Patient Access Manager time</p>	<p>Number of counseling sessions held; number of individuals enrolled into new or different health insurance plan during Open Enrollment and/or Special Enrollment Periods</p>
<p>Provide hands-on Medicaid enrollment assistance to uninsured community members. <i>Impact:</i> Low-income patients enrolled in Medicaid are more likely to seek “the right care at the right time in the right place.”</p>	<p>R: APD Community Health Director time C: Local schools, social service agencies, community organizations as referral sources</p>	<p>Number of applications submitted as “complete” and subsequently opened (approved)</p>
<p>Continue offering Prescription Assistance Program to uninsured and/or underinsured patients needing help paying for medications. <i>Impact:</i> low-income patients with chronic conditions who are approved for free or low-cost medications are more compliant with treatment plans.</p>	<p>R: APD Community Health Director and primary care provider time C: Grafton County ServiceLink as referral source</p>	<p>Number of PAP applications submitted; number of patients approved for assistance</p>
<p>Pharmacy voucher program for low-income uninsured patients with acute medication needs. <i>Impact:</i> patients receive needed medication within 24 hours</p>	<p>R: Community Health Department annual budget allocation, and CH Director’s time in determining patient eligibility for this as well as other public insurance options</p>	<p>Number of requests for assistance; number of vouchers awarded; number of patients enrolled in Medicaid, Medicare Part D, other insurance programs</p>
<p>Screen uninsured and underinsured patients for in-house and NH Health Access Network financial assistance (help with insurance deductibles and co-insurance). <i>Impact:</i> approximately 300 patients assisted.</p>	<p>R: Patient Access Manager time</p>	<p>Number of applications processed; value of “write-offs” on annual basis</p>

Population Health Concern 3: Substance Misuse

Strategy/Impact	Resources/Collaborators	Evaluation Plan
Continue to offer free meeting space for local AA and Al-Anon groups. <i>Impact:</i> Over 300 hours of weekend meeting time offered each year, with 20-25 participants attending one or more support group meetings per week.	R: Hospital conference room space	Unable to evaluate due to confidentiality restrictions
Provide Suboxone treatment for addicted patients in primary care clinic. <i>Impact:</i> 22 patients appointments per month	R: Primary care physician time (8 hours/month)	Number of current and new patient appointments
Provide meeting space for tobacco cessation support groups.	R: In-kind donation of hospital meeting space and public relations assistance C: Hartford Community Coalition	Number of participants completing the four-week sessions

Population Health Concern 4: Access to Dental Health Care

Strategy/Impact	Resources/Collaborators	Evaluation Plan
<p>Strategies</p> <ul style="list-style-type: none"> Expand the “Upper Valley Smiles” school-based oral health program (education, screenings, preventive treatments, interim therapeutic restorations and referrals to dentist for follow-up care.) During the 2016-17 school year, add Cornish Elementary School and include preschoolers in all participating schools Provide care coordination/referrals to dentists for children needing restorative treatment. Offer technical assistance to the pilot “Upper Valley Smiles for Life” oral health screening/prevention project for uninsured NH adults in Grafton County <p><i>Impacts:</i> Improve the overall oral health of at-risk (low-income, uninsured) children and adults</p>	<p>R: APD “Upper Valley Smiles” budgeted program expenses include:</p> <ul style="list-style-type: none"> the salaries of the dental hygienist and assistant, supplies, and mileage, offset in FY ‘17 by a cash donation from the Dartmouth Hitchcock Office of Community Health Improvement and grant support from Granite United Way. <p>(Note: Drs. Robert Keene and Arnie Burdick provide pro bono program supervision.)</p> <p>C: Ten participating local elementary schools in the Lebanon, Cornish, Mascoma, Hartford, and Hartland school districts; NH DHHS; VT Dept of Health</p> <p>R: UV Smiles dental assistant time</p> <p>C: School nurses, private practice dentists, Ronald McDonald Care Mobile</p> <p>R: CH Director time and donated start-up supplies</p>	<p>Annual report, shared with ReThink Health Community Health Hub project staff:</p> <ol style="list-style-type: none"> number of children treated, number of sealants/varnish applications/ITRS placed, % of children with untreated decay Track “urgent” and “non urgent” referrals with end-of-year report summarizing outcomes <p>Number of public health dental clinics offered in NH sites; number of participants per clinic; number of screenings, preventive treatments and referrals made</p>

Population Health Concern 5: Lack of Physical Activity

Strategy/Impact	Resources/Collaborators	Evaluation Plan
<p>Pilot a 30 to 45- minute “before school” physical activity program for children enrolled in the Canaan Elementary School. <i>Impact:</i> 200-250 students will participate in the twice-weekly program, Feb-June 2017, starting the school day better prepared to learn.</p>	<p>R: APD grant of \$750 to Canaan Elementary School to pay the supplemental salary of the PE teacher running the program</p>	<p>Number of children participating at each session; participant/parent and/or school staff survey to determine ongoing interest and benefit</p>
<p>Pilot a 4-week recreation/fitness scholarship program for low-income children and adults referred by primary care physicians and school partners. <i>Impact:</i> Increase fitness levels and overall wellbeing of participants</p>	<p>R: Community Health Department budget; APD volunteer coaches C: Carter Community Building Association; Upper Valley Aquatic Center; UV Trails Alliance</p>	<p>Number of scholarships awarded; number of participants completing the 4-week program; pre and post activity level questionnaires</p>
<p>Continue financial sponsorship of, and employee participation in the <i>Ledyard Live Well Walking Challenge</i>. <i>Impact:</i> 81 APD employees participated in the fall 2016 4-week wellness program. Regionally, 644 participants from 8 organizations walked a total of \$148,376,063 steps.</p>	<p>R: \$1300 cash donation; APD Health and Safety Safety Specialist time</p>	<p>Number of participants” cumulative steps walked and calories burned</p>

Population Health Concern 6: Poor Nutrition/ Access to Affordable Foods

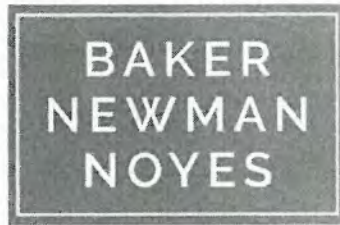
Strategy/Impact	Resources/Collaborators	Evaluation Plan
Provide (co) leadership of the “Healthy Eating, Active Living” workgroup of the Public Health Council of the Upper Valley. <i>Impact:</i> Revitalized HEAL coalition prioritizing strategies and creating action plans to support communities where all residents are able to make healthy lifestyle choices.	R: Community Health Director time C: Public Health Council of the Upper Valley	Annual review of HEAL workplan
Provide HEAL workgroup representation to the Mascoma School District Wellness Committee. <i>Impact:</i> Evaluate current strategies, identify new wellness opportunities for the district and share best practices with other school districts.	R: Community Health Director time (quarterly meetings held) C: Public Health Council of the Upper Valley	Annual review of Mascoma Wellness Policy
Create pilot summer feeding program for the Lebanon School District. <i>Impact:</i> Reduce food insecurity experienced by low-income school age children in the summer.	R: Community Health Director time; cash donation for initial start-up costs; APD volunteer time C: Lebanon School District, Healthy Eating Active Living workgroup	TBD
Convene a working group of summer feeding program managers from the Mascoma, Hartford and Claremont school districts. <i>Impact:</i> Identify best practices, create more streamlined operations, reduce costs, and serve greater numbers of vulnerable children and adults.	R: Community Health Director time; cash donations for supplies; in-kind donations of time from APD volunteers. C: Mascoma, Hartford and Claremont School Districts; Hartford Community Coalition; Healthy Eating, Active Living Workgroup; Public Health Council of the Upper Valley	“Best Practices” document to be created and disseminated
Future: Consider implementing “Healthy Foods” policy for APD meetings and activities. <i>Impact:</i> APD employees access healthier food and beverage offerings during worktime hours	R: Senior leadership, employee wellness and dietician staff time	TBD

Population Health Concern 9: Access to Primary Care

Strategy/Impact	Resources/Collaborators	Evaluation Plan
Continue annual cash donation to the Good Neighbor Health Clinic/Red Logan Dental Clinic, with funds supporting operational costs	R: \$7500 cash donation	Annual GNHC report of operations
Purchase seasonal flu vaccine earmarked for uninsured patients at the Good Neighbor Health Clinic and Claremont Soup Kitchen	R: 250 doses of flu vaccine (\$2625) C: Good Neighbor Health Clinic clinical staff; Geisel School of Medicine student volunteers	Number of flu vaccine doses administered at the two sites
Increase the APD in-kind donation of space for Good Neighbor Health Clinic's Lebanon satellite clinics, from one per month to two-three per month depending on volunteer capacity. <i>Impact:</i> greater numbers of uninsured patients gain access to free primary and specialty care provided by GNHC volunteer providers	R: in-kind donation of clinic space C: Good Neighbor Health Clinic, Geisel School of Medicine	Monthly reports summarizing patient appointment totals by clinician, and no-show rates

Population Health Concern 10: Health Care for Seniors (Frail/Vulnerable Elderly)

Strategy/Impact	Resources/Collaborators	Evaluation Plan
Continue Senior Care Team’s home-based primary care program for frail elderly in the local community. <i>Impact:</i> 250 home-bound frail elderly patients are served annually. 250 home-bound patients have current advance directives in place, to assure their wishes for end of life care are met.	R: 2 geriatricians, 1 social worker, 1 nurse care coordinator and 2 flow staff members	TBD
Host “Elder Forum,” a networking/educational forum for health and human services organizations focused on the elderly, is hosted monthly at APD. <i>Impact:</i> 25-30 professionals meet 10 times/year	R: APD Director of Community Health provides staff support to the Forum C: Upper Valley Community Nursing Project, Alice Peck Day Lifecare	Number of meetings held per year; number of participants per meeting; annual member feedback survey
Continue annual support for the Grafton County Senior Citizens Council, earmarking transportation. <i>Impact:</i> Elderly and disabled residents are able to use the subsidized bus to get to medical appointments in the southern Grafton region.	R: \$17,000 cash donation to GCSCC	Ridership data is collected annually
Expand the Elder Friend program (matching frail elders referred by Senior Care team staff to volunteers who make home visits.) <i>Impact:</i> vulnerable elders’ lives are enriched by interaction with a volunteer, and vice versa	R: APD Volunteer Coordinator time; Senior Care Team time; volunteers	Length of time (number of weeks/months) matched pairs participate; feedback from Senior Care Team
Future: Train staff or volunteer as Medicare SHIP (State Health Insurance Assistance Program) Counselor for local community members <i>Impact:</i> Increase access to Medicare benefits counseling for community members	R: Staff time to complete SHIP training and/or recruit volunteer(s) C: NH and VT Area Agencies on Aging (ServiceLink of Grafton County; Senior Solutions VT)	Number of APD staff and/or volunteers who complete SHIP training



Alice Peck Day Memorial Hospital

Audited Financial Statements

*For the Year Ended June 30, 2017
With Independent Auditors' Report*

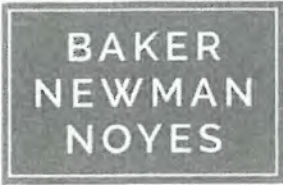
ALICE PECK DAY MEMORIAL HOSPITAL

Audited Financial Statements

For the Year Ended June 30, 2017

CONTENTS

Independent Auditors' Report	1
Audited Financial Statements:	
Balance Sheet	2
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Alice Peck Day Memorial Hospital

We have audited the accompanying financial statements of Alice Peck Day Memorial Hospital, which comprise the balance sheet as of June 30, 2017, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial position of Alice Peck Day Memorial Hospital as of June 30, 2017, and the results of its operations and changes in net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes LLC

Manchester, New Hampshire
October 16, 2017

ALICE PECK DAY MEMORIAL HOSPITAL

BALANCE SHEET

June 30, 2017

ASSETS

Current assets:

Cash and cash equivalents	\$ 8,129,128
Short-term investments	5,075,840
Accounts receivable, less allowance for bad debts and contractual allowances of \$10,153,208	8,878,043
Due from affiliates	1,855,363
Current portion of pledges receivable, net	67,463
Supplies	1,214,330
Prepaid expenses and other current assets	<u>1,041,417</u>
Total current assets	26,261,584
Assets whose use is limited or restricted	3,257,782
Property and equipment, net	23,445,990
Long-term investments	31,221
Other assets	282,833

Total assets \$53,279,410

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 4,160,229
Accrued salaries and related amounts	2,997,963
Due to affiliates	869,813
Estimated third-party payor settlements	765,546
Current portion of deferred annuities	17,645
Current portion of capital lease obligation	199,072
Current portion of long-term debt	<u>403,468</u>
Total current liabilities	9,413,736
Long-term debt, net of current portion	15,401,941
Accrued construction costs for building under development	8,426,000
Capital lease obligation, net of current portion	231,498
Other liabilities	<u>542,626</u>
Total liabilities	34,015,801
Net assets:	
Unrestricted	18,965,454
Temporarily restricted	264,615
Permanently restricted	<u>33,540</u>
Total net assets	<u>19,263,609</u>
Total liabilities and net assets	<u>\$53,279,410</u>

See accompanying notes.

ALICE PECK DAY MEMORIAL HOSPITAL

STATEMENT OF OPERATIONS

For the Year Ended June 30, 2017

Net patient service revenues, net of contractual allowances and discounts	\$65,834,373
Provision for bad debts	<u>(2,274,631)</u>
Net patient service revenues less provision for bad debts	63,559,742
Other revenue	1,537,312
Net assets released from restrictions used for operations	<u>105,560</u>
Total unrestricted revenues, gains and other support	65,202,614
Expenses:	
Salaries and benefits	34,928,841
Provider fees	3,592,007
Supplies and other	22,266,765
Insurance	1,072,144
Depreciation and amortization	1,531,618
Interest	<u>466,853</u>
Total expenses	<u>63,858,228</u>
Income from operations	1,344,386
Loss on disposal of equipment	<u>(162,020)</u>
Excess of revenues, gains and other support over expenses	1,182,366
Change in net unrealized gains on investments	438,806
Net assets released from restrictions used for purchases of property and equipment	<u>157,595</u>
Increase in unrestricted net assets	<u>\$ 1,778,767</u>

See accompanying notes.

ALICE PECK DAY MEMORIAL HOSPITAL

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balances at June 30, 2016	\$17,186,687	\$ 345,120	\$ 31,051	\$17,562,858
Excess of revenues, gains and other support over expenses	1,182,366	-	-	1,182,366
Change in net unrealized gains on investments	438,806	-	2,489	441,295
Restricted contributions	-	182,650	-	182,650
Net assets released from restrictions used for purchase of property and equipment	157,595	(157,595)	-	-
Net assets released from restrictions used for operations	<u>-</u>	<u>(105,560)</u>	<u>-</u>	<u>(105,560)</u>
	<u>1,778,767</u>	<u>(80,505)</u>	<u>2,489</u>	<u>1,700,751</u>
Balances at June 30, 2017	<u>\$18,965,454</u>	<u>\$ 264,615</u>	<u>\$33,540</u>	<u>\$19,263,609</u>

See accompanying notes.

ALICE PECK DAY MEMORIAL HOSPITAL

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2017

Cash flows from operating activities:	
Increase in net assets	\$ 1,700,751
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Amortization of deferred financing costs	6,032
Depreciation and amortization	1,531,618
Provision for bad debts, net of recoveries	2,274,631
Net realized and unrealized gains on investments	(498,121)
Loss on disposal of equipment	162,020
Restricted contributions	(182,650)
Changes in operating assets and liabilities:	
Accounts receivable	(1,896,274)
Supplies	(78,068)
Prepaid expenses, other current assets, and other assets	(384,902)
Due to (from) affiliates	776,538
Accounts payable and accrued expenses	(1,048,027)
Accrued salaries and related amounts	(461,227)
Estimated third-party payor settlements	712,682
Other liabilities	<u>113,692</u>
Net cash provided by operating activities	2,728,695
Cash flows from investing activities:	
Purchases of property and equipment	(1,269,300)
Proceeds from sale of property and equipment	1,057,377
Proceeds from sales of investments	434,488
Purchases of investments	(549,185)
Increase in assets whose use is limited, net	<u>(108,134)</u>
Net cash used by investing activities	(434,754)
Cash flows from financing activities:	
Payments on long-term debt	(386,747)
Payments on capital lease obligations	(245,140)
Proceeds from restricted contributions	<u>282,663</u>
Net cash used by financing activities	<u>(349,224)</u>
Net increase in cash and cash equivalents	1,944,717
Cash and cash equivalents at beginning of year	<u>6,184,411</u>
Cash and cash equivalents at end of year	\$ <u>8,129,128</u>
Supplemental information:	
Interest paid	\$ <u>456,525</u>
Noncash investing and financing activities:	
Building construction in process financed by a third party	\$ <u>8,426,000</u>
See accompanying notes.	

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

1. Organization

Alice Peck Day Memorial Hospital (the Hospital) is a not-for-profit entity established to provide acute and specialty care services to residents of the greater Lebanon, New Hampshire area. In 2014, the Board of the Hospital, accompanied by the Board of Dartmouth-Hitchcock Health (D-HH), approved an affiliation agreement between the Hospital and D-HH. This affiliation became effective on March 2, 2016. As a result, the sole corporate member of the Hospital is D-HH.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with the reporting requirements set forth in the Mortgage, Loan, and Security Agreement 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. The most significant areas which are affected by the use of estimates include the allowance for bad debts and contractual adjustments, estimated third-party payor settlements, insurance-related reserves and recoverables, fair value of the Hospital's assets at date of affiliation, and self-insured health care costs.

Concentrations of Credit Risk

Financial instruments which subject the Hospital to credit risk consist primarily of cash equivalents, accounts receivable, amounts receivable under irrevocable trusts, and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts (see also note 13). Amounts due under irrevocable trusts are evaluated for collectibility and presented net of any required allowances. The Hospital's investment portfolio consists of diversified investments, which are subject to market risk. At June 30, 2017, five mutual funds comprised 28% of total investments.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds and secured repurchase agreements with original maturities of three months or less, excluding assets whose use is limited or restricted.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

2. Summary of Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are carried at fair value in the accompanying balance sheet. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues, gains and other support over expenses unless the income is restricted by donor or law. Gains and losses on investments are computed on a specific identification basis. Unrealized gains and losses on investments are excluded from the excess of revenues, gains and other support over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe the declines are other-than-temporary.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying balance sheet and statement of operations.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets designated by the Board of the Hospital for construction costs, agency funds, and donor-restricted funds.

Accounts Receivable and the Allowance for Bad Debts

Accounts receivable are reduced by an allowance for bad debts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for bad debts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for bad debts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for bad debts and a provision 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, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a 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 bad debts.

Supplies

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

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

2. **Summary of Significant Accounting Policies (Continued)**

Property and Equipment

Property and equipment is stated at cost or, if contributed, at fair market value determined at the date of donation, less accumulated depreciation. Property and equipment under capital leases is amortized over the estimated useful lives of the assets or lease term, whichever is shorter. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

Deferred Financing Costs

The costs incurred to obtain long-term financing are being amortized by the straight-line method over the period during which the debt is outstanding.

Employee Fringe Benefits

The Hospital has an "earned time" plan which provides benefits to employees for paid leave hours. Under this plan, each employee earns paid leave for each period worked. These hours of paid leave may be used for vacations, holidays, or illnesses. Hours earned, but not used, are vested with the employee, limited to three hundred hours carryover at year end. The Hospital accrues a liability for such paid leave as it is earned.

Retirement Plan

The Hospital's employees participate in a tax-sheltered annuity retirement plan. There is no minimum age or service requirement to participate in the employee deferral contributing portion of the plan. Discretionary contributions consisting of 50% of the employees' contribution up to 2% of eligible compensation are made by the Hospital on behalf of all participants who had completed one year of service and attained age 21. Effective October 1, 2014, the Plan was amended and restated to remove automatic rollovers to an individual retirement account and to no longer subject the plan to the qualified joint survivor rules. The plan expense recorded was approximately \$460,200 for the year ended June 30, 2017.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

2. Summary of Significant Accounting Policies (Continued)

Temporarily and Permanently Restricted Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Excess of Revenues, Gains and Other Support Over Expenses

The statement of operations includes excess of revenues, gains and other support over expenses. Changes in unrestricted net assets which are excluded from this performance indicator, consistent with industry practice, include the change in net unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Health Insurance

The Hospital is partially self-insured with respect to health care coverage. This coverage provides medical health benefits to eligible employees and their eligible dependents. The Hospital estimates an accrual for claims incurred but not reported which is included in accrued salaries and related amounts in the accompanying balance sheet. Health insurance expense approximated \$2,552,300 for the year ended June 30, 2017.

Net Patient Service Revenues

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur. Net patient service revenues in the accompanying statement of operations decreased approximately \$800,000 for the year ended June 30, 2017.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

2. Summary of Significant Accounting Policies (Continued)

The Hospital recognizes patient service revenues associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Medicaid Enhancement Tax, Medicaid Disproportionate Share, and Certain Contingencies

Under the State of New Hampshire's tax code, the State imposes a Medicaid enhancement tax (MET) equal to approximately 5.5% of Hospital net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospital was \$2,607,700 for the year ended June 30, 2017.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. For the year ended June 30, 2017, the Hospital recognized disproportionate share funding (net of related reserves and changes in estimates) totaling \$1,910,417. Currently the State makes disproportionate share hospital payments to support up to 75% of the actual uncompensated care costs for New Hampshire's hospitals with critical access designation.

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State in 2011 and 2012, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The Hospital records changes in accounting estimates relative to established reserves in the period additional information such as indications of adjustments, are received.

A contingency currently exists relative to the treatment of provider taxes in New Hampshire for Hospital fiscal years 2011 through 2015. Although the Medicare Administrative Contractor has issued the 2011 Notice of Program Reimbursement with the New Hampshire tax included as a reimbursable expense, a concurrent Reopening Notice was issued in the event CMS changes its policy on the reimbursement of provider taxes. Management estimates a maximum potential negative impact of \$5,572,000 as a result of the treatment of provider taxes in New Hampshire for fiscal years 2011 through 2017. As of the date of these financial statements, management has not provided a specific reserve for the potential reopening of 2011 or final settlement of 2012 through 2016. An unfavorable outcome or likelihood cannot be currently assessed.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

2. Summary of Significant Accounting Policies (Continued)

Charity Care

The Hospital has a formal charity care policy under which patient care is provided without charge or at amounts less than its established rates to patients who meet certain criteria. The Hospital does not pursue collection of amounts determined to qualify as charity care and, therefore, they are not reported as revenue. See note 4 with respect to costs of charity care.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and intentions to give are reported at fair value at the date the condition is met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets.

Donor-restricted endowment gifts are reported as long-term investments.

Any future annuity payments resulting from contributions received which are life income gifts or annuity gifts are determined actuarially and through present value techniques. The future liability for these payments is reflected as a deferred annuity in the balance sheet. As of June 30, 2017, the liability for these gift annuities was \$70,271. The long-term portion of these deferred annuities is included in other liabilities in the accompanying balance sheet.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code. Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income, and had taken no uncertain tax positions that require adjustment to the financial statements, other than the contingency discussed in the Medicaid Enhancement Tax, Medicaid Disproportionate Share, and Certain Contingencies section above.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was approximately \$55,700 for the year ended June 30, 2017.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Hospital expects to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the Hospital on July 1, 2018. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The Hospital is evaluating the impact that ASU 2014-09 will have on its financial statements and related disclosures.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

2. Summary of Significant Accounting Policies (Continued)

In April 2015, the FASB issued ASU No. 2015-03, *Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). ASU 2015-03 simplifies the presentation of deferred financing costs and requires that the deferred financing costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for the Hospital's fiscal year ending June 30, 2017. The Hospital has implemented ASU 2015-03 in its 2017 financial statements which is allowed under the pronouncement. The adoption of this pronouncement did not materially affect the financial statements. See note 9.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Hospital on July 1, 2020, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The Hospital is currently evaluating the impact of the pending adoption of ASU 2016-02 on the Hospital's financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities (Topic 958)* (ASU 2016-14). Under ASU 2016-14, the existing three-category classification of net assets (i.e., unrestricted, temporarily restricted and permanently restricted) will be replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions". ASU 2016-14 also enhances certain disclosures regarding board designations, donor restrictions and qualitative information regarding management of liquid resources. In addition to reporting expenses by functional classifications, ASU 2016-14 will also require the financial statements to provide information about expenses by their nature, along with enhanced disclosures about the methods used to allocate costs among program and support functions. ASU 2016-14 is effective for the Hospital's fiscal year ending June 30, 2019, with early adoption permitted. The Hospital is currently evaluating the impact of the pending adoption of ASU 2016-14 on the Hospital's financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)* (ASU 2016-18), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the Hospital beginning on July 1, 2019. ASU 2016-18 must be applied using a retrospective transition method with early adoption permitted. The Hospital is currently evaluating the impact of the adoption of this guidance on its financial statements.

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through October 16, 2017 which is the date the financial statements were available to be issued.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

3. Net Patient Service Revenues

Patient service revenues and contractual and other allowances consisted of the following for the year ended June 30, 2017:

Patient services:	
Routine services	\$ 5,480,676
Ancillary services	<u>105,358,053</u>
Gross patient service revenues	110,838,729
Provision for contractual allowances	(44,500,983)
Provision for charity care	<u>(503,373)</u>
	<u>(45,004,356)</u>
Net patient service revenues, net of contractual allowances and discounts	65,834,373
Provision for bad debts	<u>(2,274,631)</u>
Net patient service revenues less provision for bad debts	<u>\$ 63,559,742</u>

An estimated breakdown of patient service revenues, net of contractual allowances, discounts and provision for bad debts recognized from major payor sources, is as follows at June 30, 2017:

	<u>Gross Patient Service Revenues</u>	<u>Contractual Allowances and Discounts</u>	<u>Provision for Bad Debts</u>	<u>Net Patient Service Revenues Less Provision for Bad Debts</u>
Private payors (includes coinsurance and deductibles)	\$ 52,228,865	\$ 15,713,415	\$ 1,611,446	\$ 34,904,004
Medicaid	9,135,574	6,881,711	19,242	2,234,621
Medicare	47,869,586	22,937,314	82,688	24,849,584
Self-pay	1,604,704	1,382,333	561,255	(338,884)
Disproportionate share funding	<u>—</u>	<u>(1,910,417)</u>	<u>—</u>	<u>1,910,417</u>
	<u>\$110,838,729</u>	<u>\$ 45,004,356</u>	<u>\$2,274,631</u>	<u>\$63,559,742</u>

Revenues from the Medicare and Medicaid programs, respectively, accounted for approximately 39% and 4% of the Hospital's net patient service revenue for the year ended June 30, 2017. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

3. Net Patient Service Revenues (Continued)

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

Medicare

The Hospital is a Critical Access Hospital (CAH). As a result of this designation, the Hospital is entitled to cost-based reimbursement from Medicare for services provided to Medicare beneficiaries. Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid under a cost reimbursement methodology. The Hospital is reimbursed at tentative interim rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's cost reports have been audited by the fiscal intermediary through 2016 with settlements processed through 2011 (see note 2).

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a fee schedule methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's Medicaid cost reports have been audited by the fiscal intermediary through 2011 with settlements processed through 2011 (see note 2).

Anthem Blue Cross

Inpatient and outpatient services rendered to Anthem Blue Cross subscribers are reimbursed at submitted charges less a negotiated discount. The amounts paid to the Hospital are not subject to any retroactive adjustments.

4. Charity Care (Unaudited)

The Hospital provided charity care to eligible patients. Estimated costs incurred to provide charity care were approximately \$320,045 for the year ended June 30, 2017. The Hospital determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The Hospital also provides other community benefit services as follows:

Estimated costs incurred in excess of payment for inpatient and outpatient services	\$500,000
Estimated cost of community health improvement sources, community benefit operations, health professions education and cash and in-kind contributions to community groups	<u>206,389</u>
	<u>\$706,389</u>

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

5. Investments

The composition of assets whose use is limited or restricted and short and long-term investments as of June 30, 2017 is set forth in the following table:

	<u>Cost</u> <u>2017</u>	<u>Fair Value</u> <u>2017</u>
Cash and cash equivalents	\$3,257,782	\$3,257,782
Marketable equity securities	1,546	1,831
Mutual funds	<u>4,417,195</u>	<u>5,105,230</u>
Total assets	<u>\$7,676,523</u>	<u>\$8,364,843</u>

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted consist of the following as of June 30, 2017:

Donor restricted:		
Cash and cash equivalents		\$ 197,246
Board designated for Hospital renovation:		
Cash and cash equivalents		<u>3,060,536</u>
		<u>\$3,257,782</u>

Short and Long-Term Investments

Short and long-term investments, stated at fair value, include the following as of June 30, 2017:

Marketable equity securities		\$ 1,831
Mutual funds		<u>5,105,230</u>
		5,107,061
Less long-term investments		<u>(31,221)</u>
		<u>\$5,075,840</u>

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

5. Investments (Continued)

Investment income, net realized gains and losses from assets whose use is limited, cash equivalents, and short and long-term investments are included in other revenue and are comprised of the following:

Income:

Interest and dividend income	\$129,454
Realized gains on sales of securities, net	<u>56,826</u>
	<u>\$186,280</u>

Other changes in net assets:

Net unrealized gains:	
Unrestricted	\$438,806
Permanently restricted	<u>2,489</u>
	<u>\$441,295</u>

The Hospital's long-term investment objective is to preserve and enhance the real value of the investment assets over time, in order to provide a sufficient rate of return for fulfilling the philanthropic purposes of the members of the Hospital.

6. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Hospital uses various methods including market, income and cost approaches. Based on these approaches, the Hospital often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Hospital is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

6. Fair Value Measurements (Continued)

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

As of June 30, 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Assets whose use is limited or restricted:				
Cash and cash equivalents	\$3,257,782	\$ —	\$ —	\$3,257,782
Investments:				
Marketable equity securities:				
Commodities	1,831	—	—	1,831
Mutual funds:				
Domestic equity	2,164,053	—	—	2,164,053
Foreign equity	2,077,869	—	—	2,077,869
Fixed income	<u>863,308</u>	<u>—</u>	<u>—</u>	<u>863,308</u>
Total assets	<u>\$8,364,843</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$8,364,843</u>

7. Property and Equipment

Property and equipment, including amounts recorded under capital leases, consists of the following as of June 30, 2017:

Land and land improvements	\$ 4,810,000
Buildings and improvements	5,138,459
Fixed equipment	1,707,336
Major movable equipment	<u>4,395,553</u>
	16,051,348
 Less accumulated depreciation and amortization	 <u>(1,986,099)</u>
	14,065,249
 Construction in progress	 <u>9,380,741</u>
	<u>\$23,445,990</u>

The carrying amount of assets under capital lease was \$348,953 at June 30, 2017, and is included in fixed equipment above. See also note 14.

Depreciation expense amounted to \$1,493,618 for the year ended June 30, 2017.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

8. Pledges Receivable

Gross pledges receivable from donors as of June 30, 2017 were \$76,636. Pledges are due as follows at June 30, 2017:

2018	\$ 76,636
Less allowance for uncollectible pledges	<u>(9,173)</u>
	<u>\$ 67,463</u>

9. Long-Term Debt

Long-term debt consists of the following as of June 30, 2017:

Variable rate bonds, collateralized by a mortgage note, issued under Business Finance Authority of the State of New Hampshire Revenue Bonds, Series 2010, variable daily interest rate, 2.62% as of June 30, 2017, payable in monthly amounts of principal and interest through November 2030, with a balloon payment of approximately \$14.5 million due on or before December 1, 2030	\$ 15,899,912
Less current portion	(403,468)
Less unamortized deferred financing costs	<u>(94,503)</u>
	<u>\$ 15,401,941</u>

On November 30, 2010, the Hospital refinanced its Series 2007 and 2008 outstanding bonds with \$30,000,000 Series 2010 Revenue Bonds issued through the Business Finance Authority (BFA) of the State of New Hampshire. Interest is based on an annual percentage rate equal to the sum of (a) 69% of the 1-Month LIBOR rate plus (b) 1.8975%. The Hospital may prepay certain of these bonds according to the terms of the loan and trust agreement. The bonds are redeemable at any time by the Hospital at par value plus any accrued interest. The bonds are also subject to optional tender for purchase (as a whole) in November 2020 at par plus accrued interest. The bonds are collateralized by substantially all assets and gross receipts of the Hospital and were issued to advance refund existing bonds.

The Series 2010 Revenue Bonds contain various restrictive covenants, which include compliance with certain financial ratios and a detail of events constituting defaults. The Hospital is in compliance with these requirements at June 30, 2017.

Scheduled principal repayments on long-term debt for the next five years are as follows:

2018	\$ 403,468
2019	420,911
2020	439,109
2021	458,093
2022	477,898
Thereafter	<u>13,700,433</u>
	<u>\$ 15,899,912</u>

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

10. Lines of Credit

In March 2017, the Hospital renewed an unsecured line of credit with a bank totaling \$1,000,000. Interest on borrowings is charged at the Wall Street Journal prime rate, adjusted daily, with a LIBOR option or floor rate. There was no outstanding balance under this agreement at June 30, 2017. The line of credit expires February 28, 2018.

In May 2017, the Hospital renewed an unsecured line of credit with a bank totaling \$1,000,000. Interest on borrowings is charged at the Wall Street Journal prime rate, adjusted daily. There was no outstanding balance under this agreement at June 30, 2017. The line of credit expires September 29, 2018.

11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2017:

Health care services, community welfare and construction projects	<u>\$264,615</u>
---	------------------

Permanently restricted net assets are attributed to the following as of June 30, 2017:

Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating income)	<u>\$ 33,540</u>
--	------------------

12. Related Party Transactions

The Hospital participates in the D-HH's group health, group dental, group life, and group long-term disability insurance programs. Charges for these programs in 2017 were approximately \$883,300. The Hospital owed D-HH \$869,813 at June 30, 2017.

The Hospital also has a note receivable from Alice Peck Day Life Center (Lifecare) payable through 2026, which bears interest at a rate of 3.3% per annum. The amount due at June 30, 2017 on this note was \$1,775,918. In addition, the Hospital provides other administrative services to Lifecare. At June 30, 2017, Lifecare owes the Hospital \$50,677 for these services. The Hospital has shared employees with Alice Peck Day Health Systems. At June 30, 2017, the System owes the Hospital \$28,768.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

13. Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows as of June 30, 2017:

Medicare	23%
Medicaid	10
Anthem Blue Cross	9
Other third-party payors	21
Patients	<u>37</u>
	<u>100%</u>

14. Commitments and Contingencies

Operating Leases

The Hospital has various operating leases relative to its office and offsite locations. Future annual minimum lease payments under these noncancellable leases as of June 30, 2017 are as follows for the years ending June 30, 2017:

2018	\$215,420
2019	46,575

Rent expense was \$797,700 for the year ended June 30, 2017.

Construction Costs For Building Under Development

At June 30, 2017, the Hospital has recorded an \$8,426,000 asset in property and equipment, net and corresponding long-term liability for construction costs incurred by a third party for a building under development on land owned by the Hospital. Upon completion of the project, a lease agreement between the third party and the Hospital will result in the building being reported as a capital lease in the Hospital's financial statements. The lease will have an option to purchase clause at the option of the Hospital.

Capital Lease

The Hospital entered into a capital lease during fiscal 2013 for certain information technology assets. The expected capitalizable portion of monthly payments is \$11,136 through September 30, 2017. In January 2015, the Hospital entered into a new capital lease for certain information technology assets. The expected capitalizable portion of monthly payments is \$9,734 through December 31, 2019.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

14. Commitments and Contingencies (Continued)

Future minimum lease payments are as follows for the years ending June 30:

2018	\$ 201,339
2019	167,931
2020	<u>90,067</u>
Total minimum lease payments	459,337
Less amount representing interest	<u>(28,767)</u>
	430,570
Less current portion	<u>(199,072)</u>
Capital lease obligation, net of current portion	\$ <u>231,498</u>

Insurance

The Hospital, along with other New England Alliance for Health entities, purchases comprehensive general and professional liability coverage on a claims-made basis from a commercial insurance carrier. The policy is made up of primary and excess coverage subject to shared policy aggregate limits and covers all employees of the Hospital. The policy includes an endorsement that covers the Hospital for claims made retroactive to January 1995 (and retroactive to September 1985 for the Hospital). This policy has been renewed through September 30, 2017. As of June 30, 2017, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage, and there are no unasserted claims or incidents which require loss accrual.

The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospital. In the event a loss contingency should occur, the Hospital would give it appropriate recognition in its financial statements in conformity with applicable accounting principles.

Environmental Liability

FASB ASC 410 requires entities to record asset retirement obligations at fair value if they can be reasonably estimated. The State of New Hampshire requires special disposal procedures relating to building materials containing asbestos. The Hospital owns facilities which may contain some asbestos, but a liability has not been recorded since it has an indeterminate settlement date and its fair value cannot be reasonably estimated. Although an accurate estimate has not been made, the overall potential liability is not considered to be material to the financial statements.

ALICE PECK DAY MEMORIAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

15. Functional Expenses

The Hospital provides general health care services to residents within its geographic location including inpatient and outpatient surgery, assisted and independent living services, and promotion of health care and health education. Expenses related to providing these services were as follows at June 30, 2017:

Health care services	\$59,613,373
General and administrative	4,057,129
Fundraising expenses	<u>187,726</u>
	<u>\$63,858,228</u>

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990.**

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

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization **Alice Peck Day Memorial Hospital** Employer identification number **02-0222791**

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
Grafton County Senior Citizens Council - P.O. Box 433 - Lebanon, NH 03766	23-7248316	501(c)(3)	12,500.	0.			Operational support for transportation services for area senior citizens. The Council provides
West Central Services, Inc. 9 Hanover Street, Suite 2 Lebanon, NH 03766	22-2645978	501(c)(3)	8,000.	0.			Operational support to reduce the burden of mental illness in the community served.

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

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule I (Form 990) (2016)

See Part IV for Column (h) descriptions

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
Tuition Assistance	12	16,090.	0.		

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

Part I, Line 2:

As part of APD's Access Improvement Plan developed in 2003, Hospital staff and Board members identified the Grafton County Senior Citizens Council and West Central Services, Inc. (an affiliate of the Department of Psychiatry, Geisel School of Medicine at Dartmouth, d/b/a West Central Behavioral Health) as essential to providing access to health care in the Upper Valley NH. Based on the needed services provided, the Board approved monetary support for these organizations. The annual amount to be contributed by APD to these organizations is approved annually through the annual budget

Part IV Supplemental Information

process. APD receives and reviews each year the organizations' published annual reports and also maintains informal contacts throughout the year to monitor the organizations' operations and services.

Additionally, the Hospital provides tuition reimbursement for some health professional employees. The employees must have been employed by the Hospital or a related entity for at least one year and be in good standing.

Part II, line 1, Column (h):

Name of Organization or Government:

Grafton County Senior Citizens Council

(h) Purpose of Grant or Assistance: Operational support for transportation services for area senior citizens. The Council provides lift-assisted buses with priority on medical transport for hospital or clinical appointments.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2016

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

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

▶ Attach to Form 990.

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

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 on 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 (such as, maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on 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 checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on 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 section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on 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" on line 5a or 5b, describe in Part III.

6 For persons listed on 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" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on 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" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

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

Schedule J (Form 990) 2016

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 on 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 aren't 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 in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) George T. Blike Trustee	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	414,310.	0.	40,734.	227,077.	19,936.	702,057.	0.
(2) Gay L. Landstrom Trustee (part year)	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	544,439.	0.	35,006.	20,575.	19,260.	619,280.	0.
(3) Edward J. Merrens Trustee	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	496,852.	0.	24,569.	46,420.	12,311.	580,152.	0.
(4) Tina E. Naimie Trustee	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	238,185.	0.	529.	18,042.	1,839.	258,595.	0.
(5) Mary M. Oseid Trustee	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	252,252.	0.	508.	182,218.	12,167.	447,145.	0.
(6) Roderic O. Young Trustee	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	307,253.	0.	5,774.	20,575.	21,654.	355,256.	0.
(7) Susan E. Mooney, MD, MS President & CEO	(i)	258,716.	53,988.	14,400.	18,640.	39,125.	384,869.	0.
	(ii)	64,679.	13,497.	3,600.	4,660.	9,781.	96,217.	0.
(8) Kathryn M. Vargo, MD Medical Staff President	(i)	210,851.	10,500.	0.	4,628.	51,116.	277,095.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) Beverley A. Rankin, RN, BSN VP Patient Care, CNO	(i)	165,257.	0.	0.	3,569.	57,658.	226,484.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) Randall D. Lea, MD, MPH VP & Chief Medical Officer	(i)	203,735.	0.	0.	4,233.	36,628.	244,596.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) J. Todd Miller, MS VP & COO	(i)	128,046.	0.	7,571.	10,239.	24,610.	170,466.	0.
	(ii)	32,011.	0.	1,893.	2,560.	6,152.	42,616.	0.
(12) Diane C. Riley, MD, CAQSH Orthopaedic Surgeon	(i)	439,104.	0.	0.	5,300.	36,655.	481,059.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) Paul Sansone, MD Pain Management MD	(i)	439,041.	0.	0.	0.	51,599.	490,640.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) Leonard M. Rudolf, MD Orthopaedic Surgeon	(i)	458,295.	44,000.	0.	5,300.	50,414.	558,009.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) John P. Houde, MD Orthopaedic Surgeon	(i)	513,074.	0.	0.	5,300.	53,819.	572,193.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) Ivan Tomek, MD Orthopaedic Surgeon	(i)	539,271.	0.	17,500.	22,800.	56,036.	635,607.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

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.

Part I, Line 4b:

The following individuals received Dartmouth-Hitchcock Supplemental Retirement Plan Terms and Conditions:

Various individuals listed in Form 990, Part VII and Schedule J, Part II are compensated as full-time employees of Dartmouth-Hitchcock Health, or Mary Hitchcock Memorial Hospital, the sole-corporate member of the Organization and a related organization, respectively. The following individuals participated in and received payments from a supplemental nonqualified deferred retirement plan sponsored by Dartmouth-Hitchcock Health. Amounts reported in Schedule J, Part II, Column C as follows:

Edward J. Merrens, MD - \$23,225

Gay Landstrom - \$20,575

Roderic Young - \$20,575

Tina Naimie - \$18,042

The following individuals had an actuarial change in pension value during

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.

the year reported in Schedule J, Part II, Column C:

Edward J. Merrens, MD - \$23,195

George Blike - \$227,077

Mary Oseid - \$182,218

All amounts reported in Column C will be included as part of taxable wages in the employees' Form W-2 when paid out.

An eligible employee is a participant in the Dartmouth-Hitchcock retirement plan and/or any prior pension arrangements sponsored by Dartmouth-Hitchcock (including a qualified defined benefit plan) who would be entitled to additional contributions or benefit accruals under the terms of the plans for the plan year, but are limited by IRC Section 401(a)(17) and/or 415. For eligible employees, the employer will pay the eligible employee an amount determined by the employer each year to offset the amount of the reduction in the benefit accrual or contributions as a result of limitations imposed by IRC Sections 401(a)(17) and/or 415.

Part III Supplemental Information

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

Schedule J, Part II, Column B, Parts (i), (ii), and (iii) represent actual amounts paid to employees by Alice Peck Day Memorial Hospital, APD Health Systems Corp, or Dartmouth-Hitchcock Health. These amounts are reported to employees on their annual Form W-2 as compensation. Columns C and D represent items earned, however, not paid directly to the employee as cash payments during the calendar year. Column C includes retirement benefits as well as any changes in pension actuarial value (if applicable) in a calendar year. Column D represents nontaxable benefits such as the cost of healthcare coverage sponsored by the Organization or a related organization.

Part I, Line 7:

A portion of compensation to certain employees is at-risk and variable, and payment depends on the quality of job performance.

Form 990, Part VII-A, Line 5:

During the fiscal year, the Hospital paid a consulting firm, Leaders For Today, which provides interim management staffing to hospitals, for the services of an interim CFO. Derrick Hollings served in this role

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.

from May 2016-September 2016. Mr. Hollings was not paid directly by the Hospital for his services rendered as interim CFO. The total amount paid to Leaders For Today in 2016 specific to the interim CFO services provided to all related entities in the Alice Peck Day system was \$120,399.

In September 2016, Alice Peck Day Memorial Hospital hired an interim CFO, Timothy Graham. Mr. Graham was compensated through a consulting firm, Healthcare RESQ, LLC, during the calendar year. The total amount paid to RES-Q Healthcare Systems for his services was \$95,625. Mr. Graham was directly compensated an additional \$5,000 to cover travel expenses.

The amounts allocated as specific to the filing organization are broken out in Form 990, Part VII. The total amounts allocated to each related organization are also codified in Part VII.

Supplemental Information on Tax-Exempt Bonds

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

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

Name of the organization **Alice Peck Day Memorial Hospital** Employer identification number **02-0222791**

Part I	Bond Issues	See Part VI for Column (a) Continuations																		
		(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) Pooled financing								
								Yes	No	Yes	No	Yes	No							
	Business Finance																			
A	Authority of the State of	52-1304598	None	11/30/10	12,282,000.	Current Refund Existing Bond		X		X										X
B																				
C																				
D																				

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	2,219,498.							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	12,282,000.							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	44,932.							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds	12,237,068.							
12	Other unspent proceeds								
13	Year of substantial completion	2010							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government00 %		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government00 %		%		%		%
6 Total of lines 4 and 500 %		%		%		%
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?		X						
c No rebate due?	X							
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X							
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X							
b Name of provider	TD Banknorth NA							
c Term of hedge	5.0000000							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?	X							

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

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

Schedule K, Part I, Bond Issues:

(a) Issuer Name: Business Finance Authority of the State of NH

Schedule K, Part IV, Arbitrage, Line 2c:

(a) Issuer Name: Business Finance Authority of the State of NH

Date the Rebate Computation was Performed: 01/03/2011

Schedule K, Part III, Line 9:

While written procedures to monitor the requirements of Section 148 were not in place during the filing period, the organization does regularly review the bond related procedures and is working to put written procedures in place during the current fiscal year.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Form 990, Part III, Line 4a, Program Service Accomplishments:

charity care. The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the established costs of the services and supplies provided, and equivalent service statistics. For the fiscal year ended June 30, 2017, charity care at a cost of \$310,773 was provided to eligible patients. Estimated costs incurred in excess of payment for inpatient and outpatient services for Medicaid patients in fiscal year ended June 30, 2017 were \$2,467,181.

In addition to the charity care services described above, the Hospital provided a number of other services for which little or no payment was received. These included: community flu clinics, the Upper Valley Smiles Dental Program (free oral health education, screenings, and preventive treatment offered to low-income children in ten local elementary schools), assistance with enrollment into prescription assistance and state health insurance programs, health professional education, emergency pharmacy vouchers for uninsured patients, and childbirth education classes.

As a local hospital, Alice Peck Day works closely with community organizations to address community needs. Organizations that were beneficiaries of hospital staff time, meeting space, cash and/or materials include: Alcoholics Anonymous, American Heart Association GO RED campaign, American Red Cross, Geisel School of Medicine at

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2016)

632211 08-25-16

Name of the organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Dartmouth, Good Neighbor Health Clinic, Grafton County Senior Citizens' Council, Hartford School District, Headrest, Healthy Eating, Active Living (HEAL) partnership, Lebanon School District, Mascoma School District, NH March of Dimes, Richards School in Newport, SPARK Community Center, Town of Dorchester, Upper Valley Aquatic Center, Upper Valley Oral Health Coalition and the Upper Valley Public Health Council. In certain instances, assistance was provided to the community for which no value can be placed. This assistance included leadership in identifying community needs, staff commitment to volunteer for community organizations, advocacy and support for the socially and physically disadvantaged, and support for local public safety organizations. Alice Peck Day considers caring for our community a special responsibility that we are honored to fulfill. Through our many programs, dedicated staff and unwavering commitment to quality care, Alice Peck Day works to exceed these expectations and make a real difference in our community.

Form 990, Part V, Line 2a:

For administrative purposes, Alice Peck Day Memorial Hospital acts as the common paymaster for both Alice Peck Day Health Systems, Corp. and Alice Peck Day Lifecare Center, Inc.

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

During the fiscal year, the Hospital paid a consulting firm, Leaders For Today, which provides interim management staffing to hospitals, for the services of an interim CFO. Derrick Hollings served in this role from May 2016-September 2016. Mr. Hollings was not paid directly by the Hospital for

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

his services rendered as interim CFO. The total amount paid to Leaders For Today in 2016 specific to the interim CFO services provided to all related entities in the Alice Peck Day system was \$120,399.

In September 2016, Alice Peck Day Memorial Hospital hired an interim CFO, Timothy Graham. Mr. Graham was compensated through a consulting firm, Healthcare RESQ, LLC, during the calendar year. The total amount paid to RES-Q Healthcare Systems for his services was \$95,625. Mr. Graham was directly compensated an additional \$5,000 to cover travel expenses.

The amounts allocated as specific to the filing organization are broken out in Form 990, Part VII. The total amounts allocated to each related organization are also codified in Part VII.

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

The Membership of the Corporation shall consist of Dartmouth-Hitchcock Health (D-HH) as the sole member.

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

The Member will retain the reserved power to appoint without limitation one-third of the Trustees (which appointees, before final appointment by Member, will be discussed with the Board Chair and other Trustees selected by the Chair for their input). The D-H/D-HH CEO or designee will serve on the Board ex officio, with full voting rights, and will count toward the one-third membership appointed by Member.

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

The Member will retain the following reserved powers over APD, which,

Name of the organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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except as otherwise required below, will be exercised by the D-HH Board of Trustees or the D-HH CEO, as determined by the D-HH Board of Trustees:

1. To initiate and/or to approve or disapprove all material governance, programmatic, and financial decisions of the Board of Trustees, including without limitation the elimination or addition of any material health/health care services or programs;

2. To appoint without limitation one-third of the Trustees (which appointees, before final appointment by Member, will be discussed with the Board Chair and other Trustees selected by the Chair for their input). The D-H/D-HH CEO or designee will serve on the Board ex officio, with full voting rights, and will count toward the one-third membership appointed by Member;

3. To ratify those trustee candidates nominated by the Board in accordance with Section 2.04 of the Corporation's bylaws (meaning the ability of Member to approve or disapprove, based on a good faith and reasonableness standard, each trustee candidate nominated by the Board of Trustees and upon such approval, the ability to install such approved candidate to the Board);

4. To remove by a vote of two-thirds of the D-HH Board of Trustees any Trustee if the Member determines in its reasonable good faith discretion that such removal is in the best interests of the D-H System which will include APD and taking into consideration the impact on APD and the community it serves, following prior consultation with the Board Chair;

Name of the organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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5. To approve of borrowings (debt) and dispositions of material assets by APD;

6. To approve any key strategic relationship(s) between APD and another organization(s) (key strategic relationships defined as the ownership or contractual participation in a network, system, affiliation, joint venture, alliance or similar arrangement with an organization that is not part of the D-H System or which is not addressed in a Member approved APD strategic plan);

7. To initiate and/or to approve all operating and capital budgets as well as all strategic plans of APD;

8. To approve all policies relating to academic and research programs and affiliations;

9. To allocate the non-donor restricted assets and resources of APD and D-H/D-HH as appropriate to serve the overall best interests of the D-H System (which will include APD), taking into consideration the impact on APD and the community it serves; while Member will retain this reserved power, Member will exercise this reserved power only after consulting with and providing reasonable time and opportunity for the Board of Trustees to provide meaningful input and recommendations which shall be considered in good faith. For one (1) year following the effective date of its bylaws any material reallocation of assets or resources will also require an affirmative vote by a majority of the Board of Trustees.

10. Except as limited by the affiliation agreement, to appoint, evaluate

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

the performance of, and terminate the APD President and CEO, subject to prior consultation with the Board of Trustees and a reasonable time and opportunity for the Board to provide meaningful input and recommendations which shall be considered in good faith.

11. To approve any proposed amendment or repeal of the APD articles of agreement or bylaws which proposed amendment or repeal would (i) impact the powers reserved to Member in its bylaws, or (ii) reasonably be expected to have any material strategic, competitive or financial impact on the D-H System. No change in the provisions of APD's bylaws shall be binding on D-H/D-HH or APD unless such change(s) is/are approved by way of amendment to APD's governing documents approved by Member.

12. To approve the dissolution or liquidation of APD, following such approval by the Board.

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

The completed Form 990 is provided to the Chair of the Board and a designated member of the finance committee in advance of the filing deadline to enable a detailed and conscientious review to bring to the rest of the members of the committee to address any questions or changes. The completed Form 990 is also distributed to all members of the full Board for review no later than the final regularly scheduled Board meeting prior to the filing deadline. All questions and concerns are addressed by the Chief Executive Officer and incorporated into the Form 990 as deemed appropriate. After all input from the Chair of the Board, the designated member of the finance committee and the full Board has been appropriately addressed and incorporated into the final Form 990, a vote of acceptance of the final

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

document is required. The vote is recorded in the minutes of the Board of Trustees prior to the filing of the Form 990. Once approved, senior management files the final Form 990 with the Internal Revenue Service as required.

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

Alice Peck Day has a multi-faceted conflict of interest policy. Members of the Board of Trustees complete conflict of interest questionnaires on an annual basis and any new members complete the questionnaire upon joining the Board. As part of our ongoing monitoring process, our Executive Assistant reviews all Board questionnaires and disclosures to identify any potential conflicts before they arise. In addition, our Executive Assistant attends all Board meetings to ensure that if any conflicts arise, they are handled appropriately. If such conflicts arise, the Organization complies with the New Hampshire and federal requirements for disclosures of such events. The Organization is committed to conducting its business in a manner that is both ethical and legal. As part of this commitment, a standard of conduct form is required of all employees of the organization. This is reviewed with all employees upon hire and on an annual basis thereafter. The standard of conduct covers conflict of interest and other vital matters to ensure all business activity is conducted in a manner that is consistent with the highest standards of honesty, integrity, and fairness.

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

The Human Resources Committee of the Alice Peck Day Memorial Hospital Board of Trustees is responsible for determining the compensation of the Chief Executive Officer/President. The Chief Administrative Officer or her

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

designee provides compensation data of comparable organizations with approximately the same size staff and spending in a location of similar size. The committee determines the appropriate compensation and approves an amount that is then communicated to Human Resources for adjustment.

Dartmouth-Hitchcock Health reviews the compensation of the CEO/President in addition to the process described above.

The CEO/President is responsible for reviewing the performance of senior management staff. The information is brought to the Human Resource Committee of the Board of Trustees along with a recommendation for the salary of each individual. The compensation is determined through a variety of analysis of salary data and performance. Individual salary increases are then based on overall performance, within budgeted increases for the organization. The Human Resources committee approves the base compensation and salary increase amount.

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

The Organization makes its governing documents, conflict of interest policy, and financial statements available to the public upon request.

Form 990, Part VII, Section A, Column D:

Dr. Susan E. Mooney is a practicing physician in addition to being the Chief Executive Officer. She worked an average of 61 hours per week, of which a majority of time is spent on executive matters. Approximately 8 hours per month is spent as a physician.

Name of the organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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Form 990, Part IX, Line 11g, Other Fees:

Physician Service Fees:

Program service expenses	6,760,192.
Management and general expenses	0.
Fundraising expenses	0.
Total expenses	6,760,192.

Consulting & Maintenance Service Fees:

Program service expenses	1,387,008.
Management and general expenses	381,025.
Fundraising expenses	17,093.
Total expenses	1,785,126.
Total Other Fees on Form 990, Part IX, line 11g, Col A	8,545,318.

Form 990, Part XII, Line 2c:

The finance committee acts as the audit committee and oversees the audit process for the Alice Peck Day entities. The audit process for the financial statements did not change from the prior year.

Independent accountants performed the audit for the fiscal years ended 9/30/16 and 6/30/17.

Form 990, Part XII, Line 3a:

Alice Peck Day Memorial Hospital was included in the consolidated audited financial statements of the Dartmouth-Hitchcock Health System. During fiscal year 2017, Mary Hitchcock Memorial Hospital expended federal funding which met the minimum threshold set forth in the single audit act and OMB Circular A-133. Due to the nature of the consolidated financial statements, the audit was performed on the financial

Name of the organization Alice Peck Day Memorial Hospital	Employer identification number 02-0222791
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information of all organizations, including Alice Peck Day Memorial Hospital.

Form 990, Part IV, Line 34:

Alice Peck Day Health Systems, Corp. is the direct controlling parent company of Alice Peck Day Lifecare Center, Inc. (02-0479094) and Alice Peck Day Memorial Hospital (02-0222791). Alice Peck Day Health Systems, Corp. is also the direct controlling parent company of Alice Peck Day Realty Corp. (02-0485369) and Alice Peck Day Health Management Corp. (02-0485370). Both entities are inactive and hold no assets.

Form 990, Part I:

The organization is changing its accounting period to conform to the year end of its sole corporate member. Accordingly, the fiscal period covered by this Form 990 filing is for October 1, 2016 through June 30, 2017.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization **Alice Peck Day Memorial Hospital** Employer identification number **02-0222791**

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
Alice Peck Day Health Systems, Corp. - 02-0479095, 10 Alice Peck Day Drive, Lebanon, NH 03766	Promote Health	New Hampshire	501(c)(3)	Line 12b, II	N/A		X
Alice Peck Day Lifecare Center, Inc. - 02-0479094, 10 Alice Peck Day Drive, Lebanon, NH 03766	Independent & Assisted Living	New Hampshire	501(c)(3)	Line 10	APD Health Systems		X
Alice Peck Day Realty Corp. - 02-0485369 10 Alice Peck Day Drive Lebanon, NH 03766	Inactive	New Hampshire	501(c)(2)		APD Health Systems		X
Dartmouth-Hitchcock Health - 26-4812335 One Medical Center Drive Lebanon, NH 03756	Govern Integrated Health System	New Hampshire	501(c)(3)	Line 7	N/A		X

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

Schedule R (Form 990) 2016

Part II Continuation of Identification of Related Tax-Exempt Organizations

Table with 8 columns: (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 organization? (Yes/No). Rows include Dartmouth-Hitchcock Clinic, Mary Hitchcock Memorial Hospital, The New London Hospital Association, Windsor Hospital Corporation, and Cheshire Medical Center.

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	
OneCare VT ACO, LLC - 45-5399218, 111 Colchester Avenue, Burlington, VT 05401	Shared Saving	VT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A

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
Alice Peck Day Health Management Corp. - 02-0485370, 10 Alice Peck Day Drive, Lebanon, NH 03766	Inactive	NH	N/A	C CORP	N/A	N/A	N/A		X
Hitchcock Health Connect - 80-0908979 One Medical Center Drive Lebanon, NH 03756	Telehealth	DE	N/A	C CORP	N/A	N/A	N/A		X
Imaginecare, Inc. - 81-3105071 One Medical Center Drive Lebanon, NH 03756	Software Tech	NH	N/A	C CORP	N/A	N/A	N/A		X

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

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Lined area for supplemental information.