

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

**2014**

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](http://www.irs.gov/form990).

**A** For the 2014 calendar year, or tax year beginning **OCT 1, 2014** and ending **SEP 30, 2015**

|  |  |   |
|--|--|---|
| <b>B</b> Check if applicable:<br><br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Final return/terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b> Name of organization<br><b>Alice Peck Day Memorial Hospital</b><br>Doing business as<br>Number and street (or P.O. box if mail is not delivered to street address) Room/suite<br><b>10 Alice Peck Day Drive</b><br>City or town, state or province, country, and ZIP or foreign postal code<br><b>Lebanon, NH 03766</b> | <b>D</b> Employer identification number<br><b>02-0222791</b><br><br><b>E</b> Telephone number<br><b>(603) 448-3121</b><br><br><b>G</b> Gross receipts \$ <b>64,735,430.</b>   |
| <b>F</b> Name and address of principal officer: <b>Susan E. Mooney, MD, MS</b><br>same as C above  |  | <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If "No," attach a list. (see instructions)<br><br><b>H(c)</b> Group exemption number ▶ |
| <b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527  |  |   |
| <b>J</b> Website: ▶ <b>www.alicepeckday.org</b>  |  |   |
| <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶  |  | <b>L</b> Year of formation: <b>1943</b> <b>M</b> State of legal domicile: <b>NH</b>   |

|                                    |   |   |   |             |
|------------------------------------|---|---|---|-------------|
| <b>Part I Summary</b>              |   |   |   |             |
| <b>Activities &amp; Governance</b> | <b>1</b>  | Briefly describe the organization's mission or most significant activities: <u>Critical Access Hospital</u>                             |   |             |
|                                    | <b>2</b>  | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. |   |             |
|                                    | <b>3</b>  | Number of voting members of the governing body (Part VI, line 1a)   | 19  |             |
|                                    | <b>4</b>  | Number of independent voting members of the governing body (Part VI, line 1b)   | 15  |             |
|                                    | <b>5</b>  | Total number of individuals employed in calendar year 2014 (Part V, line 2a)  | 584   |             |
|                                    | <b>6</b>  | Total number of volunteers (estimate if necessary)  | 50  |             |
|                                    | <b>7 a</b>  | Total unrelated business revenue from Part VIII, column (C), line 12  | 0.  |             |
|                                    | <b>b</b> Net unrelated business taxable income from Form 990-T, line 34 | 0.  |   |             |
| <b>Revenue</b>                     | <b>8</b>  | Contributions and grants (Part VIII, line 1h)   | 677,336.  |             |
|                                    | <b>9</b>  | Program service revenue (Part VIII, line 2g)  | 56,525,205.   |             |
|                                    | <b>10</b>   | Investment income (Part VIII, column (A), lines 3, 4, and 7d)   | 311,898.  |             |
|                                    | <b>11</b>   | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)  | 3,185.  |             |
|                                    | <b>12</b>   | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)  | 57,517,624.   |             |
|                                    | <b>Expenses</b>   | <b>13</b>   | Grants and similar amounts paid (Part IX, column (A), lines 1-3)                  | 30,150.     |
|                                    |   | <b>14</b>   | Benefits paid to or for members (Part IX, column (A), line 4)                     | 0.          |
|                                    |   | <b>15</b>   | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 33,037,574. |
|                                    |   | <b>16a</b>  | Professional fundraising fees (Part IX, column (A), line 11e)                     | 0.          |
|                                    |   | <b>b</b>  | Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>234,530.</b>       |             |
| <b>17</b>                          |   | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)  | 23,833,252.   |             |
| <b>18</b>                          |   | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)   | 56,900,976.   |             |
| <b>19</b>                          |   | Revenue less expenses. Subtract line 18 from line 12  | 616,648.  |             |
| <b>Net Assets or Fund Balances</b> |   | <b>20</b>   | Total assets (Part X, line 16)  | 43,993,395. |
|                                    | <b>21</b>   | Total liabilities (Part X, line 26)   | 25,711,242.   |             |
|                                    | <b>22</b>   | Net assets or fund balances. Subtract line 21 from line 20  | 18,282,153.   |             |

**Part II Signature Block**

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

|                               |  |  |
|-------------------------------|--|--|
| <b>Sign Here</b>              | Signature of officer<br><b>Susan E. Mooney, MD, MS, President &amp; CEO</b><br>Type or print name and title                      | Date <b>5/24/16</b>  |
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name<br><b>Nicholas E. Porto</b>   | Preparer's signature<br>Date <b>05/20/16</b>   |
|                               | Firm's name ▶ <b>BAKER NEWMAN &amp; NOYES, LLC</b><br>Firm's address ▶ <b>650 ELM STREET, SUITE 302<br/>MANCHESTER, NH 03101</b> | Check <input type="checkbox"/> self-employed PTIN <b>P01310283</b><br>Firm's EIN ▶ <b>01-0494526</b><br>Phone no. (800) 244-7444 |

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

**Part IV Checklist of Required Schedules**

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

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

|  | Yes | No |
|--|-----|----|
| <b>21</b> 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   |    |
| <b>22</b> 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  |
| <b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....  | X   |    |
| <b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....                           | X   |    |
| <b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....   |     | X  |
| <b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....  |     | X  |
| <b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....   |     | X  |
| <b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....   |     | X  |
| <b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....  |     | X  |
| <b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....                                 |     | X  |
| <b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> ..... |     | X  |
| <b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):  |     |    |
| <b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....  |     | X  |
| <b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....   |     | X  |
| <b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....   |     | X  |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....  |     | X  |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....  |     | X  |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....  |     | X  |
| <b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....  |     | X  |
| <b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....  |     | X  |
| <b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....  | X   |    |
| <b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....   |     | X  |
| <b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....  |     |    |
| <b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....  |     | X  |
| <b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....   |     | X  |
| <b>38</b> 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 question numbers (1a-14b), Yes/No checkboxes, and numerical input fields. Includes questions about 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 |
|-----------|--|-----|----|
| <b>1a</b> | Enter the number of voting members of the governing body at the end of the tax year<br>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. | 19  |    |
| <b>b</b>  | Enter the number of voting members included in line 1a, above, who are independent   | 15  |    |
| <b>2</b>  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?  |     | X  |
| <b>3</b>  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?   |     | X  |
| <b>4</b>  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?   |     | X  |
| <b>5</b>  | Did the organization become aware during the year of a significant diversion of the organization's assets?   |     | X  |
| <b>6</b>  | Did the organization have members or stockholders?   | X   |    |
| <b>7a</b> | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?   | X   |    |
| <b>b</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   |    |
| <b>8</b>  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:  |     |    |
| <b>a</b>  | The governing body?  | X   |    |
| <b>b</b>  | Each committee with authority to act on behalf of the governing body?  | X   |    |
| <b>9</b>  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O   |     | X  |

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

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

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **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)<br>Name and Title                                     | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>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) Terri C. Dudley<br>Trustee Emeritus (non-voting)      | 0.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (2) Closey F. Dickey<br>Trustee Emeritus (non-voting)     | 0.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (3) Robert J. Bauman<br>Trustee                           | 1.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (4) Martha P. Candon<br>Trustee                           | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (5) Curt A. Jacques, II<br>Trustee (part year, out)       | 1.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (6) Richard S. Jennings<br>Trustee                        | 1.00<br>2.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (7) Edward T. Kerrigan<br>Trustee                         | 3.00<br>4.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (8) Michael F. Long<br>Trustee                            | 1.00<br>2.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (9) Anne D. MacEwan<br>Trustee                            | 1.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (10) Miriam M. Maguire<br>Trustee (part year, out)        | 0.50<br>1.50  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (11) Mark E. Melendy<br>Trustee                           | 1.00<br>3.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (12) Shelly L. Moses<br>Trustee (part year, out)          | 1.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (13) Hildegard Z. Ojibway<br>Trustee                      | 1.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (14) Brett C. Peltzer<br>Trustee                          | 1.00<br>2.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (15) Wendell M. Smith<br>Trustee                          | 1.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (16) Michael J. Cryans<br>Trustee (part year, out)        | 1.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (17) Michael R. Harris, Ph.D.<br>Trustee (part year, out) | 1.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |

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

| (A)<br>Name and title   | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>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) Judson T. Pierson<br>Chair                                   | 3.00<br>2.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (19) Rev. Dr. Guy J.D. Collins<br>Vice Chair                      | 2.00<br>2.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (20) Bruce N. Johnstone<br>Treasurer                              | 3.00<br>4.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (21) Karen G. Kayen<br>Secretary                                  | 1.00<br>1.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (22) Susan E. Mooney, MD, MS<br>President & CEO                   | 50.00<br>11.00  | X   |                       | X       |              |                              |        | 394,272.   | 20,751.   | 72,521.   |
| (23) Daniel F. Jones, MD<br>Med. Staff President (part year, out) | 3.00<br>1.00  | X   |                       | X       |              |                              |        | 12,750.  | 0.  | 0.  |
| (24) Kathryn M. Vargo, MD<br>Med. Staff President (part year, in) | 3.00<br>1.00  | X   |                       | X       |              |                              |        | 257,276.   | 0.  | 54,494.   |
| (25) Claudia C. Gibson<br>President, Auxiliary                    | 2.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (26) Beverley Rankin, RN, BSN<br>VP Patient Care, CNO             | 60.00   | X   |                       | X       |              |                              |        | 166,551.   | 0.  | 53,867.   |
| <b>1b Sub-total</b>   |   |   |                       |         |              |                              |        | 830,849.   | 20,751.   | 180,882.  |
| <b>c Total from continuation sheets to Part VII, Section A</b>    |   |   |                       |         |              |                              |        | 2,834,332.   | 79,860.   | 342,513.  |
| <b>d Total (add lines 1b and 1c)</b>                              |   |   |                       |         |              |                              |        | 3,665,181.   | 100,611.  | 523,395.  |

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 **43**

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

**Section B. Independent Contractors**

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

| (A)<br>Name and business address   | (B)<br>Description of services | (C)<br>Compensation |
|--|--------------------------------|---------------------|
| Upper Valley Neurology<br>106 Hanover Street, Lebanon, NH 03766                        | Professional Services          | 2,989,131.          |
| Navin, Haffty & Associates, LLC<br>1900 W. Park Drive, Westborough, MA 01581           | Temp Employee Services         | 312,245.            |
| Laboratory Corporation of America Holdings<br>230 Lafayette Road, Portsmouth, NH 03801 | Temp Employee Services         | 143,243.            |

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 **3**

See Part VII, Section A Continuation sheets

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

| (A)<br>Name and title                                      | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>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) Randall D. Lea, MD, MPH<br>VP & Chief Medical Officer | 28.00<br>1.00   | X                                      |                       | X       |              |                              |        | 206,938.   | 0.  | 36,163.   |
| (28) Evalie M. Crosby, CPA, FHFMA<br>VP of Finance & CFO   | 40.00<br>20.00  |  |                       | X       |              |                              |        | 152,795.   | 38,199.   | 35,395.   |
| (29) J. Todd Miller, MS<br>VP & COO                        | 40.00<br>20.00  |  |                       | X       |              |                              |        | 166,642.   | 41,661.   | 45,675.   |
| (30) John P. Houde, MD<br>Physician                        | 40.00   |  |                       |         |              | X                            |        | 523,272.   | 0.  | 53,065.   |
| (31) Adnan Khan, MD<br>Physician                           | 40.00   |  |                       |         |              | X                            |        | 419,200.   | 0.  | 35,417.   |
| (32) Diane C. Riley, MD, CAQSH<br>Physician                | 40.00   |  |                       |         |              | X                            |        | 444,315.   | 0.  | 39,500.   |
| (33) Leonard M. Rudolf, MD<br>Physician                    | 40.00   |  |                       |         |              | X                            |        | 473,882.   | 0.  | 50,744.   |
| (34) Paul Sansone, MD<br>Physician                         | 40.00   |  |                       |         |              | X                            |        | 447,288.   | 0.  | 46,554.   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
|  |   |  |                       |         |              |                              |        |  |   |   |
| Total to Part VII, Section A, line 1c .....                |   |  |                       |         |              |                              |        | 2,834,332.   | 79,860.   | 342,513.  |



**Part VIII Statement of Revenue**

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

|   |  |  | (A)<br>Total revenue        | (B)<br>Related or<br>exempt function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue excluded<br>from tax under<br>sections<br>512 - 514 |          |
|---|--|--|-----------------------------|---|---|--|----------|
| <b>Contributions, Gifts, Grants<br/>and Other Similar Amounts</b>             | <b>1 a</b> Federated campaigns .....   | <b>1a</b> 14,000.  |                             |   |   |  |          |
|   | <b>b</b> Membership dues .....   | <b>1b</b>  |                             |   |   |  |          |
|   | <b>c</b> Fundraising events .....  | <b>1c</b>  |                             |   |   |  |          |
|   | <b>d</b> Related organizations .....   | <b>1d</b>  |                             |   |   |  |          |
|   | <b>e</b> Government grants (contributions) .....   | <b>1e</b>  |                             |   |   |  |          |
|   | <b>f</b> All other contributions, gifts, grants, and<br>similar amounts not included above .....   | <b>1f</b> 604,614.   |                             |   |   |  |          |
|   | <b>g</b> Noncash contributions included in lines 1a-1f: \$ .....   | 17,572.  |                             |   |   |  |          |
|   | <b>h Total.</b> Add lines 1a-1f .....  |  | 618,614.                    |   |   |  |          |
|   | <b>Program Service<br/>Revenue</b>   | <b>2 a</b> Patient services .....  | <b>Business Code</b> 621400 | 63,211,381.                                     | 63,211,381.                             |  |          |
| <b>b</b> Other operating .....  |  | 621400   | 144,054.                    | 144,054.  |   |  |          |
| <b>c</b> Nutritional services .....   |  | 722210   | 91,734.                     | 91,734.   |   |  |          |
| <b>d</b> .....  |  |  |                             |   |   |  |          |
| <b>e</b> .....  |  |  |                             |   |   |  |          |
| <b>f</b> All other program service revenue .....                              |  |  |                             |   |   |  |          |
| <b>g Total.</b> Add lines 2a-2f .....   |  |  | 63,447,169.                 |   |   |  |          |
| <b>Other Revenue</b>  |  | <b>3</b> Investment income (including dividends, interest, and<br>other similar amounts) ..... |                             | 200,393.  |   |  | 200,393. |
|   | <b>4</b> Income from investment of tax-exempt bond proceeds .....  |  |                             |   |   |  |          |
|   | <b>5</b> Royalties .....   |  |                             |   |   |  |          |
|   | <b>6 a</b> Gross rents .....   | (i) Real   | 23,902.                     |   |   |  |          |
|   |  | (ii) Personal  |                             |   |   |  |          |
|   |  | <b>b</b> Less: rental expenses .....   | 23,883.                     |   |   |  |          |
|   |  | <b>c</b> Rental income or (loss) .....   | 19.                         |   |   |  |          |
|   | <b>d</b> Net rental income or (loss) .....   |  | 19.                         |   |   | 19.  |          |
|   | <b>7 a</b> Gross amount from sales of<br>assets other than inventory .....   | (i) Securities   | 445,352.                    |   |   |  |          |
|   |  | (ii) Other   |                             |   |   |  |          |
|   |  | <b>b</b> Less: cost or other basis<br>and sales expenses .....                                 | 380,855.                    | 66,850.   |   |  |          |
|   |  | <b>c</b> Gain or (loss) .....  | 64,497.                     | -66,850.  |   |  |          |
|   | <b>d</b> Net gain or (loss) .....  |  | -2,353.                     |   |   | -2,353.  |          |
|   | <b>8 a</b> Gross income from fundraising events (not<br>including \$ _____ of<br>contributions reported on line 1c). See<br>Part IV, line 18 ..... | <b>a</b>   |                             |   |   |  |          |
|   |  | <b>b</b> Less: direct expenses .....   | <b>b</b>                    |   |   |  |          |
| <b>c</b> Net income or (loss) from fundraising events .....                   |  |  |                             |   |   |  |          |
| <b>9 a</b> Gross income from gaming activities. See<br>Part IV, line 19 ..... | <b>a</b>   |  |                             |   |   |  |          |
|   | <b>b</b> Less: direct expenses .....   | <b>b</b>   |                             |   |   |  |          |
|   | <b>c</b> Net income or (loss) from gaming activities .....   |  |                             |   |   |  |          |
| <b>10 a</b> Gross sales of inventory, less returns<br>and allowances .....    | <b>a</b>   |  |                             |   |   |  |          |
|   | <b>b</b> Less: cost of goods sold .....  | <b>b</b>   |                             |   |   |  |          |
|   | <b>c</b> Net income or (loss) from sales of inventory .....  |  |                             |   |   |  |          |
| <b>Miscellaneous Revenue</b>  |  | <b>Business Code</b>   |                             |   |   |  |          |
| <b>11 a</b> .....   |  |  |                             |   |   |  |          |
|   | <b>b</b> .....   |  |                             |   |   |  |          |
|   | <b>c</b> .....   |  |                             |   |   |  |          |
|   | <b>d</b> All other revenue .....   |  |                             |   |   |  |          |
|   | <b>e Total.</b> Add lines 11a-11d .....  |  |                             |   |   |  |          |
| <b>12 Total revenue.</b> See instructions. ....                               |  |  | 64,263,842.                 | 63,447,169.                                     | 0.                                      | 198,059.   |          |

**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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21  | 35,150.               | 35,150.                         |  |                             |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22   |                       |                                 |  |                             |
| 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  | 1,636,028.            | 867,242.                        | 768,786.                               |                             |
| 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  | 28,382,857.           | 27,354,592.                     | 907,268.                               | 120,997.                    |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)  | 639,867.              | 637,054.                        |  | 2,813.                      |
| 9 Other employee benefits   | 3,451,158.            | 3,414,766.                      | 21,080.                                | 15,312.                     |
| 10 Payroll taxes  | 1,909,197.            | 1,838,882.                      | 62,398.                                | 7,917.                      |
| 11 Fees for services (non-employees):   |                       |                                 |  |                             |
| a Management  |                       |                                 |  |                             |
| b Legal   | 76,062.               |                                 | 76,062.                                |                             |
| c Accounting  | 41,864.               |                                 | 41,864.                                |                             |
| d Lobbying  |                       |                                 |  |                             |
| 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.)   | 6,994,947.            | 6,671,999.                      | 286,839.                               | 36,109.                     |
| 12 Advertising and promotion  | 38,278.               |                                 | 38,278.                                |                             |
| 13 Office expenses  | 1,120,764.            | 782,869.                        | 326,562.                               | 11,333.                     |
| 14 Information technology   | 161,929.              | 159,431.                        | 2,174.                                 | 324.                        |
| 15 Royalties  |                       |                                 |  |                             |
| 16 Occupancy  | 1,251,111.            | 1,161,863.                      | 77,951.                                | 11,297.                     |
| 17 Travel   | 201,724.              | 184,815.                        | 15,637.                                | 1,272.                      |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| 19 Conferences, conventions, and meetings   |                       |                                 |  |                             |
| 20 Interest   | 478,093.              |                                 | 478,093.                               |                             |
| 21 Payments to affiliates   |                       |                                 |  |                             |
| 22 Depreciation, depletion, and amortization  | 1,930,895.            | 1,758,997.                      | 154,750.                               | 17,148.                     |
| 23 Insurance  | 670,799.              | 660,267.                        | 9,481.                                 | 1,051.                      |
| 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 <u>Medical supplies/equipm</u>  | 8,681,911.            | 8,672,281.                      | 8,759.                                 | 871.                        |
| b <u>Medicaid Enhancement ta</u>  | 2,383,887.            | 2,383,887.                      |  |                             |
| c <u>Provison for bad debt</u>  | 1,504,718.            | 1,504,718.                      |  |                             |
| d <u>Equipment rental/mainte</u>  | 717,934.              | 701,950.                        | 15,943.                                | 41.                         |
| e All other expenses  | 561,421.              | 527,903.                        | 25,473.                                | 8,045.                      |
| 25 <b>Total functional expenses.</b> Add lines 1 through 24e  | 62,870,594.           | 59,318,666.                     | 3,317,398.                             | 234,530.                    |
| 26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.<br>Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) |                       |                                 |  |                             |

**Part X Balance Sheet**

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

|   |  | (A)<br>Beginning of year |             | (B)<br>End of year     |
|---|--|--------------------------|-------------|------------------------|
| <b>Assets</b>   | <b>1</b> Cash - non-interest-bearing .....   | 61,240.                  | <b>1</b>    | 68,440.                |
|   | <b>2</b> Savings and temporary cash investments .....  | 8,381,042.               | <b>2</b>    | 8,434,054.             |
|   | <b>3</b> Pledges and grants receivable, net .....  | 946,893.                 | <b>3</b>    | 537,081.               |
|   | <b>4</b> Accounts receivable, net .....  | 9,770,473.               | <b>4</b>    | 10,563,099.            |
|   | <b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....   |                          | <b>5</b>    |                        |
|   | <b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L ..... |                          | <b>6</b>    |                        |
|   | <b>7</b> Notes and loans receivable, net .....   |                          | <b>7</b>    |                        |
|   | <b>8</b> Inventories for sale or use .....   | 1,138,741.               | <b>8</b>    | 1,162,166.             |
|   | <b>9</b> Prepaid expenses and deferred charges .....   | 423,922.                 | <b>9</b>    | 434,276.               |
|   | <b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....   | <b>10a</b> 45,605,917.   |             |                        |
|   | <b>b</b> Less: accumulated depreciation .....  | <b>10b</b> 28,447,077.   | 16,920,677. | <b>10c</b> 17,158,840. |
|   | <b>11</b> Investments - publicly traded securities .....   | 4,611,444.               | <b>11</b>   | 4,334,795.             |
|   | <b>12</b> Investments - other securities. See Part IV, line 11 .....   | 8,500.                   | <b>12</b>   | 8,500.                 |
|   | <b>13</b> Investments - program-related. See Part IV, line 11 .....  |                          | <b>13</b>   |                        |
|   | <b>14</b> Intangible assets .....  | 110,795.                 | <b>14</b>   | 104,978.               |
|   | <b>15</b> Other assets. See Part IV, line 11 .....   | 1,619,668.               | <b>15</b>   | 4,960,536.             |
| <b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) ..... | 43,993,395.  | <b>16</b>                | 47,766,765. |                        |
| <b>Liabilities</b>  | <b>17</b> Accounts payable and accrued expenses .....  | 9,188,735.               | <b>17</b>   | 11,322,921.            |
|   | <b>18</b> Grants payable .....   |                          | <b>18</b>   |                        |
|   | <b>19</b> Deferred revenue .....   |                          | <b>19</b>   |                        |
|   | <b>20</b> Tax-exempt bond liabilities .....  | 15,474,272.              | <b>20</b>   | 16,016,656.            |
|   | <b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....  |                          | <b>21</b>   |                        |
|   | <b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....   |                          | <b>22</b>   |                        |
|   | <b>23</b> Secured mortgages and notes payable to unrelated third parties .....   | 363,339.                 | <b>23</b>   | 682,735.               |
|   | <b>24</b> Unsecured notes and loans payable to unrelated third parties .....   |                          | <b>24</b>   |                        |
|   | <b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....  | 684,896.                 | <b>25</b>   | 446,581.               |
|   | <b>26 Total liabilities.</b> Add lines 17 through 25 .....   | 25,711,242.              | <b>26</b>   | 28,468,893.            |
| <b>Net Assets or Fund Balances</b>  | <b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>  |                          |             |                        |
|   | <b>27</b> Unrestricted net assets .....  | 17,548,810.              | <b>27</b>   | 18,890,082.            |
|   | <b>28</b> Temporarily restricted net assets .....  | 702,460.                 | <b>28</b>   | 377,522.               |
|   | <b>29</b> Permanently restricted net assets .....  | 30,883.                  | <b>29</b>   | 30,268.                |
|   | <b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>   |                          |             |                        |
|   | <b>30</b> Capital stock or trust principal, or current funds .....   |                          | <b>30</b>   |                        |
|   | <b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....   |                          | <b>31</b>   |                        |
|   | <b>32</b> Retained earnings, endowment, accumulated income, or other funds .....   |                          | <b>32</b>   |                        |
|   | <b>33</b> Total net assets or fund balances .....  | 18,282,153.              | <b>33</b>   | 19,297,872.            |
|   | <b>34</b> Total liabilities and net assets/fund balances .....   | 43,993,395.              | <b>34</b>   | 47,766,765.            |

**Part XI Reconciliation of Net Assets**

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

|           |  |           |             |
|-----------|--|-----------|-------------|
| <b>1</b>  | Total revenue (must equal Part VIII, column (A), line 12)  | <b>1</b>  | 64,263,842. |
| <b>2</b>  | Total expenses (must equal Part IX, column (A), line 25)   | <b>2</b>  | 62,870,594. |
| <b>3</b>  | Revenue less expenses. Subtract line 2 from line 1   | <b>3</b>  | 1,393,248.  |
| <b>4</b>  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                      | <b>4</b>  | 18,282,153. |
| <b>5</b>  | Net unrealized gains (losses) on investments   | <b>5</b>  | -477,977.   |
| <b>6</b>  | Donated services and use of facilities   | <b>6</b>  |             |
| <b>7</b>  | Investment expenses  | <b>7</b>  |             |
| <b>8</b>  | Prior period adjustments   | <b>8</b>  |             |
| <b>9</b>  | Other changes in net assets or fund balances (explain in Schedule O)   | <b>9</b>  | 100,448.    |
| <b>10</b> | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | <b>10</b> | 19,297,872. |

**Part XII Financial Statements and Reporting**

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

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

**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](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

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

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

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
  - 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 1-9 above or IRC section (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 |   |   |
|                                    |          |   |   |    |   |   |
|                                    |          |   |   |    |   |   |
|                                    |          |   |   |    |   |   |
|                                    |          |   |   |    |   |   |
|                                    |          |   |   |    |   |   |
|                                    |          |   |   |    |   |   |
|                                    |          |   |   |    |   |   |
|                                    |          |   |   |    |   |   |
| <b>Total</b>                       |          |   |   |    |   |   |

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

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

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ►  | (a) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) 2014 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....  |          |          |          |          |          |           |
| <b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....   |          |          |          |          |          |           |
| <b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...   |          |          |          |          |          |           |
| <b>4 Total.</b> Add lines 1 through 3 .....  |          |          |          |          |          |           |
| <b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) ..... |          |          |          |          |          |           |
| <b>6 Public support.</b> Subtract line 5 from line 4.  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ►  | (a) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) 2014 | (f) Total                |
|--|----------|----------|----------|----------|----------|--------------------------|
| <b>7</b> Amounts from line 4 .....   |          |          |          |          |          |                          |
| <b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...  |          |          |          |          |          |                          |
| <b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on ...  |          |          |          |          |          |                          |
| <b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....  |          |          |          |          |          |                          |
| <b>11 Total support.</b> Add lines 7 through 10  |          |          |          |          |          |                          |
| <b>12</b> Gross receipts from related activities, etc. (see instructions) .....  |          |          |          |          | 12       |                          |
| <b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ..... |          |          |          |          |          | <input type="checkbox"/> |

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

|   |    |                          |
|---|----|--------------------------|
| <b>14</b> Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f)) .....  | 14 | %                        |
| <b>15</b> Public support percentage from 2013 Schedule A, Part II, line 14 .....  | 15 | %                        |
| <b>16a 33 1/3% support test - 2014.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....  |    | <input type="checkbox"/> |
| <b>b 33 1/3% support test - 2013.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....   |    | <input type="checkbox"/> |
| <b>17a 10% -facts-and-circumstances test - 2014.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....    |    | <input type="checkbox"/> |
| <b>b 10% -facts-and-circumstances test - 2013.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... |    | <input type="checkbox"/> |
| <b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....  |    | <input type="checkbox"/> |

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

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

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ►   | (a) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) 2014 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....   |          |          |          |          |          |           |
| <b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....   |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....  |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...  |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5 .....   |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons  |          |          |          |          |          |           |
| <b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....     |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b .....  |          |          |          |          |          |           |
| <b>8 Public support.</b> (Subtract line 7c from line 6.)  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ►   | (a) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) 2014 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6 .....  |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ... |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....                        |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b .....  |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....   |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....                               |          |          |          |          |          |           |
| <b>13 Total support.</b> (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**

|  |           |   |
|--|-----------|---|
| <b>15</b> Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f)) ..... | <b>15</b> | % |
| <b>16</b> Public support percentage from 2013 Schedule A, Part III, line 15 .....                      | <b>16</b> | % |

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

|   |           |   |
|---|-----------|---|
| <b>17</b> Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f)) ..... | <b>17</b> | % |
| <b>18</b> Investment income percentage from 2013 Schedule A, Part III, line 17 .....                        | <b>18</b> | % |

**19a 33 1/3% support tests - 2014.** 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 - 2013.** 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 on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

|  | Yes | No |
|--|-----|----|
| <b>1</b> 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>   |     |    |
| <b>2</b> 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>   |     |    |
| <b>3a</b> 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>b</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>   |     |    |
| <b>c</b> 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>   |     |    |
| <b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>   |     |    |
| <b>b</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>  |     |    |
| <b>c</b> 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>   |     |    |
| <b>5a</b> 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>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?   |     |    |
| <b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?  |     |    |
| <b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations; (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) 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>   |     |    |
| <b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>  |     |    |
| <b>8</b> 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).</i>  |     |    |
| <b>9a</b> 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>b</b> Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>  |     |    |
| <b>c</b> Did a disqualified person (as defined in line 9(a)) 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>   |     |    |
| <b>10a</b> Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer (b) below.</i>   |     |    |
| <b>b</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 |
|--|-----|----|
| <b>11</b> Has the organization accepted a gift or contribution from any of the following persons?  |     |    |
| <b>a</b> 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>b</b> A family member of a person described in (a) above?   |     |    |
| <b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in <b>Part VI</b> .                                       |     |    |

**Section B. Type I Supporting Organizations**

|   | Yes | No |
|---|-----|----|
| <b>1</b> 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 <b>Part VI</b> 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. |     |    |
| <b>2</b> 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 <b>Part VI</b> 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 |
|--|-----|----|
| <b>1</b> 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 <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s). |     |    |

**Section D. Type III Supporting Organizations**

|  | Yes | No |
|--|-----|----|
| <b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? |     |    |
| <b>2</b> 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 <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).  |     |    |
| <b>3</b> 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 <b>Part VI</b> the role the organization's supported organizations played in this regard.   |     |    |

**Section E. Type III Functionally-Integrated Supporting Organizations**

|   |     |    |
|---|-----|----|
| <b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):  |     |    |
| <b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.   |     |    |
| <b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.  |     |    |
| <b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).  |     |    |
| <b>2</b> Activities Test. Answer (a) and (b) below.   |     |    |
| <b>a</b> 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 <b>Part VI</b> 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>b</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 <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.  |     |    |
| <b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.   |     |    |
| <b>a</b> 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 <b>Part VI</b> .   |     |    |
| <b>b</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 <b>Part VI</b> 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. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| <b>Section A - Adjusted Net Income</b> |  | (A) Prior Year | (B) Current Year<br>(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                                      | <b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)   | 8              |                                |

| <b>Section B - Minimum Asset Amount</b> |   | (A) Prior Year | (B) Current Year<br>(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                                       | <b>Total</b> (add lines 1a, 1b, and 1c)   | 1d             |                                |
| e                                       | <b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):                                   |                |                                |
| 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                                       | <b>Minimum Asset Amount</b> (add line 7 to line 6)  | 8              |                                |

| <b>Section C - Distributable Amount</b> |   |   | 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                                       | <b>Distributable Amount.</b> 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). |   |              |

Schedule A (Form 990 or 990-EZ) 2014

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

| Section D - Distributions   | Current Year |
|---|--------------|
| <b>1</b> Amounts paid to supported organizations to accomplish exempt purposes  |              |
| <b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity              |              |
| <b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations  |              |
| <b>4</b> Amounts paid to acquire exempt-use assets  |              |
| <b>5</b> Qualified set-aside amounts (prior IRS approval required)  |              |
| <b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.   |              |
| <b>7 Total annual distributions.</b> Add lines 1 through 6.   |              |
| <b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions. |              |
| <b>9</b> Distributable amount for 2014 from Section C, line 6   |              |
| <b>10</b> Line 8 amount divided by Line 9 amount  |              |

| Section E - Distribution Allocations (see instructions)  | (i)<br>Excess Distributions | (ii)<br>Underdistributions<br>Pre-2014 | (iii)<br>Distributable<br>Amount for 2014 |
|--|-----------------------------|--|---|
| <b>1</b> Distributable amount for 2014 from Section C, line 6  |                             |  |   |
| <b>2</b> Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)  |                             |  |   |
| <b>3</b> Excess distributions carryover, if any, to 2014:  |                             |  |   |
| <b>a</b>   |                             |  |   |
| <b>b</b>   |                             |  |   |
| <b>c</b>   |                             |  |   |
| <b>d</b>   |                             |  |   |
| <b>e</b> From 2013   |                             |  |   |
| <b>f Total</b> of lines 3a through e   |                             |  |   |
| <b>g</b> Applied to underdistributions of prior years  |                             |  |   |
| <b>h</b> Applied to 2014 distributable amount  |                             |  |   |
| <b>i</b> Carryover from 2009 not applied (see instructions)  |                             |  |   |
| <b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.   |                             |  |   |
| <b>4</b> Distributions for 2014 from Section D, line 7: \$   |                             |  |   |
| <b>a</b> Applied to underdistributions of prior years  |                             |  |   |
| <b>b</b> Applied to 2014 distributable amount  |                             |  |   |
| <b>c</b> Remainder. Subtract lines 4a and 4b from 4.   |                             |  |   |
| <b>5</b> Remaining underdistributions for years prior to 2014, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions). |                             |  |   |
| <b>6</b> Remaining underdistributions for 2014. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).                        |                             |  |   |
| <b>7 Excess distributions carryover to 2015.</b> Add lines 3j and 4c.  |                             |  |   |
| <b>8</b> Breakdown of line 7:  |                             |  |   |
| <b>a</b>   |                             |  |   |
| <b>b</b>   |                             |  |   |
| <b>c</b>   |                             |  |   |
| <b>d</b> Excess from 2013  |                             |  |   |
| <b>e</b> Excess from 2014  |                             |  |   |

Schedule A (Form 990 or 990-EZ) 2014



**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](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

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. Do not 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 is not covered by the General Rule and/or the Special Rules does not 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 does not 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) (2014)

|   |   |
|---|---|
| Name of organization<br><br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><br><b>02-0222791</b> |
|---|---|

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Total contributions | (d)<br>Type of contribution   |
|------------|-----------------------------------|----------------------------|---|
| 1          | <br><hr/><br><hr/><br><hr/>       | \$ <u>150,000.</u>         | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 2          | <br><hr/><br><hr/><br><hr/>       | \$ <u>75,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 3          | <br><hr/><br><hr/><br><hr/>       | \$ <u>51,500.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 4          | <br><hr/><br><hr/><br><hr/>       | \$ <u>50,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 5          | <br><hr/><br><hr/><br><hr/>       | \$ <u>48,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 6          | <br><hr/><br><hr/><br><hr/>       | \$ <u>25,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |

|   |   |
|---|---|
| Name of organization<br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><b>02-0222791</b> |
|---|---|

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Total contributions | (d)<br>Type of contribution   |
|------------|-----------------------------------|----------------------------|---|
| 7          | <hr/> <hr/> <hr/>                 | \$ <u>20,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 8          | <hr/> <hr/> <hr/>                 | \$ <u>18,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 9          | <hr/> <hr/> <hr/>                 | \$ <u>16,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 10         | <hr/> <hr/> <hr/>                 | \$ <u>15,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 11         | <hr/> <hr/> <hr/>                 | \$ <u>14,000.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 12         | <hr/> <hr/> <hr/>                 | \$ <u>10,312.</u>          | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |

|   |   |
|---|---|
| Name of organization<br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><b>02-0222791</b> |
|---|---|

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Total contributions | (d)<br>Type of contribution  |
|------------|-----------------------------------|----------------------------|--|
| 13         | _____<br>_____<br>_____           | \$ 10,000.                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
| 14         | _____<br>_____<br>_____           | \$ 10,000.                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
| 15         | _____<br>_____<br>_____           | \$ 15,383.                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input checked="" type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 16         | _____<br>_____<br>_____           | \$ 10,000.                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
| 17         | _____<br>_____<br>_____           | \$ 10,000.                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
| 18         | _____<br>_____<br>_____           | \$ 7,782.                  | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |



|   |   |
|---|---|
| Name of organization<br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><b>02-0222791</b> |
|---|---|

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Total contributions | (d)<br>Type of contribution   |
|------------|-----------------------------------|----------------------------|---|
| 19         | <br><hr/><br><hr/><br><hr/>       | \$ <u>7,500.</u>           | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 20         | <br><hr/><br><hr/><br><hr/>       | \$ <u>5,500.</u>           | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 21         | <br><hr/><br><hr/><br><hr/>       | \$ <u>5,450.</u>           | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 22         | <br><hr/><br><hr/><br><hr/>       | \$ <u>5,000.</u>           | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 23         | <br><hr/><br><hr/><br><hr/>       | \$ <u>5,000.</u>           | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 24         | <br><hr/><br><hr/><br><hr/>       | \$ <u>5,000.</u>           | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |

|   |   |
|---|---|
| Name of organization<br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><b>02-0222791</b> |
|---|---|

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No.              | (b)<br>Name, address, and ZIP + 4 | (c)<br>Total contributions | (d)<br>Type of contribution  |
|-------------------------|-----------------------------------|----------------------------|--|
| 25                      | _____<br>_____<br>_____           | \$ 5,000.                  | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
| 26                      | _____<br>_____<br>_____           | \$ 5,000.                  | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
| 27                      | _____<br>_____<br>_____           | \$ 7,000.                  | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
| 28                      | _____<br>_____<br>_____           | \$ 10,558.                 | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input checked="" type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| _____<br>_____<br>_____ | _____<br>_____<br>_____           | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)                       |
| _____<br>_____<br>_____ | _____<br>_____<br>_____           | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)                       |

|   |   |
|---|---|
| Name of organization<br><br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><br><b>02-0222791</b> |
|---|---|

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

| (a)<br>No.<br>from<br>Part I | (b)<br>Description of noncash property given                  | (c)<br>FMV (or estimate)<br>(see instructions) | (d)<br>Date received |
|------------------------------|---|--|----------------------|
| 15                           | Various Publicly Traded Securities<br>_____<br>_____<br>_____ | \$ 5,383.                                      | 03/13/15             |
| 28                           | Various Publicly Traded Securities<br>_____<br>_____<br>_____ | \$ 10,558.                                     | 12/24/14             |
|                              | _____<br>_____<br>_____                                       | \$ _____                                       | _____                |
|                              | _____<br>_____<br>_____                                       | \$ _____                                       | _____                |
|                              | _____<br>_____<br>_____                                       | \$ _____                                       | _____                |
|                              | _____<br>_____<br>_____                                       | \$ _____                                       | _____                |

|   |   |
|---|---|
| Name of organization<br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><b>02-0222791</b> |
|---|---|

**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 |
|---|---------------------|--|-------------------------------------|
|   |                     |  |                                     |
| <b>(e) Transfer of gift</b>             |                     |  |                                     |
| Transferee's name, address, and ZIP + 4 |                     | Relationship of transferor to transferee |                                     |
|   |                     |  |                                     |
|   |                     |  |                                     |
| <b>(e) Transfer of gift</b>             |                     |  |                                     |
| Transferee's name, address, and ZIP + 4 |                     | Relationship of transferor to transferee |                                     |
|   |                     |  |                                     |
|   |                     |  |                                     |
| <b>(e) Transfer of gift</b>             |                     |  |                                     |
| Transferee's name, address, and ZIP + 4 |                     | Relationship of transferor to transferee |                                     |
|   |                     |  |                                     |
|   |                     |  |                                     |
| <b>(e) Transfer of gift</b>             |                     |  |                                     |
| Transferee's name, address, and ZIP + 4 |                     | Relationship of transferor to transferee |                                     |
|   |                     |  |                                     |
|   |                     |  |                                     |
| <b>(e) Transfer of gift</b>             |                     |  |                                     |
| 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

**2014**

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](http://www.irs.gov/form990).**

**Open to Public Inspection**

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

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

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

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

**If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) (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<br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><b>02-0222791</b> |
|---|---|

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

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

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

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

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

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2014

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

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

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

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

| <b>Lobbying Expenditures During 4-Year Averaging Period</b>         |          |          |          |          |           |
|---|----------|----------|----------|----------|-----------|
| Calendar year<br>(or fiscal year beginning in)                      | (a) 2011 | (b) 2012 | (c) 2013 | (d) 2014 | (e) Total |
| <b>2a</b> Lobbying nontaxable amount                                |          |          |          |          |           |
| <b>b</b> Lobbying ceiling amount<br>(150% of line 2a, column(e))    |          |          |          |          |           |
| <b>c</b> Total lobbying expenditures                                |          |          |          |          |           |
| <b>d</b> Grassroots nontaxable amount                               |          |          |          |          |           |
| <b>e</b> Grassroots ceiling amount<br>(150% of line 2d, column (e)) |          |          |          |          |           |
| <b>f</b> Grassroots lobbying expenditures                           |          |          |          |          |           |

Schedule C (Form 990 or 990-EZ) 2014

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

| For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.   | (a) |    | (b)     |
|--|-----|----|---------|
|  | Yes | No | Amount  |
| <b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: |     |    |         |
| <b>a</b> Volunteers?   |     | X  |         |
| <b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?  |     | X  |         |
| <b>c</b> Media advertisements?   |     | X  |         |
| <b>d</b> Mailings to members, legislators, or the public?  |     | X  |         |
| <b>e</b> Publications, or published or broadcast statements?   |     | X  |         |
| <b>f</b> Grants to other organizations for lobbying purposes?  | X   |    | 9,796.  |
| <b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?   |     | X  |         |
| <b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?   |     | X  |         |
| <b>i</b> Other activities?   | X   |    | 9,375.  |
| <b>j</b> Total. Add lines 1c through 1i  |     |    | 19,171. |
| <b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?  |     | X  |         |
| <b>b</b> If "Yes," enter the amount of any tax incurred under section 4912   |     |    |         |
| <b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912  |     |    |         |
| <b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?  |     |    |         |

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

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

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

|   |    |  |
|---|----|--|
| <b>1</b> Dues, assessments and similar amounts from members   | 1  |  |
| <b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).   |    |  |
| <b>a</b> Current year   | 2a |  |
| <b>b</b> Carryover from last year   | 2b |  |
| <b>c</b> Total  | 2c |  |
| <b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues  | 3  |  |
| <b>4</b> If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year? | 4  |  |
| <b>5</b> 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 and CFO participated in regular weekly telephone calls with this group in attempts to keep the issue of rural healthcare in front of the various legislative delegations and the key role that CAHs play in rural healthcare. The CEO and CFO also participated in phone conference calls with SHR and other members of the Coalition for strategic planning purposes.



**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

OMB No. 1545-0047

**2014**

Open to Public Inspection

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

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" to Form 990, Part IV, line 6.

|   | (a) Donor advised funds | (b) Funds and other accounts                             |
|---|-------------------------|--|
| 1 Total number at end of year .....   |                         |  |
| 2 Aggregate 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" to Form 990, Part IV, line 7.

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

Preservation of land for public use (e.g., recreation or education)       Preservation of 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? .....

Yes  No

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

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

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

Yes  No

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

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

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

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

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

a Revenue included in Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

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

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

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

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

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

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

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, 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 in Part XIII

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

|  | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance                     | 30,883.          | 30,452.        | 27,686.            | 25,840.              | 28,065.             |
| b Contributions                                  |                  |                |                    |                      |                     |
| c Net investment earnings, gains, and losses     | -615.            | 431.           | 2,766.             | 1,846.               | -2,225.             |
| d Grants or scholarships                         |                  |                |                    |                      |                     |
| e Other expenditures for facilities and programs |                  |                |                    |                      |                     |
| f Administrative expenses                        |                  |                |                    |                      |                     |
| g End of year balance                            | 30,268.          | 30,883.        | 30,452.            | 27,686.              | 25,840.             |

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

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

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

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

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property  | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land  |                                      | 927,577.                        |                              | 927,577.       |
| b Buildings  |                                      | 20,151,891.                     | 10,057,826.                  | 10,094,065.    |
| c Leasehold improvements   |                                      | 238,112.                        | 223,726.                     | 14,386.        |
| d Equipment  |                                      | 22,502,869.                     | 17,265,322.                  | 5,237,547.     |
| e Other  |                                      | 1,785,468.                      | 900,203.                     | 885,265.       |
| <b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) |                                      |                                 |                              | 17,158,840.    |

**Part VII Investments - Other Securities.**

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

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

**Part VIII Investments - Program Related.**

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

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

**Part IX Other Assets.**

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

| (a) Description   | (b) Book value |
|---|----------------|
| (1) Due from Affiliates   | 1,844,505.     |
| (2) Estimated Third Party Payor Settlements                               | 3,011,431.     |
| (3) Other Assets  | 104,600.       |
| (4)   |                |
| (5)   |                |
| (6)   |                |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) | 4,960,536.     |

**Part X Other Liabilities.**

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

| 1. (a) Description of liability   | (b) Book value |
|---|----------------|
| (1) Federal income taxes  |                |
| (2) Current Portion of Deferred   |                |
| (3) Annuities   | 17,645.        |
| (4) Liability Payable   | 393,200.       |
| (5) Longterm Deferred Annuity   | 35,736.        |
| (6)   |                |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) | 446,581.       |

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

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

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

|          |  |           |             |
|----------|--|-----------|-------------|
| <b>1</b> | Total revenue, gains, and other support per audited financial statements                       | <b>1</b>  | 63,910,196. |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part VIII, line 12:                            |           |             |
| <b>a</b> | Net unrealized gains (losses) on investments   | <b>2a</b> | -477,977.   |
| <b>b</b> | Donated services and use of facilities   | <b>2b</b> |             |
| <b>c</b> | Recoveries of prior year grants  | <b>2c</b> |             |
| <b>d</b> | Other (Describe in Part XIII.)   | <b>2d</b> | 124,331.    |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b>  | <b>2e</b> | -353,646.   |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b>   | <b>3</b>  | 64,263,842. |
| <b>4</b> | Amounts included on Form 990, Part VIII, line 12, but not on line 1:                           |           |             |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b                               | <b>4a</b> |             |
| <b>b</b> | Other (Describe in Part XIII.)   | <b>4b</b> |             |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b>  | <b>4c</b> | 0.          |
| <b>5</b> | Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.) | <b>5</b>  | 64,263,842. |

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

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

|          |   |           |             |
|----------|---|-----------|-------------|
| <b>1</b> | Total expenses and losses per audited financial statements                                      | <b>1</b>  | 62,894,477. |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part IX, line 25:                               |           |             |
| <b>a</b> | Donated services and use of facilities  | <b>2a</b> |             |
| <b>b</b> | Prior year adjustments  | <b>2b</b> |             |
| <b>c</b> | Other losses  | <b>2c</b> |             |
| <b>d</b> | Other (Describe in Part XIII.)  | <b>2d</b> | 23,883.     |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b>   | <b>2e</b> | 23,883.     |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b>  | <b>3</b>  | 62,870,594. |
| <b>4</b> | Amounts included on Form 990, Part IX, line 25, but not on line 1:                              |           |             |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b                                | <b>4a</b> |             |
| <b>b</b> | Other (Describe in Part XIII.)  | <b>4b</b> |             |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b>   | <b>4c</b> | 0.          |
| <b>5</b> | Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.) | <b>5</b>  | 62,870,594. |

**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:**

The System consists of not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, all of which are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System 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 consolidated financial statements. With few

**Part XIII** Supplemental Information (continued)

exceptions, the System is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years before 2012.

Part XI, Line 2d - Other Adjustments:

|                                       |          |
|---------------------------------------|----------|
| Rental Expenses                       | 23,883.  |
| Impact of Interest Rate Swap          | 100,448. |
| Total to Schedule D, Part XI, Line 2d | 124,331. |

Part XII, Line 2d - Other Adjustments:

|                 |         |
|-----------------|---------|
| Rental Expenses | 23,883. |
|-----------------|---------|

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2014**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to 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](http://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                                  |
|---|-------------------------------------|-------------------------------------|
| <b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .....   | <input checked="" type="checkbox"/> |                                     |
| <b>b</b> If "Yes," was it a written policy? .....   | <input checked="" type="checkbox"/> |                                     |
| <b>2</b> 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.<br><input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities<br><input type="checkbox"/> Generally tailored to individual hospital facilities |                                     |                                     |
| <b>3</b> 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.   |                                     |                                     |
| <b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care?<br>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 type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>275</u> %  |                                     |                                     |
| <b>b</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>275</u> %  |                                     |                                     |
| <b>c</b> 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.  |                                     |                                     |
| <b>4</b> 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"/> |                                     |
| <b>5a</b> 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>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?   | <input checked="" type="checkbox"/> |                                     |
| <b>c</b> 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?   |                                     | <input checked="" type="checkbox"/> |
| <b>6a</b> Did the organization prepare a community benefit report during the tax year?  | <input checked="" type="checkbox"/> |                                     |
| <b>b</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 |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| <b>Financial Assistance and Means-Tested Government Programs</b>   |   |                               |                                     |                               |                                   |                              |
| <b>a</b> Financial Assistance at cost (from Worksheet 1) .....   |   |                               | <b>282,494.</b>                     |                               | <b>282,494.</b>                   | <b>.46%</b>                  |
| <b>b</b> Medicaid (from Worksheet 3, column a) .....   |   |                               | <b>9,074,961.</b>                   | <b>5,037,673.</b>             | <b>4,037,288.</b>                 | <b>6.58%</b>                 |
| <b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....              |   |                               |                                     |                               |                                   |                              |
| <b>d Total</b> Financial Assistance and Means-Tested Government Programs .....                           |   |                               | <b>9,357,455.</b>                   | <b>5,037,673.</b>             | <b>4,319,782.</b>                 | <b>7.04%</b>                 |
| <b>Other Benefits</b>  |   |                               |                                     |                               |                                   |                              |
| <b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) ..... |   |                               | <b>170,224.</b>                     |                               | <b>170,224.</b>                   | <b>.28%</b>                  |
| <b>f</b> Health professions education (from Worksheet 5) .....   |   |                               | <b>33,977.</b>                      |                               | <b>33,977.</b>                    | <b>.06%</b>                  |
| <b>g</b> Subsidized health services (from Worksheet 6) .....   |   |                               | <b>11,251,323.</b>                  | <b>5,387,596.</b>             | <b>5,863,727.</b>                 | <b>9.56%</b>                 |
| <b>h</b> Research (from Worksheet 7) .....   |   |                               | <b>85,191.</b>                      |                               | <b>85,191.</b>                    | <b>.14%</b>                  |
| <b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....                   |   |                               |                                     |                               |                                   |                              |
| <b>j Total.</b> Other Benefits .....   |   |                               | <b>11,540,715.</b>                  | <b>5,387,596.</b>             | <b>6,153,119.</b>                 | <b>10.04%</b>                |
| <b>k Total.</b> Add lines 7d and 7j .....  |   |                               | <b>20,898,170.</b>                  | <b>10,425,269.</b>            | <b>10,472,901.</b>                | <b>17.08%</b>                |

**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                                      |   |                               | 5,426.                               |                               | 5,426.                             | .01%                         |
| 3 Community support   |   |                               | 38,151.                              |                               | 38,151.                            | .06%                         |
| 4 Environmental improvements                                |   |                               |                                      |                               |                                    |                              |
| 5 Leadership development and training for community members |   |                               | 6,951.                               |                               | 6,951.                             | .01%                         |
| 6 Coalition building  |   |                               | 1,522.                               |                               | 1,522.                             | .00%                         |
| 7 Community health improvement advocacy                     |   |                               | 5,388.                               |                               | 5,388.                             | .01%                         |
| 8 Workforce development                                     |   |                               |                                      |                               |                                    |                              |
| 9 Other   |   |                               |                                      |                               |                                    |                              |
| <b>10 Total</b>   |   |                               | <b>57,438.</b>                       |                               | <b>57,438.</b>                     | <b>.09%</b>                  |

**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? .....  | 1   | X        |
| 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount .....   | 2   | 947,258. |
| 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit ..... | 3   | 100,000. |
| 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.  |     |          |

**Section B. Medicare**

|  |   |             |
|--|---|-------------|
| 5 Enter total revenue received from Medicare (including DSH and IME) .....   | 5 | 18,067,921. |
| 6 Enter Medicare allowable costs of care relating to payments on line 5 .....  | 6 | 17,831,098. |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall) .....  | 7 | 236,823.    |
| 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.<br>Check the box that describes the method used:<br><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? .....  | 9a | X |
| b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI ..... | 9b | X |

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

| (a) Name of entity | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership % | (e) Physicians' profit % or stock ownership % |
|--------------------|---|--|--|---|
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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, , 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 |
|--|-----|----|
| <b>Community Health Needs Assessment</b>   |     |    |
| 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? .....   | 1   | 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 .....  | 2   | 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 .....   | 3   | 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"/> Information gaps that limit the hospital facility's ability to assess the community's health needs  |     |    |
| j <input type="checkbox"/> Other (describe in Section C)   |     |    |
| 4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>12</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 ..... | 5   | 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 .....  | 6a  | 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 .....  | 6b  | X  |
| 7 Did the hospital facility make its CHNA report widely available to the public? .....   | 7   | 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 type="checkbox"/> Other website (list url): _____   |     |    |
| 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 .....  | 8   | X  |
| 9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>12</u>  |     |    |
| 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....   | 10  | 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? .....   | 10b | X  |
| 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)? .....  | 12a | X  |
| b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....   | 12b |    |
| 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><b>13</b> 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><b>a</b> <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>275</u> % and FPG family income limit for eligibility for discounted care of <u>275</u> %</p> <p><b>b</b> <input type="checkbox"/> Income level other than FPG (describe in Section C)</p> <p><b>c</b> <input checked="" type="checkbox"/> Asset level</p> <p><b>d</b> <input checked="" type="checkbox"/> Medical indigency</p> <p><b>e</b> <input checked="" type="checkbox"/> Insurance status</p> <p><b>f</b> <input checked="" type="checkbox"/> Underinsurance status</p> <p><b>g</b> <input type="checkbox"/> Residency</p> <p><b>h</b> <input checked="" type="checkbox"/> Other (describe in Section C)</p>  | X   |    |
| <b>14</b> Explained the basis for calculating amounts charged to patients? .....   | X   |    |
| <b>15</b> 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><b>a</b> <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>b</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><b>c</b> <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><b>d</b> <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><b>e</b> <input type="checkbox"/> Other (describe in Section C)</p>  |     |    |
| <b>16</b> Included measures to publicize the policy 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><b>a</b> <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>see Part V, Section C</u></p> <p><b>b</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><b>c</b> <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><b>d</b> <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><b>e</b> <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><b>f</b> <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><b>g</b> <input checked="" type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility</p> <p><b>h</b> <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP</p> <p><b>i</b> <input checked="" type="checkbox"/> Other (describe in Section C)</p> |     |    |

**Billing and Collections**

|  |   |  |
|--|---|--|
| <b>17</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment? ..... | X |  |
| <b>18</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:                             |   |  |
| <b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)  |   |  |
| <b>b</b> <input type="checkbox"/> Selling an individual's debt to another party  |   |  |
| <b>c</b> <input type="checkbox"/> Actions that require a legal or judicial process   |   |  |
| <b>d</b> <input type="checkbox"/> Other similar actions (describe in Section C)  |   |  |
| <b>e</b> <input type="checkbox"/> None of these actions or other similar actions were permitted  |   |  |

**Part V Facility Information** (continued)

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

|  |   | Yes | No       |
|--|---|-----|----------|
| <b>19</b>  | 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? ..... |     | <b>X</b> |
| If "Yes", check all actions in which the hospital facility or a third party engaged: |   |     |          |
| <b>a</b>   | <input type="checkbox"/> Reporting to credit agency(ies)  |     |          |
| <b>b</b>   | <input type="checkbox"/> Selling an individual's debt to another party  |     |          |
| <b>c</b>   | <input type="checkbox"/> Actions that require a legal or judicial process   |     |          |
| <b>d</b>   | <input type="checkbox"/> Other similar actions (describe in Section C)  |     |          |
| <b>20</b>  | 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):                                     |     |          |
| <b>a</b>   | <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy on admission  |     |          |
| <b>b</b>   | <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge  |     |          |
| <b>c</b>   | <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills   |     |          |
| <b>d</b>   | <input checked="" type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy                                |     |          |
| <b>e</b>   | <input type="checkbox"/> Other (describe in Section C)  |     |          |
| <b>f</b>   | <input type="checkbox"/> None of these efforts were made  |     |          |

**Policy Relating to Emergency Medical Care**

|                        |   |          |  |
|------------------------|---|----------|--|
| <b>21</b>              | 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? ..... | <b>X</b> |  |
| If "No," indicate why: |   |          |  |
| <b>a</b>               | <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions  |          |  |
| <b>b</b>               | <input type="checkbox"/> The hospital facility's policy was not in writing  |          |  |
| <b>c</b>               | <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)  |          |  |
| <b>d</b>               | <input type="checkbox"/> Other (describe in Section C)  |          |  |

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

|                                 |  |  |          |
|---------------------------------|--|--|----------|
| <b>22</b>                       | 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.   |  |          |
| <b>a</b>                        | <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged   |  |          |
| <b>b</b>                        | <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged   |  |          |
| <b>c</b>                        | <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged  |  |          |
| <b>d</b>                        | <input checked="" type="checkbox"/> Other (describe in Section C)  |  |          |
| <b>23</b>                       | 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? ..... |  | <b>X</b> |
| If "Yes," explain in Section C. |  |  |          |
| <b>24</b>                       | 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? .....   |  | <b>X</b> |
| If "Yes," explain in Section C. |  |  |          |

**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, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 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: The 2013 Upper Valley Community Needs

Assessment Report was the product of an almost year-long process

coordinated by Alice Peck Day Memorial Hospital, Mount Ascutney Hospital and Health Care, Dartmouth-Hitchcock Medical Center, and Granite United Way.

Between November 2012 and October 2013, information on health, education and economic needs of the Upper Valley region were gathered through secondary data gathering, two forums with informed stateholders, a stakeholders' survey, and six focus group discussions. The CAN process was guided by a Steering Committee composed of individuals (including the Community Health Director at Alice Peck Day Memorial Hospital) with expertise in the areas of health, education and economic well being.

Alice Peck Day Memorial Hospital:

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

Mount Ascutney Hospital and Health Care

Dartmouth-Hitchcock Medical Center

Alice Peck Day Memorial Hospital:

Part V, Section B, Line 11: 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, twelve

**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, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 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.

key community needs were identified:

1. Lack of quality jobs/income
2. Transportation access and cost
3. Housing cost
4. Tobacco/alcohol/drug use
5. Oral health
6. Mental health
7. Obesity/poor nutrition/lack of physical activity
8. All health/oral health /insurance access
9. Child care
10. Asthma
11. Isolation/less time for "community" and
12. Quality of/limited education

Clearly, many of those community needs (1, 2, 3, 9, 11, and 12) do not fall within the primary purview of the health care delivery system. While we acknowledge the growing evidence pointing to the interplay between economic and educational status and health, APD as a small, community-based rural hospital is not positioned to directly address those significant areas of concern (an exception to this is need 2, transportation access and cost: APD made a substantial cash donation to the Grafton County Senior Citizens Council, earmarked for the elderly/disabled bus service.)

As described in other sections of this report, Alice Peck Day Memorial Hospital focuses its community health resources in two major areas: oral health (need 5) and health access (need 8.)

**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, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 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.

In November of 2015, after the fiscal year covered by this Schedule H filing, the Hospital completed a new Community Health Needs Assessment (CHNA), this report will be described in greater detail in the Hospital's 2015 Form 990, Schedule H.

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, Worker's Compensation, Veterans Benefits, Medicaid, liability (auto accidents), 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 16i: Please see Part V, Line 3 for a description

**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, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 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.

of the financial assistance program and the efforts made to publicize and promote the program.

Alice Peck Day Memorial Hospital:

Part V, Section B, Line 22d: The hospital facility provides uninsured patients with a 15% discount. At the time the discount was established, the discount approximated the average of the three lowest negotiated commercial insurance rates for services at the hospital facility. The average of the three lowest commercial insurance rates was approximately 87.5%; the rate applied to uninsured patients was lower than that rate, at 85%, representing a 15% discount.

Part V, Line 7a:

[http://www.alicepeckday.org/assets/2015\\_APDH\\_Community\\_Health\\_Needs\\_Ass](http://www.alicepeckday.org/assets/2015_APDH_Community_Health_Needs_Ass)

Part V, Line 10a:

[http://www.alicepeckday.org/assets/CommunityHealthImplementationPlan\\_20](http://www.alicepeckday.org/assets/CommunityHealthImplementationPlan_20)

**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? 8

| Name and address   | Type of Facility (describe)                            |
|--|--|
| 1 RAM Center for Community Care<br>5 Alice Peck Day Drive<br>Lebanon, NH 03766                           | Primary Care Physician Clinic                          |
| 2 Women's Care Center<br>141 Mascoma Street<br>Lebanon, NH 03766   | OB/GYN Physician Clinic                                |
| 3 APD Orthopaedic Clinic<br>17 Alice Peck Day Drive<br>Lebanon, NH 03766                                 | Orthopaedic Physician Clinic                           |
| 4 General Surgery Clinic<br>10 Alice Peck Day Drive, 12 Mascoma St<br>Lebanon, NH 03766                  | General Surgeon Clinic                                 |
| 5 Pain Management Clinic<br>17 Alice Peck Day Drive, B<br>Lebanon, NH 03766                              | Pain Management Clinic                                 |
| 6 APD Hand & Upper Extremity Clinic<br>205 Billings Farm Road, Unit 3A<br>White River Junction, NH 05001 | Hand & Upper Extremity<br>Orthopaedic Physician Clinic |
| 7 Occupational Health Services<br>127 Mascoma Street, 2nd Floor<br>Lebanon, NH 03766                     | Occupational Health Physician<br>Clinic                |
| 8 Neurosurgery Services at APD (NSAPD)<br>106 Hanover Street<br>Lebanon, NH 03766                        | Neurosurgery 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:

Family income limit for eligibility for discounted care ranges from 200%-275% of FPG.

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. The cost of financial assistance and other community benefits at cost are 17.08% of total expenditures on Form 990, Part IX, Column A, Line 25, excluding bad debt expense.

Part I, Line 7, Column (f):

The Bad Debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$ 1,504,718.

**Part VI** Supplemental Information (Continuation)

Part II, Community Building Activities:

Alice Peck Day actively promotes community-based leadership development. Staff members participate in the Lebanon Chamber of Commerce, Leadership Upper Valley, Vital Communities Corporate Council, Foundation for Healthy Communities, the Rural Health Coalition, the Go Red for Women event, and the Advocacy Task 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:

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

Part III, Line 3:

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

Part III, Line 4:

Bad debt cost is calculated using a cost to charge ratio using a step-down cost allocation methodology consistent with Medicare cost reporting. In FY15, 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

**Part VI** Supplemental Information (Continuation)

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 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, we feel that amounts written off to bad debt that could qualify as charity care are minimal. Footnote 1 to the audited consolidated financial statements of Alice Peck Day Health Systems, Corp. 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.

See also Footnote 1 on Page 9 of the attached audited financial statements.

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

**Part VI** Supplemental Information (Continuation)

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

**Part VI** Supplemental Information (Continuation)

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

Financial Assistance Policy URL:

[http://www.alicepeckday.org/assets/Financial\\_Assistance\\_Policy\\_April-26](http://www.alicepeckday.org/assets/Financial_Assistance_Policy_April-26)

Financial Assistance Policy Application URL:

<http://www.alicepeckday.org/assets/Financial%20Aid%20Cover%20Letter%20S>

Financial Assistance Plain Language Summary URL:

[http://www.alicepeckday.org/assets/FINAL\\_FAP\\_brochure\\_Dec-24-2015.pdf](http://www.alicepeckday.org/assets/FINAL_FAP_brochure_Dec-24-2015.pdf)

Part VI, Line 2:

Due to our rural location and size, a collaborative effort between the United Way, Dartmouth Hitchcock Memorial Hospital, Mount Ascutney Hospital, Granite United Way and Alice Peck Day Memorial Hospital created the 2012 Community Needs Assessment that formed the basis for the FY 2015 Community Benefits Plan. Priority needs and health concerns for our community were based upon information collected from community needs assessments and community surveys. Identified population health concerns included tobacco/alcohol/drug use, oral health, mental health, obesity/poor nutrition/lack of physical activity, access to care and asthma. Alice Peck Day used this information to help focus its community benefit efforts to meet the priority needs identified in the Community Benefit Plan. Of special note is the Upper Valley Smiles Program that has served a priority need to oral health within our local community. Upper Valley Smiles has touched the lives of many children ages newborn to eighteen in our community and provided much needed care, particularly for the uninsured.

**Part VI** Supplemental Information (Continuation)

## 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 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,

**Part VI** Supplemental Information (Continuation)

Dorchester, Enfield, Grafton, Grantham, Hanover, Lyme, Newport, Orange, Orford, Piermont, Plainfield and Warren. Vermont towns include East 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.

## Part VI, Line 5:

Alice Peck Day actively promotes community-based leadership development. Staff members participate in the Lebanon Chamber of Commerce, Leadership Upper Valley, Vital Communities Corporate Council, Foundation for Healthy Communities, the Rural Health Coalition, and the Advocacy Task 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 VI, Line 6:

Alice Peck Day Memorial Hospital is a critical access hospital 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 FY15, cash donations were given to organizations to help those in need.

**Part VI** Supplemental Information (Continuation)

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, provided emergency prescription drug vouchers, and bicycle safety rodeos for local children.

One of APD's most exciting and celebrated programs is the Upper Valley Smiles Dental Program. This program provides an oral health safety net for disadvantaged residents within our service area. In 8 different schools, 2039 elementary school children participated in oral health education presentations, with 553 of those children receiving screenings from a dental team. Additionally, preventative sealants and fluoride varnish were given to 407 low-income, uninsured children. With grant support from Dartmouth Hitchcock Community Health Improvement, APD continued its Women, Infants and Children (WIC) Oral Health Initiative in Lebanon and Enfield New Hampshire, and Hartford, Vermont. Under the WIC initiative, a total of 102 low-income children aged 0-10 received oral health education, a dental screening, and preventative care.

To promote health professional education, APD provided clinical undergraduate/graduate training to students from the Geisel School of Medicine at Dartmouth, George Washington University, River Valley Community College, and Yale University. APD annually sponsors district-wide professional development 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.

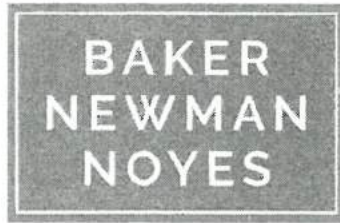


**Part VI** Supplemental Information (Continuation)

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

NH

Horizontal lines for listing states.



**Alice Peck Day Health Systems Corp.  
and Subsidiaries**

**Audited Consolidated Financial Statements  
and Additional Information**

*Years Ended September 30, 2015 and 2014  
With Independent Auditors' Report*

# ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

## Audited Consolidated Financial Statements and Additional Information

Years Ended September 30, 2015 and 2014

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Alice Peck Day Health Systems Corp. and Subsidiaries

We have audited the accompanying consolidated financial statements of Alice Peck Day Health Systems Corp. and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

The Board of Trustees  
Alice Peck Day Health Systems Corp. and Subsidiaries

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of September 30, 2015 and 2014, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Emphasis of Matter*

As discussed in Note 1 to the consolidated financial statements, in 2015 the System adopted Accounting Standards Update 2012-01 with respect to deferred refundable and nonrefundable advance fees. The impact of this change in accounting principle was applied retrospectively to the System's 2014 consolidated financial statements. Our opinion is not modified with respect to this matter.

Manchester, New Hampshire  
January 26, 2016

*Baker Newman & Noyes*

Limited Liability Company

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

September 30, 2015 and 2014

ASSETS

|   | <u>2015</u>         | <u>2014</u><br>(as restated-<br>Note 1) |
|---|---------------------|---|
| Current assets:   |                     |   |
| Cash and cash equivalents   | \$ 9,369,184        | \$11,153,477                            |
| Short-term investments  | 6,176,430           | 6,605,439                               |
| Accounts receivable, less allowance for bad debts<br>and contractual allowances of \$9,387,650 in 2015<br>and \$8,719,635 in 2014 | 10,609,426          | 9,788,460                               |
| Current portion of pledges receivable, less allowance<br>for bad debts of \$18,186 in 2015 and \$22,855 in 2014                   | 326,128             | 472,373                                 |
| Estimated third-party payor settlements   | 3,011,431           | -                                       |
| Supplies  | 1,186,106           | 1,163,052                               |
| Prepaid expenses and other current assets   | <u>508,225</u>      | <u>489,529</u>                          |
| Total current assets  | 31,186,930          | 29,672,330                              |
| Assets whose use is limited or restricted   | 3,701,765           | 3,067,059                               |
| Property and equipment, net   | 45,113,561          | 46,101,121                              |
| Resident unit deposits  | 240,719             | 183,000                                 |
| Long-term investments   | 27,950              | 30,898                                  |
| Pledges receivable, net of current portion, less allowance<br>for bad debts of \$11,954 in 2015 and \$22,705 in 2014              | 210,953             | 474,520                                 |
| Deferred financing costs, net of accumulated amortization<br>of \$27,058 in 2015 and \$21,241 in 2014                             | 104,978             | 110,795                                 |
| Other assets  | 335,328             | 270,719                                 |
|   | <hr/>               | <hr/>                                   |
| Total assets  | <u>\$80,922,184</u> | <u>\$79,910,442</u>                     |

LIABILITIES AND NET ASSETS

|  | <u>2015</u>         | <u>2014</u><br>(as restated-<br>Note 1) |
|--|---------------------|---|
| Current liabilities:                             |                     |   |
| Accounts payable and accrued expenses            | \$ 8,549,411        | \$ 6,184,644                            |
| Accrued salaries and related amounts             | 3,597,701           | 3,747,403                               |
| Estimated third-party payor settlements          | -                   | 238,290                                 |
| Current portion of deferred annuities            | 17,645              | 17,645                                  |
| Current portion of capital lease obligation      | 250,440             | 113,352                                 |
| Current portion of long-term debt                | <u>628,093</u>      | <u>587,308</u>                          |
| Total current liabilities                        | 13,043,290          | 10,888,642                              |
| Long-term debt, net of current portion           | 26,800,225          | 27,435,821                              |
| Capital lease obligation, net of current portion | 432,295             | 249,987                                 |
| Resident unit deposits                           | 240,719             | 183,000                                 |
| Deferred revenue                                 | 1,773,388           | 2,095,963                               |
| Entrance fees                                    | 23,506,590          | 23,637,762                              |
| Interest rate swap                               | -                   | 185,557                                 |
| Other liabilities                                | <u>428,936</u>      | <u>328,513</u>                          |
| Total liabilities                                | 66,225,443          | 65,005,245                              |
| Net assets:                                      |                     |   |
| Unrestricted                                     | 13,810,105          | 13,666,216                              |
| Temporarily restricted                           | 856,368             | 1,208,098                               |
| Permanently restricted                           | <u>30,268</u>       | <u>30,883</u>                           |
| Total net assets                                 | <u>14,696,741</u>   | <u>14,905,197</u>                       |
| Total liabilities and net assets                 | <u>\$80,922,184</u> | <u>\$79,910,442</u>                     |

See accompanying notes.



**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

Years Ended September 30, 2015 and 2014

|  | <u>2015</u>        | <u>2014</u><br>(as restated-<br>Note 1) |
|--|--------------------|---|
| Net patient service revenues, net of contractual allowances and discounts          | \$63,211,381       | \$56,232,491                            |
| Provision for bad debts  | <u>(1,504,718)</u> | <u>(2,000,783)</u>                      |
| Net patient service revenues less provision for bad debts                          | 61,706,663         | 54,231,708                              |
| Resident service revenue   | 6,090,244          | 5,669,356                               |
| Earned entrance fees   | 885,035            | 852,518                                 |
| Other revenue  | 1,189,972          | 1,526,180                               |
| Net assets released from restrictions used for operations                          | <u>320,920</u>     | <u>89,929</u>                           |
| Total unrestricted revenues, gains and other support                               | 70,192,834         | 62,369,691                              |
| Expenses:  |                    |   |
| Salaries and benefits  | 40,224,084         | 37,141,102                              |
| Provider fees  | 3,915,506          | 3,225,235                               |
| Supplies and other   | 20,618,386         | 17,826,860                              |
| Insurance  | 757,686            | 558,639                                 |
| Depreciation and amortization  | 3,327,986          | 3,408,823                               |
| Interest expense   | <u>789,920</u>     | <u>849,147</u>                          |
| Total expenses   | <u>69,633,568</u>  | <u>63,009,806</u>                       |
| Gain (loss) from operations  | 559,266            | (640,115)                               |
| Nonoperating income (expense):   |                    |   |
| Impact of interest rate swap   | 185,557            | 175,199                                 |
| Loss on disposal of equipment  | <u>(66,850)</u>    | <u>(300)</u>                            |
| Total nonoperating income (expense)  | <u>118,707</u>     | <u>174,899</u>                          |
| Excess (deficiency) of revenues, gains and other support over expenses             | 677,973            | (465,216)                               |
| Change in net unrealized (losses) gains on investments                             | (687,779)          | 6,714                                   |
| Net assets released from restrictions used for purchases of property and equipment | <u>153,695</u>     | <u>—</u>                                |
| Increase (decrease) in unrestricted net assets                                     | \$ <u>143,889</u>  | \$ <u>(458,502)</u>                     |

See accompanying notes.



**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

Years Ended September 30, 2015 and 2014

|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>        |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Balances at September 30, 2013<br>(as restated - note 1)                                   | \$14,124,718        | \$ 1,149,404                      | \$30,452                          | \$15,304,574        |
| Deficiency of revenues, gains and<br>other support over expenses<br>(as restated - note 1) | (465,216)           | -                                 | -                                 | (465,216)           |
| Change in net unrealized gains<br>on investments   | 6,714               | -                                 | -                                 | 6,714               |
| Restricted contributions   | -                   | 148,623                           | 431                               | 149,054             |
| Net assets released from restrictions<br>used for operations                               | <u>-</u>            | <u>(89,929)</u>                   | <u>-</u>                          | <u>(89,929)</u>     |
|  | <u>(458,502)</u>    | <u>58,694</u>                     | <u>431</u>                        | <u>(399,377)</u>    |
| Balances at September 30, 2014<br>(as restated - note 1)                                   | 13,666,216          | 1,208,098                         | 30,883                            | 14,905,197          |
| Excess of revenues, gains and<br>other support over expenses                               | 677,973             | -                                 | -                                 | 677,973             |
| Change in net unrealized gains<br>on investments   | (687,779)           | -                                 | (615)                             | (688,394)           |
| Restricted contributions   | -                   | 122,885                           | -                                 | 122,885             |
| Net assets released from restrictions<br>used for purchases of property<br>and equipment   | 153,695             | (153,695)                         | -                                 | -                   |
| Net assets released from restrictions<br>used for operations                               | <u>-</u>            | <u>(320,920)</u>                  | <u>-</u>                          | <u>(320,920)</u>    |
|  | <u>143,889</u>      | <u>(351,730)</u>                  | <u>(615)</u>                      | <u>(208,456)</u>    |
| Balances at September 30, 2015   | <u>\$13,810,105</u> | <u>\$ 856,368</u>                 | <u>\$30,268</u>                   | <u>\$14,696,741</u> |

See accompanying notes.

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended September 30, 2015 and 2014

|  | <u>2015</u>         | <u>2014</u><br>(as restated-<br>Note 1) |
|--|---------------------|---|
| Cash flows from operating activities:  |                     |   |
| Decrease in net assets   | \$ (208,456)        | \$ (399,377)                            |
| Adjustments to reconcile decrease in net assets<br>to net cash provided by operating activities: |                     |   |
| Amortization of deferred entrance fees   | (170,284)           | (504,919)                               |
| Depreciation and amortization  | 3,327,986           | 3,408,823                               |
| Provision for bad debts, net of recoveries   | 1,504,718           | 2,000,783                               |
| Net realized and unrealized losses (gains) on investments  | 588,654             | (423,317)                               |
| Adjustment of interest rate swap to fair value   | (185,557)           | (175,199)                               |
| Loss on disposal of equipment  | 66,850              | 300                                     |
| Restricted contributions   | (122,885)           | (149,054)                               |
| Resident unit deposits   | (57,719)            | (23,000)                                |
| Changes in operating assets and liabilities:   |                     |   |
| Accounts receivable  | (2,325,684)         | (3,464,521)                             |
| Supplies   | (23,054)            | (10,061)                                |
| Prepaid expenses, other current assets, and other assets   | (83,305)            | 1,842,901                               |
| Accounts payable and accrued expenses  | 2,364,767           | (115,543)                               |
| Accrued salaries and related amounts   | (149,702)           | 888,527                                 |
| Estimated third-party payor settlements  | (3,249,721)         | 2,070,026                               |
| Other liabilities  | <u>100,423</u>      | <u>(1,879,285)</u>                      |
| Net cash provided by operating activities  | 1,377,031           | 3,067,084                               |
| Cash flows from investing activities:  |                     |   |
| Purchases of property and equipment  | (1,903,967)         | (491,001)                               |
| Proceeds from sale of property and equipment   | -                   | 2,300                                   |
| Purchases of investments   | (717,846)           | (1,717,157)                             |
| Proceeds from sales of investments   | 561,149             | 2,236,168                               |
| Increase in assets whose use is limited, net   | <u>(634,706)</u>    | <u>(1,467,524)</u>                      |
| Net cash used by investing activities  | (2,695,370)         | (1,437,214)                             |
| Cash flows from financing activities:  |                     |   |
| Entrance fees received   | 4,918,119           | 2,344,550                               |
| Refunds of entrance fees   | (5,143,863)         | (1,973,500)                             |
| Payments on long-term debt   | (594,811)           | (569,780)                               |
| Payments on capital lease  | (178,096)           | (173,774)                               |
| Repayments on lines of credit, net   | -                   | (300,000)                               |
| Proceeds from restricted contributions   | <u>532,697</u>      | <u>549,261</u>                          |
| Net cash used by financing activities  | <u>(465,954)</u>    | <u>(123,243)</u>                        |
| Net (decrease) increase in cash and cash equivalents   | (1,784,293)         | 1,506,627                               |
| Cash and cash equivalents at beginning of year   | <u>11,153,477</u>   | <u>9,646,850</u>                        |
| Cash and cash equivalents at end of year   | \$ <u>9,369,184</u> | \$ <u>11,153,477</u>                    |
| Supplemental information:  |                     |   |
| Interest paid  | \$ <u>807,181</u>   | \$ <u>851,438</u>                       |

Noncash transaction:

In 2015, the Health System acquired property and equipment in the amount of \$497,492 through a capital lease agreement.

See accompanying notes.

# ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

### 1. Description of Organization and Summary of Significant Accounting Policies

#### Organization

Alice Peck Day Health Systems Corp. (the Parent) is a not-for-profit corporation organized under the laws of the State of New Hampshire. The Parent was established in January 1995 as a tax-exempt holding company whose purpose is to provide and promote health care and health education provided by the Parent's subsidiaries, Alice Peck Day Memorial Hospital (Hospital), Alice Peck Day Lifecare Center, Inc., d/b/a Harvest Hill, and The Woodlands at Harvest Hill (Lifecare). The Parent has additional subsidiaries, Alice Peck Day Realty Corp. (Realty) and Alice Peck Day Health Management Services, Inc. (Management). Management and Realty are currently inactive.

#### Principles of Consolidation

The consolidated financial statements of Alice Peck Day Health Systems Corp. and Subsidiaries (the System) include the accounts of the Parent and its wholly-controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

#### Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated 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, and self-insured health care costs.

#### Concentrations of Credit Risk

Financial instruments which subject the System 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 System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The System'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 12). Amounts due under irrevocable trusts are evaluated for collectibility and presented net of any required allowances. The System's investment portfolio consists of diversified investments, which are subject to market risk. At September 30, 2015, six mutual funds comprised 34% of total investments. At September 30, 2014, nine mutual funds comprised 52% of total investments.



# ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

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

#### Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess (deficiency) 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 (deficiency) 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 consolidated balance sheets and statements of operations.

#### Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets designated by the Board 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 System 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 System 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 System 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.

# ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

### 1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

The System's allowance for bad debts for self-pay patients increased from 80.6% of self-pay accounts receivable at September 30, 2014 to 82.1% of self-pay accounts receivable at September 30, 2015. The System's self-pay bad debt writeoffs decreased \$442,498 from \$2,176,709 in 2014 to \$1,734,211 in 2015. The increase in the allowance as a percentage of self-pay accounts receivable was a result of collection trends, while the decrease in self-pay bad debt writeoffs was a result of changes in payor mix during the two years.

#### Supplies

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

#### 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 (deficiency) 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.

#### Derivative and Hedging Activities

The System uses interest rate swap contracts to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The System applies the requirements of Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 815, *Derivatives and Hedging* to account for its interest rate swap contract described in note 9. The interest rate swap contract has not been designated as a cash flow hedge. Gains and losses on derivative financial instruments not designated as cash flow hedges are required to be included in the performance indicator. As a result, any gains or losses on the interest rate swap for 2015 and 2014 have been included in the excess (deficiency) of revenues, gains and other support over expenses.



ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

*Employee Fringe Benefits*

The System 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 System accrues a liability for such paid leave as it is earned.

*Retirement Plan*

The System'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 System 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. Plan expense for the years ended September 30, 2015 and 2014 was approximately \$776,900 and \$701,000, respectively.

*Deferred Revenue and Entrance Fees*

For residents who took occupancy through September 30, 2001, this amount represented deposits from residents, which were 90% refundable upon reoccupancy of a contract holder's apartment. The nonrefundable portion was amortized into income on a straight-line basis, over the remaining expected life of the resident's occupancy, which management estimated to be 7 years.

For new residents of Harvest Hill, as of October 1, 2001, this amount represents entry deposits from residents, which are 75% refundable upon reoccupancy of a contract holder's apartment. The remainder (25%) is the nonrefundable portion and is amortized into income on a straight-line basis, over the remaining expected life of the resident's occupancy, which management has estimated to be 7 years. In January 2015, Harvest Hill converted to a full rental pricing system where residents would make one year commitments, with a security deposit, then renew on a month-to-month basis. Current residents were given the option to convert to the new system or remain under their original agreement. Residents who converted received a refund of their occupancy fee.

For residents of The Woodlands at Harvest Hill, this amount represents entry deposits from residents, which are 90% refundable, 75% refundable for new residents after June 1, 2015, upon reoccupancy of a contract holder's apartment. The remainder (10% or 25%) is the nonrefundable portion and is amortized into income on a straight-line basis, over the remaining expected life of the resident's occupancy, which management has estimated to be 7 years.

At September 30, 2015, refundable resident entrance fee deposits totalled \$23,506,590.

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

**1. Description of Organization and Summary of Significant Accounting Policies (Continued)**

At September 30, 2015, Lifecare has deferred revenue of \$1,773,388, net of accumulated amortization of \$2,366,471 which represents nonrefundable entrance fees, which are being amortized over the expected occupancy period for each resident.

In July 2012, the FASB issued Accounting Standards Update (ASU) 2012-01, which addresses the accounting for entrance fee deposits. This update clarifies that an entity should classify as a liability refundable entrance fee deposits paid by a resident upon entering into a resident contract.

Prior to this change in accounting principle, the System had recorded refundable advance fees as deferred revenue, which amounts were amortized to income based on the estimated remaining useful life of the facility. The System recorded the impact of this change in accounting principle retrospectively by recording a cumulative effect adjustment to unrestricted net assets as of October 1, 2013. The impact of this change resulted in an additional liability and a corresponding decrease in unrestricted net assets as follows:

|  | <u>As<br/>Previously<br/>Presented</u> | <u>Cumulative<br/>Effect<br/>Adjustment</u> | <u>As<br/>Restated</u> |
|--|--|---|------------------------|
| Unrestricted net assets at October 1, 2013                         | \$19,512,379                           | \$ (5,387,661)                              | \$14,124,718           |
| Unrestricted net assets at September 30, 2014                      | 19,989,054                             | (6,322,838)                                 | 13,666,216             |
| Deferred revenue from entrance fees at<br>September 30, 2014       | 19,410,887                             | 6,322,838                                   | 25,733,725             |
| Resident service revenues for the year ended<br>September 30, 2014 | 1,787,695                              | (935,177)                                   | 852,518                |

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.

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

*Excess (Deficiency) of Revenues, Gains and Other Support Over Expenses*

The consolidated statements of operations include excess (deficiency) 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 System is partially self-insured with respect to health care coverage. This coverage provides medical health benefits to eligible employees and their eligible dependents. The System estimates an accrual for claims incurred but not reported which is included in accrued salaries and related amounts in the accompanying consolidated balance sheets. Health insurance expense approximated \$3,533,500 and \$3,113,000 in 2015 and 2014, respectively.

*Net Patient Service Revenues*

The System has agreements with third-party payors that provide for payments to the System 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 consolidated financial statements in the year in which they occur. For the years ended September 30, 2015 and 2014, net patient service revenues in the accompanying consolidated statements of operations changed by approximately \$1,762,000 and \$63,000, respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements for prior years.

The System 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 System provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the System records a significant provision for bad debts related to uninsured patients in the period the services are provided.



# ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

#### Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a Medicaid enhancement tax equal to 5.5% of net patient service revenues, with certain exclusions. The amount of tax incurred by the System for fiscal years 2015 and 2014 was \$2,383,887 and \$2,095,787, respectively.

The State also administers a disproportionate share funding (DSH) program. For years prior to 2010, the DSH payment to the Hospital equaled the Medicaid enhancement tax for the year. During 2010, in connection with a federal government audit of the State's 2004 fiscal year, it was indicated that the State's DSH approach was not in compliance with federal regulations.

As part of the State's biennial budget process for the two-year period ending June 30, 2013, it eliminated disproportionate share payments to certain New Hampshire hospitals, excluding hospitals classified as critical access. The amount of estimated DSH revenue recorded by the Hospital for fiscal 2015 and 2014 was \$4,373,676 and \$3,449,935, respectively, which is subject to the State DSH annual audits and potential redistributions.

During 2014, the Centers for Medicare and Medicaid Services (CMS) began an audit of the State's program and the disproportionate share payments made by the State in 2011 and 2012, the first year that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. As a result of that audit, the amount of uncompensated care was redistributed amongst the New Hampshire hospitals, and the System was awarded \$1,948,490 in disproportionate share payments. That amount is expected to be funded through the recoupment of overpayments from other New Hampshire hospitals.

At the date of these consolidated financial statements, CMS's audits of years after 2012 were still in process or had not yet begun, and the System has received no indication of adjustments, if any, that may be made to disproportionate share payments received in years after 2012. As such, no amounts have been reflected in the accompanying consolidated financial statements related to this contingency.

#### 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 3 with respect to costs of charity care.

#### Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the System 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.

# ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

### 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

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 consolidated balance sheets. As of September 30, 2015 and 2014, the liability for these gift annuities was \$53,379 and \$57,556, respectively. The long-term portion of these deferred annuities is included in other liabilities in the accompanying consolidated balance sheets.

#### Income Taxes

The System consists of not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, all of which are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System 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 consolidated financial statements. With few exceptions, the System is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years before 2012.

#### Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was approximately \$223,600 and \$80,700 in 2015 and 2014, respectively.

#### Recent Accounting Pronouncements

In April 2015, 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 debt issuance costs and requires that the debt issuance 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 System's fiscal year ending September 30, 2017 with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2015-03 on the System's consolidated financial statements.

#### Subsequent Events

Events occurring after the consolidated balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated subsequent events through January 26, 2016 which is the date the consolidated financial statements were available to be issued.

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

**2. Net Patient Service Revenues**

Patient service revenues and contractual and other allowances consisted of the following for the years ended September 30:

|   | <u>2015</u>          | <u>2014</u>          |
|---|----------------------|----------------------|
| Patient services:   |                      |                      |
| Routine services  | \$ 4,980,709         | \$ 4,518,782         |
| Ancillary services  | <u>87,739,743</u>    | <u>77,148,569</u>    |
| Gross patient service revenues  | 92,720,452           | 81,667,351           |
| Provision for contractual allowances                                      | (29,060,330)         | (24,167,290)         |
| Provision for charity care  | <u>(448,741)</u>     | <u>(1,267,570)</u>   |
|   | <u>(29,509,071)</u>  | <u>(25,434,860)</u>  |
| Net patient service revenues, net of contractual allowances and discounts | 63,211,381           | 56,232,491           |
| Provision for bad debts   | <u>(1,504,718)</u>   | <u>(2,000,783)</u>   |
| Net patient service revenues less provision for bad debts                 | \$ <u>61,706,663</u> | \$ <u>54,231,708</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:

|   | <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> |
|---|---------------------------------------|---|--------------------------------|--|
| <b>2015</b>   |                                       |   |                                |  |
| Private payors (includes coinsurance and deductibles) | \$50,681,808                          | \$17,051,075                                | \$ 493,949                     | \$33,136,784   |
| Medicaid  | 10,628,766                            | 7,526,037                                   | 13,546                         | 3,089,183  |
| Medicare  | 29,672,699                            | 8,118,752                                   | 83,564                         | 21,470,383   |
| Self-pay  | 1,737,179                             | 1,186,883                                   | 913,659                        | (363,363)  |
| Disproportionate share funding                        | <u>—</u>                              | <u>(4,373,676)</u>                          | <u>—</u>                       | <u>4,373,676</u>   |
|   | <u>\$92,720,452</u>                   | <u>\$29,509,071</u>                         | <u>\$1,504,718</u>             | <u>\$61,706,663</u>  |
| <b>2014</b>   |                                       |   |                                |  |
| Private payors (includes coinsurance and deductibles) | \$44,749,645                          | \$12,246,325                                | \$ 267,709                     | \$32,235,611   |
| Medicaid  | 8,095,295                             | 5,397,326                                   | 539,568                        | 2,158,401  |
| Medicare  | 26,287,826                            | 8,994,476                                   | 64,302                         | 17,229,048   |
| Self-pay  | 2,534,585                             | 2,246,668                                   | 1,129,204                      | (841,287)  |
| Disproportionate share funding                        | <u>—</u>                              | <u>(3,449,935)</u>                          | <u>—</u>                       | <u>3,449,935</u>   |
|   | <u>\$81,667,351</u>                   | <u>\$25,434,860</u>                         | <u>\$2,000,783</u>             | <u>\$54,231,708</u>  |

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

2. **Net Patient Service Revenues (Continued)**

Revenues from the Medicare and Medicaid programs accounted for approximately 36% and 5%, respectively, of the System's net patient service revenues for the year ended September 30, 2015 and 32% and 4%, respectively, for the year ended September 30, 2014. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System 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.

The System 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) and is reimbursed 101% of allowable costs for its inpatient and outpatient services provided to beneficiaries with a decrease of 2% beginning April 1, 2013 related to sequestration. 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 2011 with final settlements processed through 2011.

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 final settlements processed through 2011.

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.



ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

3. **Charity Care (Unaudited)**

The Hospital provided charity care to eligible patients. Estimated costs incurred to provide charity care were approximately \$304,650 and \$852,000 for the years ended September 30, 2015 and 2014, respectively. The System 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:

|   | <u>2015</u>        | <u>2014</u>        |
|---|--------------------|--------------------|
| Estimated costs incurred in excess of payment for inpatient and outpatient services   | \$2,800,000        | \$3,050,000        |
| Estimated cost of community health improvement sources, community benefit operations, health professions education and cash and in-kind contributions to community groups | <u>346,830</u>     | <u>395,232</u>     |
|   | <u>\$3,146,830</u> | <u>\$3,445,232</u> |

4. **Investments**

The composition of assets whose use is limited or restricted and short and long-term investments at September 30, 2015 and 2014 is set forth in the following table:

|                              | <u>Cost</u><br><u>2015</u> | <u>Fair Value</u><br><u>2015</u> | <u>Cost</u><br><u>2014</u> | <u>Fair Value</u><br><u>2014</u> |
|------------------------------|----------------------------|----------------------------------|----------------------------|----------------------------------|
| Cash and cash equivalents    | \$3,701,765                | \$3,701,765                      | \$3,067,059                | \$3,067,059                      |
| U.S. government securities   | 35,765                     | 37,914                           | 45,760                     | 49,413                           |
| Marketable equity securities | 3,250                      | 3,475                            | 14,903                     | 17,984                           |
| Mutual funds                 | <u>5,944,626</u>           | <u>6,162,991</u>                 | <u>5,666,541</u>           | <u>6,568,940</u>                 |
| Total assets                 | <u>\$9,685,406</u>         | <u>\$9,906,145</u>               | <u>\$8,794,263</u>         | <u>\$9,703,396</u>               |

*Assets Whose Use is Limited or Restricted*

Assets whose use is limited or restricted consist of the following at September 30:

|   | <u>2015</u>        | <u>2014</u>        |
|---|--------------------|--------------------|
| Donor restricted:                         |                    |                    |
| Cash and cash equivalents                 | \$ 468,148         | \$ 628,955         |
| Board designated for Hospital renovation: |                    |                    |
| Cash and cash equivalents                 | 3,205,444          | 2,381,090          |
| Agency funds:                             |                    |                    |
| Cash and cash equivalents                 | <u>28,173</u>      | <u>57,014</u>      |
|   | <u>\$3,701,765</u> | <u>\$3,067,059</u> |

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

**4. Investments (Continued)**

*Short and Long-Term Investments*

Short and long-term investments, stated at fair value, include the following at September 30:

|                                | <u>2015</u>            | <u>2014</u>            |
|--------------------------------|------------------------|------------------------|
| U.S. government securities     | \$ 37,914              | \$ 49,413              |
| Marketable equity securities   | 3,475                  | 17,984                 |
| Mutual funds                   | <u>6,162,991</u>       | <u>6,568,940</u>       |
|                                | 6,204,380              | 6,636,337              |
| <br>Less long-term investments | <br><u>(27,950)</u>    | <br><u>(30,898)</u>    |
|                                | <br><u>\$6,176,430</u> | <br><u>\$6,605,439</u> |

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:

|  | <u>2015</u>        | <u>2014</u>      |
|--|--------------------|------------------|
| Income:                                    |                    |                  |
| Interest and dividend income               | \$ 274,163         | \$196,197        |
| Realized gains on sales of securities, net | <u>99,740</u>      | <u>416,603</u>   |
|  | <u>\$ 373,903</u>  | <u>\$612,800</u> |
| <br>Other changes in net assets:           |                    |                  |
| Net unrealized (losses) gains:             |                    |                  |
| Unrestricted                               | \$(687,779)        | \$ 6,714         |
| Permanently restricted                     | <u>(615)</u>       | <u>—</u>         |
|  | <u>\$(688,394)</u> | <u>\$ 6,714</u>  |

The System'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 System.

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

5. **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 System uses various methods including market, income and cost approaches. Based on these approaches, the System 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 System 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 System 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.

In determining the appropriate levels, the System 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.

For the fiscal years ended September 30, 2015 and 2014, 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>       |
|--|--------------------|-----------------|----------------|--------------------|
| <u>2015</u>                                |                    |                 |                |                    |
| Assets:                                    |                    |                 |                |                    |
| Assets whose use is limited or restricted: |                    |                 |                |                    |
| Cash and cash equivalents                  | \$3,701,765        | \$ —            | \$ —           | \$3,701,765        |
| Investments:                               |                    |                 |                |                    |
| Marketable equity securities:              |                    |                 |                |                    |
| Commodities                                | 3,475              | —               | —              | 3,475              |
| Mutual funds:                              |                    |                 |                |                    |
| Domestic equity                            | 2,945,994          | —               | —              | 2,945,994          |
| Foreign equity                             | 2,065,186          | —               | —              | 2,065,186          |
| Fixed income                               | 1,151,811          | —               | —              | 1,151,811          |
| U.S. government securities                 | <u>—</u>           | <u>37,914</u>   | <u>—</u>       | <u>37,914</u>      |
| Total assets                               | <u>\$9,868,231</u> | <u>\$37,914</u> | <u>\$ —</u>    | <u>\$9,906,145</u> |



**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

**5. Fair Value Measurements (Continued)**

|  | <u>Level 1</u>       | <u>Level 2</u>       | <u>Level 3</u>       | <u>Total</u>       |
|--|----------------------|----------------------|----------------------|--------------------|
| <u>2014</u>                                |                      |                      |                      |                    |
| Assets:                                    |                      |                      |                      |                    |
| Assets whose use is limited or restricted: |                      |                      |                      |                    |
| Cash and cash equivalents                  | \$3,067,059          | \$ -                 | \$ -                 | \$3,067,059        |
| Investments:                               |                      |                      |                      |                    |
| Marketable equity securities:              |                      |                      |                      |                    |
| Industrials                                | 1,057                | -                    | -                    | 1,057              |
| Consumer discretionary                     | 2,715                | -                    | -                    | 2,715              |
| Consumer staples                           | 716                  | -                    | -                    | 716                |
| Energy                                     | 981                  | -                    | -                    | 981                |
| Healthcare                                 | 1,743                | -                    | -                    | 1,743              |
| Commodities                                | 10,772               | -                    | -                    | 10,772             |
| Mutual funds:                              |                      |                      |                      |                    |
| Domestic equity                            | 3,489,530            | -                    | -                    | 3,489,530          |
| Foreign equity                             | 1,943,948            | -                    | -                    | 1,943,948          |
| Fixed income                               | 1,135,462            | -                    | -                    | 1,135,462          |
| U.S. government securities                 | <u>          -</u>   | <u>49,413</u>        | <u>          -</u>   | <u>49,413</u>      |
| Total assets                               | <u>\$9,653,983</u>   | <u>\$49,413</u>      | <u>\$          -</u> | <u>\$9,703,396</u> |
| Liabilities:                               |                      |                      |                      |                    |
| Interest rate swap                         | <u>\$          -</u> | <u>\$          -</u> | <u>\$185,557</u>     | <u>\$ 185,557</u>  |

**6. Property and Equipment**

Property and equipment, including amounts recorded under capital leases, consists of the following at September 30:

|  | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|
| Land and land improvements                     | \$ 3,238,970         | \$ 3,137,107         |
| Buildings and improvements                     | 55,684,369           | 55,331,658           |
| Fixed equipment                                | 8,180,739            | 8,045,972            |
| Major movable equipment                        | <u>18,549,330</u>    | <u>16,837,792</u>    |
|  | 85,653,408           | 83,352,529           |
| Less accumulated depreciation and amortization | <u>(41,187,449)</u>  | <u>(38,120,833)</u>  |
|  | 44,465,959           | 45,231,696           |
| Construction in progress                       | <u>647,602</u>       | <u>869,425</u>       |
|  | <u>\$ 45,113,561</u> | <u>\$ 46,101,121</u> |



**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

**6. Property and Equipment (Continued)**

The carrying amount of assets under capital lease was \$679,912 and \$352,182 at September 30, 2015 and 2014, respectively, and is included in fixed equipment above. See also note 13.

Depreciation expense for the years ended September 30, 2015 and 2014 amounted to \$3,322,169 and \$3,402,655, respectively.

**7. Pledges Receivable**

Gross pledges receivable from donors as of September 30, 2015 and 2014 were \$567,221 and \$992,453, respectively. Pledges are due as follows at September 30, 2015:

|   |                  |
|---|------------------|
| 2016  | \$344,314        |
| 2017  | 218,657          |
| 2018  | <u>4,250</u>     |
|   | 567,221          |
| Less discounts and allowances for uncollectible pledges | <u>(30,140)</u>  |
|   | <u>\$537,081</u> |

**8. Irrevocable Trust**

In February 2011, Lifecare was named the beneficiary of an irrevocable charitable lead annuity trust, the proceeds of which are temporarily restricted for the subsidy for Harvest Hill residents and for the Hughes Care Unit at Harvest Hill. Under the terms of the agreement, a Trust was established to hold, manage and invest the funds. The Trustee will make payments to Lifecare totaling \$500,000 over the eleven-year term of the agreement. At the end of the term, the remaining trust assets revert to the donor's family. The expected future cash inflows from the trust have been recorded at present value in prepaid expenses and other current assets (\$50,500 at both September 30, 2015 and 2014) and other assets (\$222,228 and \$262,218 at September 30, 2015 and 2014, respectively), based on a discount rate of 3.31%.

Expected cash payments to be received under the trust are as follows as of September 30, 2015:

|                                    |                  |
|------------------------------------|------------------|
| Less than one year                 | \$ 50,500        |
| One to five years                  | 202,000          |
| More than five years               | <u>53,525</u>    |
|                                    | 306,025          |
| Less discount to net present value | <u>(33,297)</u>  |
| Net annuity receivable             | <u>\$272,728</u> |

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

**9. Long-Term Debt**

Long-term debt consists of the following at September 30:

|  | <u>2015</u>         | <u>2014</u>         |
|--|---------------------|---------------------|
| 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, 2.03% as of September 30, 2015, 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 | \$27,428,318        | \$28,023,129        |
| Less current portion   | <u>(628,093)</u>    | <u>(587,308)</u>    |
|  | <u>\$26,800,225</u> | <u>\$27,435,821</u> |

On November 30, 2010, Alice Peck Day Health Systems 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 System 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 System 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 System 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 System is in compliance with these requirements at September 30, 2015.

On August 2, 2010, the System entered into an interest rate swap agreement on the 2007A and 2008 Series Bonds with a financial institution holding a notional amount of \$15,000,000. This swap contract was executed for risk management purposes and was not designated as a hedge. This interest rate swap agreement effectively fixed the rate of interest on the bonds at 1.485%, through August 1, 2015, at which date the swap matured.

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

|            |    |                     |
|------------|----|---------------------|
| 2016       | \$ | 628,093             |
| 2017       |    | 647,143             |
| 2018       |    | 675,121             |
| 2019       |    | 704,309             |
| 2020       |    | 734,759             |
| Thereafter |    | <u>24,038,893</u>   |
|            |    | <u>\$27,428,318</u> |

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

**10. Lines of Credit**

The System has an unsecured line of credit totaling \$1,000,000 with a local bank. Interest on borrowings is charged at the Wall Street Journal prime rate or 3.25%, whichever is higher as determined by the System at the time of borrowing. There was no outstanding balance at September 30, 2015 or 2014. The line of credit expires in April 2016.

In February 2015, the System renewed an additional unsecured line of credit with another 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 September 30, 2015 or 2014. The line of credit expires February 2016.

In July 2015, the System executed a new line of credit with another financial institution which is based on a calculation of pledged investments. The amount available at September 30, 2015 totalled approximately \$3,600,000. This line of credit is secured by the value of eligible securities held by the financial institution. Interest on borrowings is at a variable rate. There was no outstanding balance at September 30, 2015. The line of credit can be terminated at any time without prior notice by the financial institution.

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

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

|   | <u>2015</u>      | <u>2014</u>        |
|---|------------------|--------------------|
| Monthly rent subsidies and assisted living operations             | \$478,846        | \$ 505,638         |
| Health care services, community welfare and construction projects | <u>377,522</u>   | <u>702,460</u>     |
|   | <u>\$856,368</u> | <u>\$1,208,098</u> |

Permanently restricted net assets are attributed to the following at September 30:

|  | <u>2015</u>      | <u>2014</u>      |
|--|------------------|------------------|
| Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating income) | <u>\$ 30,268</u> | <u>\$ 30,883</u> |



ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

**12. Concentrations of Credit Risk**

The System 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:

|                          | <u>2015</u> | <u>2014</u> |
|--------------------------|-------------|-------------|
| Medicare                 | 19%         | 17%         |
| Medicaid                 | 13          | 11          |
| Anthem Blue Cross        | 15          | 13          |
| Other third-party payors | 22          | 21          |
| Patients                 | <u>31</u>   | <u>38</u>   |
|                          | <u>100%</u> | <u>100%</u> |

**13. Commitments and Contingencies**

Operating Leases

The System has various operating leases relative to its office and offsite locations. Future annual minimum lease payments under these noncancellable leases as of September 30, 2015 are as follows for the years ending September 30:

|      |           |
|------|-----------|
| 2016 | \$605,530 |
| 2017 | 427,117   |
| 2018 | 194,004   |

Rent expense was \$919,000 and \$908,000 for the years ended September 30, 2015 and 2014, respectively.

Capital Lease

The System 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 System 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. Future minimum lease payments are as follows for the years ending September 30:

|  |                   |
|--|-------------------|
| 2016   | \$ 250,440        |
| 2017   | 250,440           |
| 2018   | 116,808           |
| 2019   | 116,808           |
| 2020   | <u>29,202</u>     |
| Total minimum lease payments                     | 763,698           |
| Less amount representing interest                | <u>(80,963)</u>   |
|  | 682,735           |
| Less current portion                             | <u>(250,440)</u>  |
| Capital lease obligation, net of current portion | \$ <u>432,295</u> |

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and 2014

13. **Commitments and Contingencies (Continued)**

*Insurance*

The System, 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 System. The policy includes an endorsement that covers the System for claims made retroactive to January 1995 (and retroactive to September 1985 for the Hospital). This policy has been renewed through September 30, 2016. As of September 30, 2015, 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. At September 30, 2015 and 2014, the System had recorded \$288,600 as an estimated tail liability for its claims made policy, which amounts are included in other liabilities in the accompanying consolidated balance sheets.

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

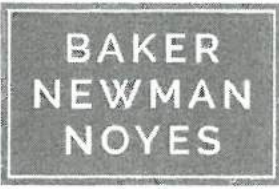
*Environmental Liability*

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 System 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 consolidated financial statements.

14. **Functional Expenses**

The System 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 for the years ended September 30:

|                            | <u>2015</u>    | <u>2014</u>    |
|----------------------------|----------------|----------------|
| Health care services       | \$57,601,724   | \$51,056,181   |
| Program activities         | 7,673,014      | 7,562,561      |
| General and administrative | 4,103,111      | 4,028,508      |
| Fundraising expenses       | <u>255,719</u> | <u>362,556</u> |
|                            | \$69,633,568   | \$63,009,806   |



**INDEPENDENT AUDITORS' REPORT  
ON ADDITIONAL INFORMATION**

The Board of Trustees  
Alice Peck Day Health Systems Corp. and Subsidiaries

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

Manchester, New Hampshire  
January 26, 2016

*Baker Newman & Noyes*  
Limited Liability Company

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

CONSOLIDATING BALANCE SHEETS

September 30, 2015  
(With Comparative Totals for 2014)

ASSETS

|  | Alice<br>Peck Day<br>Health<br>Systems<br>Corp. | Alice<br>Peck Day<br>Memorial<br>Hospital | Alice<br>Peck Day<br>Lifecare<br>Center,<br>Inc. | Elimi-<br>nations    | 2015<br>Consol-<br>idated | 2014<br>Consol-<br>idated<br><br>(as restated) |
|--|---|---|--|----------------------|---------------------------|--|
| Current assets:                            |   |   |  |                      |                           |  |
| Cash and cash equivalents                  | \$ 59,441                                       | \$ 5,039,996                              | \$ 4,269,747                                     | \$ -                 | \$ 9,369,184              | \$11,153,477                                   |
| Short-term investments                     | 1,888,252                                       | 4,288,178                                 | -  | -                    | 6,176,430                 | 6,605,439                                      |
| Accounts receivable, net                   | -   | 10,563,099                                | 46,327   | -                    | 10,609,426                | 9,788,460                                      |
| Current portion of pledges receivable, net | -   | 326,128                                   | -  | -                    | 326,128                   | 472,373  |
| Estimated third-party payor settlements    | -   | 3,011,431                                 | -  | -                    | 3,011,431                 | -  |
| Due from affiliates                        | 203,155   | 1,844,505                                 | -  | (2,047,660)          | -                         | -  |
| Supplies                                   | -   | 1,162,166                                 | 23,940   | -                    | 1,186,106                 | 1,163,052                                      |
| Prepaid expenses and other current assets  | 321   | 434,276                                   | 73,628   | -                    | 508,225                   | 489,529  |
| Total current assets                       | <u>2,151,169</u>                                | <u>26,669,779</u>                         | <u>4,413,642</u>                                 | <u>(2,047,660)</u>   | <u>31,186,930</u>         | <u>29,672,330</u>                              |
| Assets whose use is limited or restricted  | -   | 3,481,165                                 | 220,600  | -                    | 3,701,765                 | 3,067,059                                      |
| Property and equipment, net                | -   | 17,158,840                                | 27,954,721                                       | -                    | 45,113,561                | 46,101,121                                     |
| Resident unit deposits                     | -   | -   | 240,719  | -                    | 240,719                   | 183,000  |
| Long-term investments                      | -   | 27,950                                    | -  | -                    | 27,950                    | 30,898   |
| Pledges receivable, net                    | -   | 210,953                                   | -  | -                    | 210,953                   | 474,520  |
| Deferred financing costs, net              | -   | 104,978                                   | -  | -                    | 104,978                   | 110,795  |
| Other assets                               | -   | 113,100                                   | 222,228  | -                    | 335,328                   | 270,719  |
| Total assets                               | <u>\$2,151,169</u>                              | <u>\$47,766,765</u>                       | <u>\$33,051,910</u>                              | <u>\$(2,047,660)</u> | <u>\$80,922,184</u>       | <u>\$79,910,442</u>                            |



LIABILITIES AND NET ASSETS (DEFICIT)

|  | Alice<br>Peck Day<br>Health<br>Systems<br>Corp. | Alice<br>Peck Day<br>Memorial<br>Hospital | Alice<br>Peck Day<br>Lifecare<br>Center,<br>Inc. | Elimi-<br>nations | 2015<br>Consol-<br>idated | 2014<br>Consol-<br>idated<br><br>(as restated) |
|--|---|---|--|-------------------|---------------------------|--|
| Current liabilities:                             |   |   |  |                   |                           |  |
| Accounts payable and accrued expenses            | \$ 126  | \$ 8,129,078                              | \$ 420,207                                       | \$ -              | \$ 8,549,411              | \$ 6,184,644                                   |
| Accrued salaries and related amounts             | 19,469  | 3,193,843                                 | 384,389  | -                 | 3,597,701                 | 3,747,403                                      |
| Due to affiliates                                | -   | -   | 2,047,660  | (2,047,660)       | -                         | -  |
| Estimated third-party payor settlements          | -   | -   | -  | -                 | -                         | 238,290  |
| Current portion of deferred annuities            | -   | 17,645                                    | -  | -                 | 17,645                    | 17,645   |
| Current portion of capital lease obligation      | -   | 250,440                                   | -  | -                 | 250,440                   | 113,352  |
| Current portion of long-term debt                | 10,503  | 362,235                                   | 255,355  | -                 | 628,093                   | 587,308  |
| Total current liabilities                        | 30,098  | 11,953,241                                | 3,107,611  | (2,047,660)       | 13,043,290                | 10,888,642                                     |
| Long-term debt, net of current portion           | 453,878   | 15,654,421                                | 10,691,926                                       | -                 | 26,800,225                | 27,435,821                                     |
| Capital lease obligation, net of current portion | -   | 432,295                                   | -  | -                 | 432,295                   | 249,987  |
| Resident unit deposits                           | -   | -   | 240,719  | -                 | 240,719                   | 183,000  |
| Deferred resident fees                           | -   | -   | 1,773,388  | -                 | 1,773,388                 | 2,095,963                                      |
| Entrance fees                                    | -   | -   | 23,506,590                                       | -                 | 23,506,590                | 23,637,762                                     |
| Interest rate swap                               | -   | -   | -  | -                 | -                         | 185,557  |
| Other liabilities                                | -   | 428,936                                   | -  | -                 | 428,936                   | 328,513  |
| Total liabilities                                | 483,976   | 28,468,893                                | 39,320,234                                       | (2,047,660)       | 66,225,443                | 65,005,245                                     |
| Net assets (deficit):                            |   |   |  |                   |                           |  |
| Unrestricted                                     | 1,667,193                                       | 18,890,082                                | (6,747,170)                                      | -                 | 13,810,105                | 13,666,216                                     |
| Temporarily restricted                           | -   | 377,522                                   | 478,846  | -                 | 856,368                   | 1,208,098                                      |
| Permanently restricted                           | -   | 30,268                                    | -  | -                 | 30,268                    | 30,883   |
| Total net assets (deficit)                       | 1,667,193                                       | 19,297,872                                | (6,268,324)                                      | -                 | 14,696,741                | 14,905,197                                     |
| Total liabilities and net assets                 | \$2,151,169                                     | \$47,766,765                              | \$33,051,910                                     | \$(2,047,660)     | \$80,922,184              | \$79,910,442                                   |



**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENTS OF OPERATIONS**

Year Ended September 30, 2015  
(With Comparative Totals for 2014)

|  | Alice<br>Peck Day<br>Health<br>Systems<br>Corp. | Alice<br>Peck Day<br>Memorial<br>Hospital | Alice<br>Peck Day<br>Lifecare<br>Center,<br>Inc. | Elimi-<br>nations | 2015<br>Conso-<br>lidated | 2014<br>Conso-<br>lidated<br><br>(as restated) |
|--|---|---|--|-------------------|---------------------------|--|
| Net patient service revenues, net of contractual allowances and discounts          | \$ —  | \$ 63,211,381                             | \$ —   | \$ —              | \$ 63,211,381             | \$ 56,232,491                                  |
| Provision for bad debts  | —   | <u>(1,504,718)</u>                        | —  | —                 | <u>(1,504,718)</u>        | <u>(2,000,783)</u>                             |
| Net patient service revenues less provision for bad debts                          | —   | 61,706,663                                | —  | —                 | 61,706,663                | 54,231,708                                     |
| Resident service revenue   | —   | —   | 6,090,244  | —                 | 6,090,244                 | 5,669,356                                      |
| Earned entrance fees   | —   | —   | 885,035  | —                 | 885,035                   | 852,518  |
| Other revenue  | 103,375   | 1,024,407                                 | 62,190   | —                 | 1,189,972                 | 1,526,180                                      |
| Net assets released from restrictions used for operations                          | —   | <u>290,030</u>                            | <u>30,890</u>                                    | —                 | <u>320,920</u>            | <u>89,929</u>                                  |
| Total unrestricted revenues, gains and other support                               | <u>103,375</u>                                  | <u>63,021,100</u>                         | <u>7,068,359</u>                                 | —                 | <u>70,192,834</u>         | <u>62,369,691</u>                              |
| Expenses:  |   |   |  |                   |                           |  |
| Salaries and benefits  | 37,069  | 36,019,107                                | 4,167,908  | —                 | 40,224,084                | 37,141,102                                     |
| Provider fees  | —   | 3,915,506                                 | —  | —                 | 3,915,506                 | 3,225,235                                      |
| Supplies and other   | 3,500   | 18,375,360                                | 2,239,526  | —                 | 20,618,386                | 17,826,860                                     |
| Insurance  | 109   | 670,798                                   | 86,779   | —                 | 757,686                   | 558,639  |
| Depreciation and amortization  | —   | 1,930,895                                 | 1,397,091  | —                 | 3,327,986                 | 3,408,823                                      |
| Interest expense   | 12,356  | 478,093                                   | 299,471  | —                 | 789,920                   | 849,147  |
| Total expenses   | <u>53,034</u>                                   | <u>61,389,759</u>                         | <u>8,190,775</u>                                 | —                 | <u>69,633,568</u>         | <u>63,009,806</u>                              |
| Income (loss) from operations  | 50,341  | 1,631,341                                 | (1,122,416)                                      | —                 | 559,266                   | (640,115)                                      |
| Nonoperating income (expense):   |   |   |  |                   |                           |  |
| Impact of interest rate swap   | 3,142   | 100,448                                   | 81,967   | —                 | 185,557                   | 175,199  |
| Loss on disposal of equipment  | —   | <u>(66,850)</u>                           | —  | —                 | <u>(66,850)</u>           | <u>(300)</u>                                   |
| Total nonoperating income (expense)  | <u>3,142</u>                                    | <u>33,598</u>                             | <u>81,967</u>                                    | —                 | <u>118,707</u>            | <u>174,899</u>                                 |
| Excess (deficiency) of revenues, gains and other support over expenses             | 53,483  | 1,664,939                                 | (1,040,449)                                      | —                 | 677,973                   | (465,216)                                      |
| Change in net unrealized (losses) gains on investments                             | (210,417)                                       | (477,362)                                 | —  | —                 | (687,779)                 | 6,714  |
| Net assets released from restrictions used for purchases of property and equipment | —   | <u>153,695</u>                            | —  | —                 | <u>153,695</u>            | —  |
| (Decrease) increase in unrestricted net assets                                     | <u>\$(156,934)</u>                              | <u>\$ 1,341,272</u>                       | <u>\$(1,040,449)</u>                             | <u>\$ —</u>       | <u>\$ 143,889</u>         | <u>\$ (458,502)</u>                            |

**ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENTS OF CASH FLOWS**

Year Ended September 30, 2015  
(With Comparative Totals for 2014)

|  |    | <u>Alice<br/>Peck Day<br/>Health<br/>Systems<br/>Corp.</u> | <u>Alice<br/>Peck Day<br/>Memorial<br/>Hospital</u> | <u>Alice<br/>Peck Day<br/>Lifecare<br/>Center,<br/>Inc.</u> | <u>2015<br/>Consol-<br/>idated</u> | <u>2014<br/>Consol-<br/>idated</u><br><small>(as restated)</small> |
|--|----|--|---|---|------------------------------------|--|
| Cash flows from operating activities:  |    |  |   |   |                                    |  |
| (Decrease) increase in net assets  | \$ | (156,934)  | \$ 1,015,719  | \$ (1,067,241)  | \$ (208,456)                       | \$ (399,377)   |
| Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities: |    |  |   |   |                                    |  |
| Amortization of deferred entrance fees   |    | -  | -   | (170,284)   | (170,284)                          | (504,919)  |
| Depreciation and amortization  |    | -  | 1,930,895   | 1,397,091   | 3,327,986                          | 3,408,823  |
| Provision for bad debts, net of recoveries   |    | -  | 1,504,718   | -   | 1,504,718                          | 2,000,783  |
| Net realized and unrealized losses (gains) on investments  |    | 190,550  | 398,104   | -   | 588,654                            | (423,317)  |
| Adjustment of interest rate swap to fair value   |    | (3,142)  | (100,448)   | (81,967)  | (185,557)                          | (175,199)  |
| Loss on disposal of equipment  |    | -  | 66,850  | -   | 66,850                             | 300  |
| Restricted contributions   |    | -  | (109,787)   | (13,098)  | (122,885)                          | (149,054)  |
| Resident unit deposits   |    | -  | -   | (57,719)  | (57,719)                           | (23,000)   |
| Changes in operating assets and liabilities:   |    |  |   |   |                                    |  |
| Accounts receivable  |    | -  | (2,297,344)   | (28,340)  | (2,325,684)                        | (3,464,521)  |
| Supplies   |    | -  | (23,425)  | 371   | (23,054)                           | (10,061)   |
| Prepaid expenses, other current assets, and other assets   |    | (142)  | (114,954)   | 31,791  | (83,305)                           | 1,842,901  |
| Due (from) to affiliates   |    | 11,272   | (224,837)   | 213,565   | -                                  | -  |
| Accounts payable and accrued expenses  |    | (943)  | 2,319,689   | 46,021  | 2,364,767                          | (115,543)  |
| Accrued salaries and related amounts   |    | 3,983  | (185,503)   | 31,818  | (149,702)                          | 888,527  |
| Estimated third-party payor settlements  |    | -  | (3,249,721)   | -   | (3,249,721)                        | 2,070,026  |
| Other liabilities  |    | -  | 100,423   | -   | 100,423                            | (1,879,285)  |
| Net cash provided by operating activities  |    | <u>44,644</u>  | <u>1,030,379</u>                                    | <u>302,008</u>  | <u>1,377,031</u>                   | <u>3,067,084</u>   |

|  | Alice<br>Peck Day<br>Health<br>Systems<br>Corp. | Alice<br>Peck Day<br>Memorial<br>Hospital | Alice<br>Peck Day<br>Lifecare<br>Center,<br>Inc. | 2015<br>Consol-<br>idated | 2014<br>Consol-<br>idated<br>(as restated) |
|--|---|---|--|---------------------------|--|
| Cash flows from investing activities:                |   |   |  |                           |  |
| Purchases of property and equipment                  | \$ —  | \$ (1,732,599)                            | \$ (171,368)                                     | \$ (1,903,967)            | \$ (491,001)                               |
| Proceeds from sale of property and equipment         | —   | —   | —  | —                         | 2,300                                      |
| Purchases of investments                             | (169,706)                                       | (548,140)                                 | —  | (717,846)                 | (1,717,157)                                |
| Proceeds from sales of investments                   | 115,797   | 445,352                                   | —  | 561,149                   | 2,236,168                                  |
| Increase in assets whose use is limited              | —   | (601,998)                                 | (32,708)   | (634,706)                 | (1,467,524)                                |
| Net cash used by investing activities                | <u>(53,909)</u>                                 | <u>(2,437,385)</u>                        | <u>(204,076)</u>                                 | <u>(2,695,370)</u>        | <u>(1,437,214)</u>                         |
| Cash flows from financing activities:                |   |   |  |                           |  |
| Entrance fees received                               | —   | —   | 4,918,119  | 4,918,119                 | 2,344,550                                  |
| Refunds of entrance fees                             | —   | —   | (5,143,863)                                      | (5,143,863)               | (1,973,500)                                |
| Payments on long-term debt                           | (10,062)  | (341,116)                                 | (243,633)  | (594,811)                 | (569,780)                                  |
| Transfer of long-term debt                           | —   | 883,500                                   | (883,500)  | —                         | —  |
| Payments on capital lease                            | —   | (178,096)                                 | —  | (178,096)                 | (173,774)                                  |
| (Repayments) advances on lines of credit, net        | —   | —   | —  | —                         | (300,000)                                  |
| Proceeds from restricted contributions               | —   | 519,599                                   | 13,098   | 532,697                   | 549,261                                    |
| Net cash (used) provided by financing activities     | <u>(10,062)</u>                                 | <u>883,887</u>                            | <u>(1,339,779)</u>                               | <u>(465,954)</u>          | <u>(123,243)</u>                           |
| Net (decrease) increase in cash and cash equivalents | (19,327)  | (523,119)                                 | (1,241,847)                                      | (1,784,293)               | 1,506,627                                  |
| Cash and cash equivalents at beginning of year       | <u>78,768</u>                                   | <u>5,563,115</u>                          | <u>5,511,594</u>                                 | <u>11,153,477</u>         | <u>9,646,850</u>                           |
| Cash and cash equivalents at end of year             | \$ <u>59,441</u>                                | \$ <u>5,039,996</u>                       | \$ <u>4,269,747</u>                              | \$ <u>9,369,184</u>       | \$ <u>11,153,477</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" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

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

OMB No. 1545-0047

**2014**

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

| <b>1 (a)</b> Name and address of organization or government                           | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance  |
|---|----------------|--------------------------------------|---------------------------------|--|--|---|--|
| Good Neighbor Health Clinic<br>70 North Main Street<br>White River Junction, VT 05001 | 03-0346949     | 501(c)(3)                            | 10,000.                         | 0.                                       |  |   | Operational support for clinic providing free primary care services to patients in the upper   |
| Grafton County Senior Citizens Council - P.O. Box 433 - Lebanon, NH 03766             | 23-7248316     | 501(c)(3)                            | 20,000.                         | 0.                                       |  |   | Operational support for transportation services for area senior citizens. The Council provides |
|   |                |                                      |                                 |  |  |   |  |
|   |                |                                      |                                 |  |  |   |  |
|   |                |                                      |                                 |  |  |   |  |
|   |                |                                      |                                 |  |  |   |  |
|   |                |                                      |                                 |  |  |   |  |

**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 0.

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

Schedule I (Form 990) (2014)

See Part IV for Column (h) descriptions

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

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

**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 the Good Neighbor Health Clinic (which also includes the Red Logan Dental Clinic) as essential to providing access to health care in the Upper Valley NH and White River VT areas. Based on the needed services provided, the Board approved on-going monetary support for these organizations. The annual amount to be contributed by APD to these organizations is approved annually through the annual budget process. APD receives and reviews each

**Part IV Supplemental Information**

year the organizations' published annual reports and also maintains informal contacts throughout the year to monitor the organizations' operations and services.

Part II, line 1, Column (h):

Name of Organization or Government: Good Neighbor Health Clinic

(h) Purpose of Grant or Assistance: Operational support for clinic providing free primary care services to patients in the upper valley area of NH and White River Junction area in Vermont. Patients receiving free care are at or below 225% of the Federal Poverty Level.

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

**2014**

Open to Public Inspection

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](http://www.irs.gov/form990).

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 in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

**b** If any of the boxes 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 in line 1a? .....

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" to line 6a or 6b, describe in Part III.

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

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

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

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

Schedule J (Form 990) 2014

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

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

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

| (A) Name and Title   |      | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                                     | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred in prior Form 990 |
|--|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
|  |      | (i) Base compensation                              | (ii) Bonus & incentive compensation | (iii) Other reportable compensation |  |                         |                                 |   |
| (1) Susan E. Mooney, MD, MS<br>President & CEO                   | (i)  | 302,407.   | 70,015.                             | 21,850.                             | 21,565.  | 47,330.                 | 463,167.                        | 0.  |
|  | (ii) | 15,916.  | 3,685.                              | 1,150.                              | 1,135.   | 2,491.                  | 24,377.                         | 0.  |
| (2) Kathryn M. Vargo, MD<br>Med. Staff President (part year, in) | (i)  | 249,401.   | 7,875.                              | 0.                                  | 5,200.   | 49,294.                 | 311,770.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (3) Beverley Rankin, RN, BSN<br>VP Patient Care, CNO             | (i)  | 166,551.   | 0.                                  | 0.                                  | 3,549.   | 50,318.                 | 220,418.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (4) Randall D. Lea, MD, MPH<br>VP & Chief Medical Officer        | (i)  | 206,938.   | 0.                                  | 0.                                  | 4,263.   | 31,900.                 | 243,101.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (5) Evalie M. Crosby, CPA, FHFMA<br>VP of Finance & CFO          | (i)  | 134,395.   | 0.                                  | 18,400.                             | 2,869.   | 25,448.                 | 181,112.                        | 0.  |
|  | (ii) | 33,599.  | 0.                                  | 4,600.                              | 717.   | 6,361.                  | 45,277.                         | 0.  |
| (6) J. Todd Miller, MS<br>VP & COO                               | (i)  | 155,842.   | 10,800.                             | 0.                                  | 10,495.  | 26,573.                 | 203,710.                        | 0.  |
|  | (ii) | 38,961.  | 2,700.                              | 0.                                  | 2,624.   | 5,983.                  | 50,268.                         | 0.  |
| (7) John P. Houde, MD<br>Physician                               | (i)  | 500,272.   | 23,000.                             | 0.                                  | 5,200.   | 47,865.                 | 576,337.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (8) Adnan Khan, MD<br>Physician                                  | (i)  | 401,700.   | 17,500.                             | 0.                                  | 5,200.   | 30,217.                 | 454,617.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (9) Diane C. Riley, MD, CAQSH<br>Physician                       | (i)  | 426,249.   | 18,066.                             | 0.                                  | 5,200.   | 34,300.                 | 483,815.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (10) Leonard M. Rudolf, MD<br>Physician                          | (i)  | 454,555.   | 19,327.                             | 0.                                  | 5,200.   | 45,544.                 | 524,626.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| (11) Paul Sansone, MD<br>Physician                               | (i)  | 447,288.   | 0.                                  | 0.                                  | 0.   | 46,554.                 | 493,842.                        | 0.  |
|  | (ii) | 0.   | 0.                                  | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |
|  | (i)  |  |                                     |                                     |  |                         |                                 |   |
|  | (ii) |  |                                     |                                     |  |                         |                                 |   |



**Part III Supplemental Information**

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

**Part I, Line 3:**

The compensation of the Organization's CEO/President is determined through a related party, APD Health Systems, Corp, the sole corporate member of the Organization. APD Health Systems used its Compensation Committee, an independent compensation consultant, a compensation survey/study, and approval by its Board's Compensation Committee to establish the CEO/President's compensation and benefits.

**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.

**Schedule J, Part II:**

Salary and benefit expense for the CEO/President and CFO are charged to APD Health Systems, Corp. and then allocated to Alice Peck Day Memorial Hospital and Alice Peck Day Lifecare Center, Inc. based on the relative share of services performed for those entities. On the audited consolidated financial statements and 990, these expenses (\$601,461)

**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.

are included in salaries and benefits expense.

**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](http://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 |  |  |  |  |  |  |   |
|          | <b>Business Finance</b>   |  |                |             |                 |                              |                            |              |    |                         |    |                      |    |  |  |  |  |  |  |   |
| <b>A</b> | Authority of the State of | 52-1304598                               | None           | 11/30/10    | 12,282,000.     | Current Refund Existing Bond |                            | X            |    | X                       |    |                      |    |  |  |  |  |  |  | X |
| <b>B</b> |                           |  |                |             |                 |                              |                            |              |    |                         |    |                      |    |  |  |  |  |  |  |   |
| <b>C</b> |                           |  |                |             |                 |                              |                            |              |    |                         |    |                      |    |  |  |  |  |  |  |   |
| <b>D</b> |                           |  |                |             |                 |                              |                            |              |    |                         |    |                      |    |  |  |  |  |  |  |   |

| Part II | Proceeds   | A           |    | B   |    | C   |    | D   |    |
|---------|--|-------------|----|-----|----|-----|----|-----|----|
| 1       | Amount of bonds retired  |             |    |     |    |     |    |     |    |
| 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  | 12,237,068. |    |     |    |     |    |     |    |
| 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      | 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   |    |
|----------|--|-----|----|-----|----|-----|----|-----|----|
|          |  | Yes | No | Yes | No | Yes | No | Yes | No |
| 1        | Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? |     | X  |     |    |     |    |     |    |
| 2        | Are there any lease arrangements that may result in private business use of bond-financed property?                        |     | X  |     |    |     |    |     |    |

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

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

**Part IV Arbitrage**

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

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

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

Schedule K, Part I, Bond Issues:

(a) Issuer Name: 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 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](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

Form 990, Part III, Line 4a, Program Service Accomplishments:

as 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 year ended September 30, 2015, charity care at a cost of \$304,650 was provided to eligible patients. Estimated costs incurred in excess of payment for inpatient and outpatient services for Medicaid patients in the year ended September 30, 2015 were \$2,801,098.

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, bi-weekly blood pressure checks at a local elderly housing complex, 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 many other initiatives which contributed to and supported our community. 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, and/or materials include: Alcoholics Anonymous, Childbirth Education and Postpartum

Massage, Geisel School of Medicine at Dartmouth, Georgetown University,

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Schedule O (Form 990 or 990-EZ) (2014)

432211  
08-27-14

|  |  |
|--|--|
| Name of the organization<br>Alice Peck Day Memorial Hospital | Employer identification number<br>02-0222791 |
|--|--|

Good Neighbor Health Clinic, Grafton County Senior Center, Grafton County Senior Citizens' Council, Hanover Area Chamber of Commerce, Hartford Chamber of Commerce, Hartford School District, Lebanon Area Chamber of Commerce, Lebanon Kiwanis Bike Safety Rodeo, Lebanon School District, Mascoma School District, Mascoma Valley Health Initiative, Richards School in Newport, River Valley Community College, Upper Valley Public Health Council, Upper Valley Turning Point, Weight Watchers, and Yale University. 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 6:

Alice Peck Day Health Systems, Corp., a charitable corporation, acting by and through its board of trustees, is the sole member of the organization.

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

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

All Trustees shall be elected by the Board of Trustees of the member at the annual meeting of the Member. A nomination slate for the Trustees shall be submitted by the governance committee of the Member. Any Trustee may be removed at any time, with or without cause, by the Member. Vacancies on the Board of Trustees due to death, resignation, or other cause except removal shall be filled by election by the remaining members of the Board. Vacancies caused by removal shall be filled by election by the Member. Trustees elected to fill vacancies shall hold office until the next annual meeting of the Member, at which time successors shall be elected in the manner provided for in the case of original elections.

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

The Organization's annual operating budget and all capital budgets shall be subject to approval by the Member. Any overall strategic plan for the Organization, including the development of off-site facilities or the addition of new programs and affiliations with other institutions, shall be consistent with the strategic plan of the Member as determined by the Member. The borrowing of any sum in excess of \$50,000 which has a stated term of greater than one year or which is secured by a mortgage of all or any portion of the Organization's real property or by a security interest in the Organization's assets or revenues shall be subject to approval by the member, provided, however, that the approval by the Member shall not be necessary for any borrowing to purchase or lease equipment or other personal property secured by a purchase money lien or title retention or security agreement, except as incident to the review of the capital budget. Any voluntary dissolution, merger or consolidation of the Organization or the sale or transfer of all or substantially all of the Organization's



|  |  |
|--|--|
| Name of the organization<br>Alice Peck Day Memorial Hospital | Employer identification number<br>02-0222791 |
|--|--|

assets or the creation or acquisition of any subsidiary or affiliate corporation shall be subject to approval by the Member. The Board shall select certified public accountants for the Organization which will audit the books and records of the Member. The Board shall select the President who must be confirmed by the Member.

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

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 Board, finance, and governance committees has been appropriately addressed and incorporated into the final Form 990, a vote of acceptance of the final 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

|  |  |
|--|--|
| Name of the organization<br>Alice Peck Day Memorial Hospital | Employer identification number<br>02-0222791 |
|--|--|

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 Compensation Committee of the Alice Peck Day Health Systems, Corp. Board of Trustees is responsible for determining the compensation of the Chief Executive Officer/President. The Vice President of Human Resources and Organizational Development 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. The CEO/President is responsible for reviewing the performance of senior management staff. The information is brought to the compensation 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 compensation committee

Name of the organization

Alice Peck Day Memorial Hospital

Employer identification number

02-0222791

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 an average of 51 hours per week were spent on executive matters and 10 in her role as a physician.

Form 990, Part IX, Line 11g, Other Fees:

Purchased Services:

|  |            |
|--|------------|
| Program service expenses                               | 6,671,999. |
| Management and general expenses                        | 286,839.   |
| Fundraising expenses                                   | 36,109.    |
| Total expenses   | 6,994,947. |
| Total Other Fees on Form 990, Part IX, line 11g, Col A | 6,994,947. |

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

|                              |          |
|------------------------------|----------|
| Impact of Interest Rate Swap | 100,448. |
|------------------------------|----------|

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.

|   |   |
|---|---|
| Name of the organization<br><b>Alice Peck Day Memorial Hospital</b> | Employer identification number<br><b>02-0222791</b> |
|---|---|

Independent accountants performed the audit for the fiscal years ended 9/30/14 and 9/30/15.

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.

**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](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**  
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)<br>Name, address, and EIN (if applicable)<br>of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or<br>foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling<br>entity |
|--|-------------------------|---|---------------------|---------------------------|-------------------------------------|
|  |                         |   |                     |                           |                                     |
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**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)<br>Name, address, and EIN<br>of related organization  | (b)<br>Primary activity          | (c)<br>Legal domicile (state or<br>foreign country) | (d)<br>Exempt Code<br>section | (e)<br>Public charity<br>status (if section<br>501(c)(3)) | (f)<br>Direct controlling<br>entity | (g)<br>Section 512(b)(13)<br>controlled<br>entity? |    |
|---|----------------------------------|---|-------------------------------|---|-------------------------------------|--|----|
|   |                                  |   |                               |   |                                     | Yes  | No |
| Alice Peck Day Health Systems, Corp. -<br>02-0479095, 10 Alice Peck Day Drive,<br>Lebanon, NH 03766 | Promote Health                   | New Hampshire                                       | 501(c)(3)                     | Line 11b, II  | N/A                                 |  | X  |
| Alice Peck Day Lifecare Center, Inc. -<br>02-0479094, 10 Alice Peck Day Drive,<br>Lebanon, NH 03766 | Independent & Assisted<br>Living | New Hampshire                                       | 501(c)(3)                     | Line 9  | APD Health<br>Systems               |  | X  |
| Alice Peck Day Realty Corp. - 02-0485369<br>10 Alice Peck Day Drive<br>Lebanon, NH 03766            | Inactive                         | New Hampshire                                       | 501(c)(2)                     |   | APD Health<br>Systems               |  | X  |
|   |                                  |   |                               |   |                                     |  |    |
|   |                                  |   |                               |   |                                     |  |    |

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule R (Form 990) 2014

**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)<br>Name, address, and EIN<br>of related organization | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax under<br>sections 512-514) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V-UBI<br>amount in box<br>20 of Schedule<br>K-1 (Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|--|-------------------------|---|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
|  |                         |   |                                     |   |                                 |  | Yes                                     | No |   | Yes                                       | No |                                |
|  |                         |   |                                     |   |                                 |  |   |    |   |   |    |                                |
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**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)<br>Name, address, and EIN<br>of related organization  | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Percentage<br>ownership | (i)<br>Section<br>512(b)(13)<br>controlled<br>entity? |    |
|---|-------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|---|----|
|   |                         |   |                                     |  |                                 |  |                                | Yes   | No |
| Alice Peck Day Health Management Corp. -<br>02-0485370, 10 Alice Peck Day Drive,<br>Lebanon, NH 03766 | Inactive                | NH  | N/A                                 | C CORP   | N/A                             | N/A                                      | N/A                            |   | X  |
|   |                         |   |                                     |  |                                 |  |                                |   |    |
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**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 |
|--|-----|----|
| <b>1</b> 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? |     |    |
| <b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....   |     | X  |
| <b>b</b> Gift, grant, or capital contribution to related organization(s) .....   |     | X  |
| <b>c</b> Gift, grant, or capital contribution from related organization(s) .....   |     | X  |
| <b>d</b> Loans or loan guarantees to or for related organization(s) .....  |     | X  |
| <b>e</b> Loans or loan guarantees by related organization(s) .....   |     | X  |
| <b>f</b> Dividends from related organization(s) .....  |     | X  |
| <b>g</b> Sale of assets to related organization(s) .....   |     | X  |
| <b>h</b> Purchase of assets from related organization(s) .....   |     | X  |
| <b>i</b> Exchange of assets with related organization(s) .....   |     | X  |
| <b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....  |     | X  |
| <b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....  |     | X  |
| <b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....  |     | X  |
| <b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....   |     | X  |
| <b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....   |     | X  |
| <b>o</b> Sharing of paid employees with related organization(s) .....  | X   |    |
| <b>p</b> Reimbursement paid to related organization(s) for expenses .....  | X   |    |
| <b>q</b> Reimbursement paid by related organization(s) for expenses .....  |     | X  |
| <b>r</b> Other transfer of cash or property to related organization(s) .....   |     | X  |
| <b>s</b> 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)<br>Name of related organization | (b)<br>Transaction type (a-s) | (c)<br>Amount involved | (d)<br>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)<br>Name, address, and EIN<br>of entity | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or foreign<br>country) | (d)<br>Predominant income<br>(related, unrelated,<br>excluded from tax under<br>sections 512-514) | (e)<br><small>Are all<br/>partners sec.<br/>501(c)(3)<br/>orgs.?</small> |    | (f)<br>Share of<br>total<br>income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br><small>Dispropor-<br/>tionate<br/>allocations?</small> |    | (i)<br>Code V-UBI<br>amount in box 20<br>of Schedule K-1<br>(Form 1065) | (j)<br><small>General or<br/>managing<br/>partner?</small> |    | (k)<br>Percentage<br>ownership |
|--|-------------------------|--|---|--|----|------------------------------------|--|---|----|---|--|----|--------------------------------|
|  |                         |  |   | Yes  | No |                                    |  | Yes   | No |   | Yes  | No |                                |
|  |                         |  |   |  |    |                                    |  |   |    |   |  |    |                                |
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432164 08-14-14



**Part VII** Supplemental Information

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

*(This area contains multiple horizontal lines for supplemental information.)*