

October 7, 2014

**VIA HAND DELIVERY**

Office of the Attorney General  
55 Elm Street, P.O. Box 120  
Hartford, CT 06141-0120  
Attn: Perry Zinn Rowthorn, Deputy Attorney General

Office of Health Care Access, Dept. of Public Health  
410 Capitol Avenue  
Hartford, CT 06134  
Attn: Lisa Davis, Deputy Commissioner

**Re: Proposal for Joint Venture between Greater Waterbury Health Network, Inc., and Vanguard Health Systems, Inc. – OHCA Docket No. 13-31838-CON and Attorney General Docket No. 13-486-01**

Dear Mr. Rowthorn and Ms. Davis:

Greater Waterbury Health Network, Inc. and Vanguard Healthcare Services, Inc., a wholly owned subsidiary of Tenet Healthcare Corporation, hereby submit responses to the Office of Health Care Access Interrogatories dated September 10, 2014. At your request, Mr. Rowthorn's office will receive one copy and Ms. Davis' office will receive seven copies. In addition, each office will receive copies by electronic mail and on a disc.

If you have any questions or need anything further, please contact me at (203) 578-4202. Thank you for your assistance in this matter.

Very truly yours,

CARMODY TORRANCE SANDAK & HENNESSEY LLP

By

  
Kristin Connors

{W2455793}

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**Enclosures**

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Massachusetts Nurses Association

Connecticut Health Care Associates

**DOCKET NO: 13-31838-486**

**IN RE APPLICATION FOR JOINT : STATE OF CONNECTICUT  
VENTURE BETWEEN GREATER :  
WATERBURY HEALTH NETWORK, INC. : OFFICE OF HEALTH CARE  
and VANGUARD HEALTH SYSTEMS, : ACCESS  
INC. :  
: OCTOBER 7, 2014**

**APPLICANTS' RESPONSES TO OFFICE OF HEALTH CARE ACCESS  
INTERROGATORIES DATED SEPTEMBER 10, 2014**

***Office of Health Care Access Docket Number: 13-31838-486  
Attorney General Docket Number:13-486-01***

**Proposal for Joint Venture between Greater Waterbury Health Network, Inc. and  
Vanguard Health Systems, Inc.**

**1. How will the for-profit nature of Tenet affect the provision of health care in the  
community.**

The provision of health care in greater Waterbury will not be affected by the for-profit status of Tenet, as there is no correlation between the tax status of a hospital and the quality of care, charity care and other benefits provided to the community it serves. The opportunity represented by this Application, however, affords an opportunity for this community hospital to regain financial stability, make much needed capital investments and increase the quality and access to care for the entire community.

Tenet's financial resources, access to capital and expertise in operating 80 hospitals in 14 states will positively affect the provision of healthcare in Waterbury. Tenet's capital and access to capital will mean that Waterbury Hospital will have the financial resources to purchase new technology, upgrade the physical plant and attract more skilled physicians. In addition, as the operator of 80 hospitals, Tenet will introduce practices that will reduce costs and improve care by sharing its best practices.

Tenet offers not only financial strength, but also extensive experience and expertise in operating hospitals. In order to improve the already outstanding quality of care that Waterbury Hospital provides in the Waterbury community, and also adapt to the new mandates of the Affordable Care Act ("ACA"), Waterbury Hospital needs to move from being a stand-alone hospital, and become part of a larger health care system. The new model of health care that is evolving from federal mandates is one that is moving from volume to value, where providers will no longer be paid strictly on the volume of patients they treat, but on the value of the health care they provide. This requires that physicians and hospitals work together, and that all caregivers in a health care system align themselves on a continuum of care with the patients' wellbeing at the center of that care. For example, if care can be appropriately provided in a clinic rather than the

emergency room, it is better for most patients in terms of time and access, and it will be better for the health care system because the cost of care provided at the clinic is far less than the cost of the same care provided in a hospital emergency room.

In addition to Tenet's access to capital and its expertise in operating hospitals across the country, Tenet will be added to state and local tax rolls and will pay taxes. Consequently, the real estate and personal property that will be owned by Tenet and its affiliates will be added to the tax rolls of the communities where the property is located.

To be clear, Tenet's tax status will have no negative bearing on the provision of health care in the community. Tenet's financial resources and operational expertise will, however, have a positive impact. In fact, and as evidenced in other markets where Tenet has acquired hospitals such as Detroit, Michigan and San Antonio, Texas, access to care and quality of care improved, significant capital investments were and are continuing to be made, and job growth occurred.

- 2. Understanding that the proposal under this docket and OHCA Docket No. 14-31927-486 (OAG Docket No. 14-486-02) is for Tenet to respectively exercise common ownership over VHS Waterbury Health System, LLC and VHS Saint Mary's Health System, LLC through, in the first instance, an 80-20 joint venture of VHS of Connecticut, LLC and a Yale-New Haven Health Services Corporation ("YNHHSC") affiliate and, in the second instance, through VHS of Connecticut alone, how will care be coordinated between the two acute care hospitals in the City of Waterbury? Please explain in detail the role YNHHSC will play in these efforts and provide any written plans documenting a coordinated approach to care for the patient population served.**

It is anticipated that initially, upon closing both transactions, Tenet will own 80% of VHS of Waterbury Health System, LLC and 100% of VHS Saint Mary's Health System, LLC. Tenet intends to transfer its ownership interest in VHS of Waterbury Health System, LLC and VHS Saint Mary's Health System, LLC into a to-be formed company, Regional Provider, LLC, a joint venture between Tenet and YNHHSC that will be owned 80% by Tenet and 20% by YNHHSC.

The proposed common ownership structure will provide both Waterbury hospitals access to capital and funding necessary to provide even greater access to high quality medical services for the Waterbury region. It will enable the hospitals to execute a long range strategic plan, address continued improvement in quality and safety, expansion of services, new services, physician and service integration, and improvements to access to services. Both hospitals and Tenet believe that the hospitals working more collaboratively in a common ownership model affords a tremendous opportunity to coordinate care and provide a higher quality of care and a more cost effective healthcare delivery system for the Waterbury region. To that end, Tenet is evaluating the services provided at both hospitals to identify how care can be coordinated in the Waterbury region in a manner that will improve access, enhance the quality of care provided and decrease cost.

Post-closing, Waterbury Hospital will benefit from the alliance between Tenet and YNHHSC. Through the alliance, YNHHSC will provide to both hospitals, through service line agreements, access to its clinical protocols, evidenced based practices, subspecialists and clinical intellectual

property. YNHHS will not be involved in the day to day operations of either hospital, nor will YNHHS have any involvement in the management of either hospital.

**3. Provide a description of the relationship between the proposal and the Statewide Health Care Facilities and Services Plan.**

The Contribution Agreement between Waterbury Hospital and Tenet is consistent with the *Statewide Health Care Facilities and Services Plan* (the "Plan") published by the Connecticut Department of Public Health's Office of Health Care Access ("OHCA") in October of 2012. The Plan can be found on OHCA's website<sup>1</sup>. Waterbury Hospital/Tenet transaction is clearly aligned with the premise of the Plan. The Guiding Principles of the Plan state:

The goal of OHCA's planning and regulation activities is to improve the health of Connecticut's residents; increase the accessibility, continuity and quality of health services; prevent unnecessary duplication of health resources; and provide financial stability and cost containment of health care services.

The guiding principles of the Plan are intended to:

- Promote and support the long term viability of the state's health care delivery system;
- Ensure that any regulated service will maintain overall access to quality health care;
- Promote equitable access to health care services (e.g., reducing financial barriers, increasing availability of physicians) and facilitate access to preventive and medically necessary health care;
- Encourage collaboration among health care providers to develop health care delivery networks;
- Support the need for a sufficient health care workforce that facilitates access to the appropriate level of care in a timely manner (e.g., optimal number of primary and specialty care providers);
- Maintain and improve the quality of health care services offered to the state's residents;
- Promote planning that helps to contain the cost of delivering health care services to its residents;
- Encourage regional and local participation in discussions/collaboration on health care delivery, financing and provider supply;
- Promote public policy development through measuring and monitoring unmet need; and
- Promote planning or other mechanisms that will achieve appropriate allocation of health care resources in the state.

As the Plan makes clear, as of 2012, OHCA was aware that mergers, affiliations and acquisitions were part of a transformation that had begun as the State's health care system responded to major changes in the way health care is delivered and financed. Among other benefits, becoming part of a larger health care system such as Tenet will aid VHS Waterbury Health System, LLC in developing economies of scale when purchasing supplies and services,

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<sup>1</sup> [http://www.ct.gov/dph/lib/dph/ohca/publications/2012/ohcastatewide\\_facilities\\_and\\_services.pdf](http://www.ct.gov/dph/lib/dph/ohca/publications/2012/ohcastatewide_facilities_and_services.pdf)

and also will provide access to capital. These factors, in turn, will allow VHS Waterbury Health System, LLC to improve the quality and access of care that is required by the 2010 ACA.

As OHCA has recognized in the Plan, the strategic, financial and quality of care advantages associated with the affiliation or mergers of hospitals and health care providers is a key driver in today's health care environment. Connecticut hospitals are pursuing affiliation arrangements and mergers as a means of offsetting financial pressures due to the provision of uncompensated care, treating the uninsured and underinsured in crowded emergency departments, caring for Medicaid patients and reduced reimbursement by government payers and health insurers. Hospitals are struggling to make needed facility improvements and acquire needed technology. The proposal under consideration serves as an example of this trend. The implementation of the proposal will allow VHS Waterbury Health System, LLC to meet its financial obligations, make needed capital improvements, acquire new technology and continue to be a safety net provider in the greater Waterbury region.

By entering into the proposed transaction with Tenet, GWHN will be able to retire its debt and fund its pension plan. In addition, VHS Waterbury Health System, LLC will be better positioned to expand cost control initiatives in community-based settings, and remain a lower-cost, high-quality provider for the patients in its service area.

As part of the Tenet system, VHS Waterbury Health System, LLC will be able to improve its technology and continue to improve the overall standard of care for its patients. The Plan recognizes that a health information technology exchange ("HITE") "makes it possible for health care providers to better manage patient care through secure use and sharing of health information." Tenet will provide the necessary funding to develop a HITE. Opportunities to regionalize the health care delivery system in the greater Waterbury area will be enhanced, building upon existing initiatives, such as the Heart Center of Greater Waterbury, Inc. and the Harold Leever Regional Cancer Center, Inc., both of which will be transferred to the JV at Closing.\* The size of the Tenet system will provide VHS Waterbury Health System, LLC with regional and national scale leverage and resources to meet the health care reform requirements of the ACA.

The ACA requires hospitals to improve quality of care delivered to patients through a variety of means such as improving infection control programs and reducing preventable readmissions for certain conditions. The JV's strategic focus will be to create a clinically integrated network to coordinate care seamlessly across the care continuum. Tenet, as a national hospital chain, is aware of the requirements of the ACA and has the ability to share best practices among its member hospitals and create clinically integrated networks. This proposal promotes Population Health Management which is a system that emphasizes health promotion and the delivery of preventive and medically necessary care. Population Health Management promotes collaboration among providers and the development of a continuum of care where providers are more closely aligned and work in a cohesive environment. The collaboration with Tenet and its experience with 80 hospitals will provide an environment that aligns VHS Waterbury Health System, LLC's physicians and other providers across the continuum of care, provide access to evidence-based practices to improve quality and patient safety, enhance efficiency through uniform productivity and financial management, and develop integrated information systems.

\*In the parties' responses dated June 27, 2014, to the First Supplement to the Application for Joint Venture dated June 6, 2014 ("Supplemental Questions"), the parties explained that they modified the letter of intent to provide that GWHN's equity interests in the Harold Leever Regional Cancer Center, Inc. and the Heart Center of Greater Waterbury, Inc. would not be transferred to the Joint Venture. By submission of these interrogatories, the parties are amending their response to the Supplemental Questions to reflect the fact that GWHN's equity interests in the Harold Leever Regional Cancer Center, Inc. and the Heart Center of Greater Waterbury, Inc. will be transferred to the Joint Venture upon Closing.

**4. Describe how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region with respect to the following:**

**a. Provision of or any change in the access to services for Medicaid recipients and indigent persons.**

Medicaid recipients and indigent persons will have the same, if not better, access to high quality services than that to which they currently have access. One expected component of the capital expenditures that Tenet will make is to add ambulatory access points in the greater Waterbury region, thus providing increased access for the broader community, including Medicaid recipients.

The proposed transaction also will improve the quality of health care delivery in the region because the Hospital will have access to Tenet's quality and patient safety programs. The 80 hospitals owned by Tenet, through a structure comprised of 'Clinical Care Councils' (see below), regularly share best practices, focusing on clinical areas that include perioperative, obstetrics, critical care, emergency departments, etc. Additionally, coordinated initiatives targeting discharge planning, care management, service line planning and emergency preparedness also will benefit Waterbury Hospital. VHS Waterbury Health System, LLC will learn from peer hospitals and improve the quality of care in the region by implementing proven best practices driven by the experience of 80 hospitals.

As stated above, VHS Waterbury Health System, LLC will benefit from best practices and Tenet's evidence-based approach to clinical quality through participation in Tenet's Clinical Councils, which are representative groups of physicians, nurses and other clinical staff in specific disciplines. The Clinical Councils are designed to provide insight, perspectives and expertise that shape practice to drive clinical variability out of the system and make care more consistent with the best available evidence and clinical standards. The Clinical Councils also serve as a consistent and readily available avenue for Tenet leaders to access clinical insights.

In addition to the continued access to quality care, residents of the greater Waterbury region will have access to education on coverage options and assistance in enrolling in coverage. In conjunction with the introduction of insurance exchanges and the expansion of Medicaid, Tenet launched an education and enrollment initiative called Path to Health to inform newly eligible individuals about their coverage options under the ACA. This campaign is a joint effort among Tenet hospitals, Conifer Health Solutions and more than 350 community-based partner organizations. Since the start of the campaign, local hospitals and Tenet's partners have held

more than 460 enrollment and educational events, produced more than 1 million pieces of educational material, sent direct mail pieces to nearly 250,000 households and provided enrollment assistance to nearly 13,000 consumers.

**b. The impact upon the cost effectiveness of providing access to services provided under the Medicaid program.**

The proposed transaction will improve cost effectiveness of health care delivery in the region. Tenet implements various operational strategies that improve efficiency and reduce costs of care. Tenet's Home Office Performance Management and Innovation (PMI) department provides the following functions designed to maximize efficiency:

**Throughput**

- Excess Day reviews and implementation of "TEMPO": Team Engagement To Manage Patient Outcomes
- Discharge by 12:00 noon reviews and analysis of areas for improvement
- Appropriate utilization of ICU versus Medical/Surgical beds
- ER length of stay improvement
- ER left without being seen reduction
- Surgery Case on time starts
- Surgery Start average delay reduction
- Surgery case turnaround time improvement
- Reduction of OR Cancellations
- Right product/right time reviews for OR supplies, reducing or eliminating product waste
- LEAN Daily Management implemented in other Tenet hospitals has resulted in an average of \$431,000 of savings within the first year of utilization, through employee engagement and identification of areas that require operational improvement
- Full LEAN engagement (ER/Inpatient/OR) implemented in other Tenet hospitals has generated savings opportunities that range between \$2.1M and \$4.6M per year in process driven efficiency

**Labor**

- Education of leaders in how to complete and implement staffing grids to drive efficiency and reduce overtime and utilization of costly contract labor while maintaining quality metrics
- Guidance on implementation of "Top of License" to ensure that nurses are performing tasks that fully utilize their licensed capabilities (i.e., working at the "top of their license") and not spending valuable nursing time on tasks that can and should be performed by others who are less skilled
- Labor/productivity targets by department based upon individual unit and volume to ensure efficient staffing while achieving quality goals
- Guidance on proper utilization of full time to part time in order to pool employees to eliminate unnecessary over time and "call offs" (a secondary benefit of this is a reduction in turn-over, which is very costly)



Supply and Sourcing Costs

- Medication Utilization Management programs for both conversions to generic, conversions from IV to PO and product conversions
- Physician Preference Item scaling based upon tiers of volume from larger system perspective (leverage)
- Food and Nutrition Services Review: external contracting with leveraging of value, standardized regional menus, staffing appropriateness, reduction in waste meals
- Clinical Contracting: leveraging of scale and removal of fee for service contracting to align with facility payments (DRG/CASE, etc.)
- Document Management programs to assess utilization of printers and copiers by type, load, and utilization of color printing
- Security Contracting: national service level agreements, reviews of technology versus manpower
- Reprocessing programs

5. **Please describe any anticipated change to existing reimbursement contracts with payers (e.g., Medicare, Medicaid, commercial) as a result of the proposal. Is it assumed in the financial projections that VHS Waterbury Health System, LLC will willingly negotiate with the payers that The Waterbury Hospital currently has contracts with?**

VHS Waterbury Health System, LLC will accept all existing contracts with payers and will complete a Change of Ownership process with commercial payers, as well as the Centers for Medicare and Medicaid Services.

6. **Please provide a copy of Waterbury Hospital's IRS Form 990 for the 2013 tax year and with respect to the amounts listed on each line item within Part 1, Section 7 of Schedule H ("Financial Assistance and Certain Other Community Benefits at Cost"), provide a projected amount for each line item for the first three (3) tax years following the proposed asset purchase. Please note that it is understood that VHS Waterbury Health System, LLC will not file an IRS Form 990 following the asset purchase. This question is directed at determining the amount of programmatic and financial support that the new hospital will continue to provide in these community benefit categories. In providing this information, please elaborate on the specific activities included and how the projections demonstrate VHS Waterbury Health System, LLC's commitment to maintain and adhere to Waterbury Hospital's current policies regarding charity care, indigent care, community volunteer services and community outreach services or to adopt other policies that are at least as favorable to the community as Waterbury Hospital's current policies.**

See Attached Exhibit 1 (IRS Form 990 for Waterbury Hospital) for further information.

- **Financial Assistance \$352,176** – This relates to the cost of patient charges written off as a result of the Hospital’s charity care policy. A cost to charge ratio was applied to the gross charges written off to determine the cost value of the charity care.
- **Medicaid \$12,076,318** – This relates to the Medicaid shortfall when comparing Medicaid payments to costs. The Hospital multiplied Medicaid gross patient charges by a cost to charge ratio to determine cost and then compared it to related payments received. We also considered the Hospital Tax and supplemental DSH payments when calculating the Medicaid shortfall.
- **Community health improvement services and community benefit operations \$14,751,078** – These expenses relate to the following programs. These benefits were calculated using actual revenues and expenses for the related education.
  1. Waterbury Health Access Program – Improves the access to high-quality medical care by providing comprehensive case management, pharmacy assistance, and access to primary and sub-specialty medical care for the uninsured and underinsured residents of Greater Waterbury region.
  2. Behavioral Health – One of the region’s largest service providers offering a full continuum of care for children, adolescents and adults for behavioral health services.
  3. Be Well Bus – Provides transportation to patients from Waterbury and eleven of its surrounding towns.
  4. Health Center of Greater Waterbury – Provides diverse medical support initiatives to help educate residents in the Greater Waterbury community about pertinent health and wellness issues.
  5. Family Birthing Center – Providing a child-centered focus which offers expectant parents a variety of classes including: breast feeding, childbirth, and infant care classes to prepare them for their baby’s arrival.
  6. Thank God I’m Female – This is an annual women’s wellness forum that features 40 educational booths and health-related items.
  7. Evergreen 50 Club – An organization comprised of over 15,000 members over the age of 50 which offers wellness programming, Medicare counseling, and health education presentations.
  8. Waterbury Hospital Infectious Disease Clinic (WHIDC) – Provides patients with on-site primary and specialty care services, medical case management, individualized medication adherence services, mental health and substance abuse services, nutritional counseling, individualized HIV education, laboratory testing, and radiology services.

- **Health Professions Education \$11,492,750** – These expenses relate to the following programs. These benefits were calculated using actual revenues and expenses for the related education.
  1. Yale Primary Care Internal Medicine Residency Program – Training of future physicians who desire to practice as internal medicine physicians.
  2. Student Nurse Intern Program – Program for nursing students in their senior year that provides student nurses with shadowing opportunities so they can apply their content knowledge to authentic patient care situations.
  3. Physician Assistant Students – P.A. Students from Quinnipiac University completing clinical rounding in various departments within Waterbury Hospital.
  4. Radiology Students from NVCC – Naugatuck Valley Community College (NVCC) Radiology Students being involved in various radiological studies and modalities within Waterbury Hospital.
- **Subsidized Health Services \$679,646** – Participation in several service lines that are subsidized, such as Behavioral Health. The benefit was determined by our cost accounting related to the service lines which excluded the Medicaid shortfall in these services lines so as not to double count the community benefit.
- **Research \$47,919** – Participation in several clinical trials that benefit residents in Greater Waterbury which includes Biomarkers Study, Rocking Chair Study, the New Hope Study, and the Fecal Transplant study. The amounts were calculated using actual expenses.
- **Cash and in-kind contributions \$329,602** – This benefit relates to donations of Cash and In-Kind Contribution of our community. The amounts were calculated using actual donations and calculations of people’s time associated with the related community benefits.

Tenet plans to utilize Waterbury Hospital’s existing charity care and community benefit policies:

- **Financial Assistance** – The estimates for fiscal year 2015 were based on the 2014 experience in which we implemented a policy that provides a 50% write off of the patient’s bill for all uninsured patients which is included in our charity care costs. A 1% growth in each year going forward was assumed.
- **Medicaid** – The estimates for fiscal year 2015 were based on the FY 2014 experience and include a \$4.7M shortfall and an additional shortfall from Medicaid as a result of the reduction in DSH payments. A 1% growth in each year going forward was assumed.

- **Community health improvement services and community benefit operations** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.
- **Health Professions Education** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.
- **Subsidized Health Services** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.
- **Research** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.
- **Cash and In-Kind Contributions** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.

**Schedule H, Part I, Section 7 (Financial Assistance) from IRS Form 990, Exhibit 1**

Schedule H, Part I, Section 7 - Financial Assistance

		FY 2013	FY 2014	Projected		
				2015	2016	2017
a	Financial Assistance at cost	352,176	366,283	369,946	373,645	377,382
b	Medicaid	12,076,318	26,009,869	30,698,545	31,005,530	31,315,586
c	Cost of other means-tested governmental programs					
d	Total Financial Assistance	12,428,494	26,376,152	31,068,491	31,379,176	31,692,967
<b>Other Benefits</b>						
e	Community health improvement services and community benefit operations	14,751,078	n/a	14,898,589	15,047,575	15,198,050
f	Health professions education	11,492,750	n/a	11,607,678	11,723,754	11,840,992
g	Subsidized health services	679,646	n/a	686,442	693,307	700,240
h	Research	47,919	n/a	48,398	48,882	49,371
i	Cash and in-kind contributions for community benefit	329,602	n/a	332,898	336,227	339,589
j	Total Other Benefits	27,300,995	n/a	27,574,005	27,849,745	28,128,242
k	Total	39,729,489	n/a	55,148,010	55,699,490	56,256,485
<b>Detail of Item b -</b>						
			Estimated			
Persons Served		45,498	49,891			
Total Community Benefit Exp -		49,847,313	53,006,108			
Direct Offsetting Revenues -		37,770,995	26,996,239			
b	Net Community Benefit Exp -	12,076,318	26,009,869			

7. **With respect to the amounts listed on each line item within Part II of Schedule H of Waterbury Hospital's IRS Form 990 for the 2013 tax year ("Community Building**

Activities”), provide a projected amount for each line item for the first three (3) years following the asset purchase. Please note that it is understood that VHS Waterbury Health System, LLC will not file an IRS Form 990 following the proposed asset purchase. This question is directed at determining the amount of programmatic and financial support that the new hospital will provide in these community building activity categories. In providing this information, please elaborate on the specific activities included and how the projections demonstrate VHS Waterbury Health System, LLC’s commitment to maintain and adhere to Waterbury Hospital’s current policies regarding charity care, indigent care, community volunteer services and community outreach services or to adopt other policies that are at least as favorable to the community as Waterbury Hospital’s current policies.

See Attached Exhibit 1 (IRS Form 990 for Waterbury Hospital) for further information.

As a leader in the delivery of healthcare services in the Greater Waterbury area, Waterbury Hospital is committed to strengthening the welfare and awareness of the citizens within its community.

## **KEY PROGRAMS**

- **Youth Pipeline Initiatives:** The Waterbury Hospital Youth Pipeline Initiatives were established as a partnership between Waterbury Hospital and Waterbury Public Schools. The mission of the program is: “to close the achievement gap for minority and economically disadvantaged students in Waterbury so they can matriculate and compete nationally for placement in post-secondary education programs in preparation for health careers”.

The WH Youth Pipeline Initiatives had four focus areas, including the following:

- Providing Early Acquaintance with Careers in Healthcare (PEACH)
  - Parent Leadership Training Institute (PLTI)
  - Parents Supporting Educational Excellence (PSEE)
  - WH Summer Bridge Program
- **Support Groups** – Waterbury Hospital hosted several support groups for its patients and their families, including:
    - Behavioral Health’s parent and sibling support group, which offers emotional assistance to families who have children in treatment; and Alcoholics Anonymous, serves over 4,000 people annually, meets weekly throughout the year, and is coordinated by our Behavioral Health Department.
  - **Community support** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.

- **Leadership development and training for community members** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.
- **Coalition building** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.
- **Workforce development** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.
- **Other** – The estimate was calculated using FY 2013 benefit and factoring in 1% growth in FY 2015 and each year going forward.

**Schedule H, Part II, (Community Building Activities) form IRS Form 990, Exhibit 1**

Schedule H, Part II - Community Building Activities					
	FY 2013	FY 2014	Projected		
			2015	2016	2017
1 Physical improvements and housing	-	n/a	-	-	-
2 Economic development	-	n/a	-	-	-
3 Community support	24,655	n/a	24,902	25,151	25,402
4 Environment improvements	-	n/a	-	-	-
5 training for community members Leadership development and	209,723	n/a	211,820	213,938	216,078
6 Coalition building	87,742	n/a	88,619	89,506	90,401
7 Community health improvement advocacy	-	n/a	-	-	-
8 Workforce development	22,304	n/a	22,527	22,752	22,980
9 Other	33,640	n/a	33,976	34,316	34,659
10 Total	378,064	n/a	381,845	385,663	389,520

- 8. Please discuss whether this proposal and the formation of VHS Waterbury Health System, LLC is expected to achieve an improved negotiating position with vendors and/or payers and, if such an improved negotiating position is anticipated, how it will translate into tangible savings for the consumer of health care services. Provide a response that both describes any anticipated improvements in detail and quantifies the expected results for the consumer.**

As noted in Applicants' response to Question 2, common ownership of the hospitals in Waterbury will allow for a coordinated approach to care. By coordinating care among the hospitals in Waterbury and community physicians, the patient population will benefit not only from the perspective of better care and better outcomes, but also from a cost perspective.

With respect to vendors, both Waterbury hospitals will be able to take advantage of Tenet's greater economies of scale and superior supply chain management, which will further reduce the hospitals' cost structure because vendors will benefit from lower unit costs in dealing with larger

purchasers. In addition, with respect to payers, Tenet expects that the transaction will allow the Waterbury hospitals to harness the efficiencies of common ownership of both facilities and becoming part of an entity with lower costs. It is anticipated that these cost savings will be passed on to consumers of health care services. Moreover, Tenet expects that the transactions will allow the Waterbury hospitals to offer plans in which the hospitals assume financial risk which, with the support of Tenet, the hospitals will be in an improved position to assume.

Tenet expects that for all of the reasons noted above and in response to Question 2, the transaction will benefit consumers of health care services from a financial standpoint, as both hospitals will have a lower cost structure and superior, cost-competitive products than they otherwise would be in a position to offer.

9. **Provide details of plans to be put in place to ensure the proposed health care services provided by VHS Waterbury Health System, LLC adhere to the National Standards on Culturally and Linguistically Appropriate Services (CLAS) to advance health equity, improve quality and help eliminate health care disparities in the projected service area. (For more details on CLAS standards see <http://minorityhealth.hhs.gov/Default.aspx#sthash.U320zUXq.dpuf>.)**

VHS Waterbury Health System plans to adopt the policies and procedures currently in place at Waterbury Hospital with respect to Culturally and Linguistically Appropriate Services (“CLAS”), to which Waterbury Hospital adheres. The Hospital has updated its policies to ensure it is in compliance with CLAS and is actively working to ensure it is delivering high quality and safe patient care to all populations that come through its doors. The Hospital has launched a Diversity Council, representing the broad culturally diverse group of its employees, who are actively engaged in developing education and training for managers and eventually all employees throughout the system.

Waterbury Hospital provides interpreter services and this past year provided 26,000 minutes of interpretation through Language Line. Video conferencing also is available for sign language interpretation. Education on the availability and use of these services is routinely provided to staff.

Waterbury Hospital also participates in the Connecticut Hospital Association’s Diversity Collaborative and holds educational fairs and celebrations during Cultural Diversity Week. Staff and members of the community are involved in developing and participating in this educational event. Members of the community also have provided education to the management staff, which included the use of educational films on cultural diversity, such as respect and awareness of Lesbian, Gay, Bisexual, Transgender (LGBT) patients. Waterbury Hospital is assessing its cultural of diversity proficiency, with the goal of becoming a leader in diversity in the community. Waterbury Hospital proudly participates in the community’s annual “Gathering” to educate our community on our diversity initiatives.

10. **What criteria will VHS Waterbury Health System, LLC use to offer current employees employment in the new entity? For those employees that will be employed by VHS Waterbury Health System, LLC, what is the projected difference**

**in salary for current employees and similarly situated employees at other hospitals operated by Tenet in similar markets?**

As of the Closing Date, GWHN will terminate all of its employees at the Facilities and VHS Waterbury Health System, LLC will offer employment to all active employees in good standing as of the Closing Date in positions similar to those then being provided by GWHN. Except as addressed by the terms of applicable collective bargaining agreements, VHS Waterbury Health System, LLC will provide such employees with regionally competitive wages and employee benefits comparable to the benefits generally offered to employees of other hospitals owned and operated by Tenet.

**11. Financial assumption submitted to OHCA by the Applicant on June 27<sup>th</sup>, pages 9-11, indicated that the revenue projections include adjustments to known reductions in state Medicaid DSH payments and the updated Wage Index Factor as published by CMS in the proposed IPPS rule. According to the Applicant, these adjustments have an unfavorable impact on FY 2015 and remain in the run rate thereafter. The Applicant also projected a reduction in other operating revenue due to the absence of Meaningful Use Income. In addition, based on these assumptions, Financial Attachments 1(A) and 1(B) submitted by the Applicant on August 19, 2014, Exhibits 5&6, indicated a loss from operations and a deficit by year 2017 with the proposal for the JV. In reference to these statements respond to the following:**

- a. What post-closing plans for GWHN and the JV have been made to account for the changes in state and federal hospital funding associated with the projected decrease in revenue, losses from operations and deficiency of revenues over expenses with the CON proposal?**

The financial assumptions project reductions in the Medicaid DSH payments and the updated Medicare Wage Index factor, along with a projected reduction in Other Operating Revenues due to the decline in Meaningful Use incentives. The post-closing plans for the Hospital under the ownership of GWHN and the JV have been considered to account for changes in State and Federal hospital funding.

**Current GWHN Plan:**

Initiatives to offset the projected reductions in Medicaid DSH payments and Medicare Wage Index include the following:

- Supply chain cost initiative savings from vendors including improved inventory management
- Growth of new practices (General Surgery, Endocrinology)
- Initiatives in the reduction in the acute care length of stay impacting utilization of resources
- Clinical Documentation Improvement (CDI)
- Revenue Cycle initiatives, including improvement in point of services collections, improved medical necessity software for denial management, and charge capture initiatives.



The projected reductions and above initiatives have been considered and included into the three year projections in the Application's Financial Attachments "with CON."

Incremental Effect on GWHN and JV:

In addition to the above current efforts to alleviate the declining reimbursement, GWHN and the JV will benefit from economies of scale afforded in a number of areas:

- Supply chain
- Information technology systems
- Performance Improvement
- Overhead functions, such as:
  - Human resources
  - Legal and compliance
  - Reimbursement
  - Plant operations
  - Information Technology

**b. What post-closing plans for the JV have been made to mitigate and/or eliminate any projected loss from operations and deficit beyond FY 2017?; and**

It is anticipated that the JV will continue to improve its operating efficiency beyond FY 2017, by leveraging the resources Tenet provides to the JV. However, upon closing the transaction, the JV would expend the majority of its efforts on immediately improving its operations in the near term. Ideally, the JV would be able to capture additional savings not presented in the financial projections sooner than FY2017, thereby minimizing any projected loss that would occur beyond FY2017.

Additionally, the capital investments being made on behalf of the JV include projects that will increase patient access, services offered and expand geographical access. It is expected these projects will increase the number of patients using the JV, thereby increasing revenues and income. The current projections show modest volume growth.

**c. Indicate the year following FY 2017 in which the Applicant expects to break even as a result of this proposal and provide a table depicting the progress in its financial performance.**

Based upon the projections previously submitted, the Applicants expect the JV will generate positive income from operations in FY 2019. A table depicting the financial performance of the JV is presented below. Note dollars are in millions.

<u>Fiscal Year</u>	<u>Income from Operations</u>
FY2014	\$0.8
FY2015	(1.7)
FY2016	(1.4)
FY2017	(1.0)
FY2018	(0.4)
FY2019	0.3

**12. Reference is made to Exhibit 6 (Financial Attachment 1B for the total hospital health system with the CON and incremental to the proposal) attached to Applicants' submission received on August 19, 2014. For FYs 2015, 2016 and 2017 depicted therein please explain in detail:**

**a. The major factors contributing to the losses projected for income from operations;**

The primary factor contributing to the losses projected for operating income relate to decreases in reimbursement from governmental payers, increases in expenses due to inflationary pressures, non-cash depreciation expense, intercompany interest and the Tenet management fee. The financial projections are conservative and do not include increased revenues from growth in patient access and services.

**b. The major factors contributing to the losses projected for non-operating income;**

The losses from non-operating income relate the management services expenses paid by the JV to Tenet as provided in Section 3.3(c) of the Contribution Agreement.

**c. Why CON approval for the proposal should be granted in view of the cumulative projected losses of more than \$12 million over the three-year projection period; and**

The CON approval for the proposal should be granted despite the cumulative losses presented in the projection period for several reasons. Not granting CON approval leaves the Hospital in a deteriorating financial position and presents a challenge for the Hospital as a stand-alone healthcare provider. Reductions in reimbursements and the inability to take advantage of economies of scale on operating expenses will precipitate a continuing deterioration in the financial situation of GWHN. Also, continued lack of capital access needed to sustain the physical plant and make investments in equipment, IT systems and an ambulatory platform present a serious challenge for the sustainability of the Hospital. The result would likely mean bankruptcy, significant reduction in services and/or closure of the Hospital. Assuming the CON is approved, the JV will benefit from operating efficiencies and access to capital that a partner with national scale can offer.

The financial projections presented include non-cash depreciation from increased capital investments, intercompany interest expense and Tenet’s management fee. The cash flow generated by the JV is sufficient to sustain operations and continue to make investments in both the current campus and Tenet’s proposed ambulatory network.

Additionally, the financial projections are conservative and the results over the three-year period post-closing are expected to be more favorable than those presented, as additional operating efficiencies may be realized as the JV further evaluates opportunities. Potential areas for additional operating expense improvement include human resources, legal and compliance, reimbursement, plant operations and information technology. Upon capturing these additional savings, the cumulative loss over the projection period would be significantly decreased.

**d. How Applicants plan to sustain the operations of VHS Waterbury Health System, LLC over the three-year projection period in view of such cumulative projected losses.**

By partnering with Tenet, the JV will have access to capital that it would not otherwise have. The cumulative losses from the three-year projection will be supported by the Credit Agreement as referenced in Section 3.3(d) of the Contribution Agreement.

13. As a follow up to the Applicants’ responses received on August 19<sup>th</sup> and as required by OHCA in question #11, provide for both the Hospital only and GWHN monthly financial statistics in the same format provided in Exhibit 9 as submitted on June 27, 2014 (FY 2014 current month and year-to-date, and comparable period for FY 2013) for the months of July, August and September. The following should be addressed in the financial measurements or indicators to be provided:

**Monthly Financial Measurement/Indicators**

<b>A. <u>Operating Performance</u></b>
Operating Margin
Non-Operating Margin
Total Margin
Bad Debt as % Gross Revenue
<b>B. <u>Liquidity</u></b>
Current Ratio
Days Cash on Hand
Days in Net Accounts Receivables
Average Payment Period
<b>C. <u>Leverage and Capital Structure</u></b>
Long-term Debt to Equity
Long-term Debt to Capitalization
Unrestricted Cash to Debt
Times Interest Earned Ratio
Debt Service Coverage Ratio
Equity Financing Ratio
<b>D. <u>Additional Statistics</u></b>

Income from Operations
Revenue Over/(Under) Expense
Patient Cash Collected
Cash and Cash Equivalents
Net working Capital
Unrestricted Assets
Credit Ratings (S&P, FITCH and Moody's)

See Attached Exhibit 2 for July 2014 financial statistics.

See Attached Exhibit 3 for July 2013 financial statistics.

See Attached Exhibit 4 for August 2014 financial statistics.

See Attached Exhibit 5 for August 2013 financial statistics.

See Attached Exhibit 6 for September 2013 financial statistics.

September 2014 financial statistics are not yet available.

AFFIDAVIT

Applicant: Greater Waterbury Health Network, Inc.

Project Title: Application for Approval of a Joint Venture By and Among Greater Waterbury Health Network, Inc. and Vanguard Health Systems, Inc.

I, Darlene Stromstad, FACHE, President/CEO of Greater Waterbury Health Network, Inc. being duly sworn, depose and state that Greater Waterbury Health Network, Inc.'s information submitted in this Response to Office of Health Care Access Interrogatories dated September 10, 2014 is accurate and correct to the best of my knowledge.

  
Signature

10/3/14  
Date

Subscribed and sworn to before me on October 3, 2014

  
Notary Public/commissioner of the Superior Court

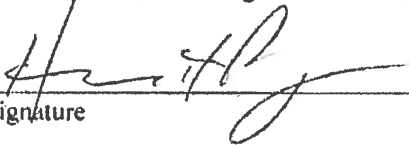
My commission expires: 7-31-16

**AFFIDAVIT**

**Applicant:** Tenet Healthcare Corporation

**Project Title:** Application for Approval of a Joint Venture By and Between Greater Waterbury Health Network, Inc. and Vanguard Health Systems, Inc.

I, Harold H. Pilgrim III, Senior Vice President, Development, of Tenet Healthcare Corporation being duly sworn, depose and state that Tenet Healthcare Corporation's information submitted in this Response to Interrogatories is accurate and correct to the best of my knowledge.

  
\_\_\_\_\_  
Signature

10/3/2014  
\_\_\_\_\_  
Date

Subscribed and sworn to before me on this 3<sup>rd</sup> day of October, 2014.



  
\_\_\_\_\_  
Notary Public/Commissioner of the Superior Court

My commission expires: 4-4-15

**Exhibit 1 : Waterbury Hospital's IRS Form 990**

**MARCUM**  
ACCOUNTANTS & ADVISORS

AUGUST 14, 2014

BARBARA HALLINAN  
THE WATERBURY HOSPITAL  
64 ROBBINS STREET  
WATERBURY, CT 06708

DEAR BARBARA:

ENCLOSED ARE THE ORGANIZATION'S 2012 EXEMPT ORGANIZATION RETURNS. THE STATE EXEMPT ORGANIZATION RETURN IS ALSO ENCLOSED. THESE SHOULD BE SIGNED, DATED, AND MAILED, AS INDICATED.

SPECIFIC FILING INSTRUCTIONS ARE AS FOLLOWS.

FORM 990 RETURN:

THIS RETURN HAS QUALIFIED FOR ELECTRONIC FILING. AFTER YOU HAVE REVIEWED THE RETURN FOR COMPLETENESS AND ACCURACY, PLEASE SIGN, DATE AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL TRANSMIT THE RETURN ELECTRONICALLY TO THE IRS AND NO FURTHER ACTION IS REQUIRED. RETURN FORM 8879-EO TO US BY AUGUST 15, 2014.

FORM 990-T RETURN:

FORM 990-T HAS AN OVERPAYMENT OF \$33,435 AND THE ENTIRE AMOUNT WILL BE REFUNDED.

PLEASE SIGN AND MAIL ON OR BEFORE AUGUST 15, 2014.

MAIL TO - DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE CENTER  
OGDEN, UT 84201-0027

CONNECTICUT FORM CT-990T RETURN:

MAIL TO - DEPARTMENT OF REVENUE SERVICES  
STATE OF CONNECTICUT  
PO BOX 5014  
HARTFORD, CT 06102-5014

PLEASE SIGN AND MAIL FORM CT-990T ON OR BEFORE AUGUST 15, 2014.





NO PAYMENT IS REQUIRED AS THERE IS A REFUND IN THE AMOUNT OF \$11,451.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, ANY U.S. FEDERAL TAX ADVICE PROVIDED IN THIS COMMUNICATION IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY THE RECIPIENT OR ANY OTHER TAXPAYER (I) FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON THE RECIPIENT OR ANY OTHER TAXPAYER, OR (II) IN PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY A PARTNERSHIP OR OTHER ENTITY, INVESTMENT PLAN, ARRANGEMENT OR OTHER TRANSACTION ADDRESSED HEREIN.

WE RECOMMEND THAT YOU USE CERTIFIED MAIL WITH POST MARKED RECEIPT FOR PROOF OF TIMELY FILING.

COPIES OF ALL THE RETURNS ARE ENCLOSED FOR YOUR FILES. WE SUGGEST THAT YOU RETAIN THESE COPIES INDEFINITELY.

VERY TRULY YOURS,

DOUGLAS FARRINGTON  
MARCUM LLP

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

**2012**

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2012 calendar year, or tax year beginning OCT 1, 2012 and ending SEP 30, 2013**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> <b>THE WATERBURY HOSPITAL</b>		<b>D Employer identification number</b> <b>06-0665979</b>
	Doing Business As		<b>E Telephone number</b> <b>(203) 573-6000</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>G Gross receipts \$</b> <b>243,804,343.</b>
	<b>64 ROBBINS STREET</b>		<b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
City, town, or post office, state, and ZIP code <b>WATERBURY, CT 06708</b>		<b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>H(c) Group exemption number</b> ▶
F Name and address of principal officer: <b>DARLENE STROMSTAD</b> <b>SAME AS C ABOVE</b>		If "No," attach a list. (see instructions)	
<b>I Tax-exempt status:</b> <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 Website:</b> ▶ <b>WWW.WATERBURYHOSPITAL.ORG</b>			
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation:</b> <b>1951</b> <b>M State of legal domicile:</b> <b>CT</b>	

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>WATERBURY HOSPITAL'S MISSION IS TO PROVIDE COMPASSIONATE HIGH QUALITY HEALTH CARE SERVICES THROUGH A</b>
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) <b>3</b> <b>13</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) <b>4</b> <b>8</b>
	<b>5</b> Total number of individuals employed in calendar year 2012 (Part V, line 2a) <b>5</b> <b>2042</b>
	<b>6</b> Total number of volunteers (estimate if necessary) <b>6</b> <b>111</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 <b>7a</b> <b>2,408,171.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 <b>7b</b> <b>-26,894.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) <b>5,262,330.</b> <b>5,113,352.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) <b>237,337,410.</b> <b>224,908,774.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) <b>2,785,392.</b> <b>3,022,281.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <b>8,133,085.</b> <b>6,628,390.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) <b>253,518,217.</b> <b>239,672,797.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) <b>0.</b> <b>0.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) <b>0.</b> <b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) <b>128,197,698.</b> <b>119,976,501.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) <b>0.</b> <b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <b>396,585.</b>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) <b>115,020,471.</b> <b>115,353,231.</b>
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) <b>243,218,169.</b> <b>235,329,732.</b>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 <b>10,300,048.</b> <b>4,343,065.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) <b>175,531,371.</b> <b>170,955,068.</b>
	<b>21</b> Total liabilities (Part X, line 26) <b>92,647,402.</b> <b>84,816,366.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 <b>82,883,969.</b> <b>86,138,702.</b>

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer	Date			
	<b>DARLENE STROMSTAD, PRESIDENT/TREASURER</b>				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>DOUGLAS FARRINGTON</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN <b>P00370668</b>
	Firm's name <b>MARCUM LLP</b>	Firm's EIN <b>11-1986323</b>	Firm's address <b>CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103</b>		
					Phone no. <b>860-549-8500</b>

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: WATERBURY HOSPITAL'S MISSION IS TO PROVIDE COMPASSIONATE HIGH QUALITY HEALTH CARE SERVICES THROUGH A FAMILY OF PROFESSIONALS AND SERVICES.

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

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

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

4a (Code: ) (Expenses \$ 196,717,362. including grants of \$ ) (Revenue \$ 231,068,138.) STATEMENT OF PURPOSE

AS A NOT-FOR-PROFIT COMMUNITY HOSPITAL, WATERBURY HOSPITAL PROVIDES QUALITY HEALTH CARE TO ALL AREA INDIVIDUALS, REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, AGE, HANDICAP OR ABILITY TO PAY. HOWEVER, REIMBURSEMENT FOR SERVICES IS CRITICAL TO THE HOSPITAL'S STABILITY AND LONG-TERM OPERATION.

SEE SCHEDULE O FOR CONTINUATION

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

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

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

4e Total program service expenses 196,717,362.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	<b>X</b>	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	<b>X</b>	
<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> .....		<b>X</b>
<b>4</b> <b>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> .....	<b>X</b>	
<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> .....		<b>X</b>
<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> .....		<b>X</b>
<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> .....		<b>X</b>
<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> .....		<b>X</b>
<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> .....		<b>X</b>
<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> .....	<b>X</b>	
<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> .....	<b>X</b>	
<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> .....	<b>X</b>	
<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> .....		<b>X</b>
<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> .....		<b>X</b>
<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> .....	<b>X</b>	
<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> .....	<b>X</b>	
<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> .....		<b>X</b>
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	<b>X</b>	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		<b>X</b>
<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> .....		<b>X</b>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		<b>X</b>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		<b>X</b>
<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> .....		<b>X</b>
<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> .....	<b>X</b>	
<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> .....		<b>X</b>
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	<b>X</b>	
<b>b</b> <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i> .....	<b>X</b>	

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

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		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? If "Yes," complete Schedule J	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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	X	
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
<b>24c</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>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
<b>25b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		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? If "Yes," complete Schedule L, Part III		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>28a</b> A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	X	
<b>28b</b> A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
<b>28c</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? If "Yes," complete Schedule L, Part IV		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		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? If "Yes," complete Schedule R, Part I	X	
<b>34</b> Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
<b>35b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	X	
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		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? If "Yes," complete Schedule R, Part VI		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?		
<b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

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**Part V** Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note.</i> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11a</b>	Gross income from members or shareholders		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <i>Note.</i> See the instructions for additional information the organization must report on Schedule O.		
<b>13b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
<b>13c</b>	Enter the amount of reserves on hand		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		X
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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**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 to any question in this Part VI  X

**Section A. Governing Body and Management**

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	13			
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b Enter the number of voting members included in line 1a, above, who are independent		8		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?				X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?				X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?				X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?				X
6 Did the organization have members or stockholders?			X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			X	
b Each committee with authority to act on behalf of the governing body?			X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O				X

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

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

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **NONE**
- 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, physical address, and telephone number of the person who possesses the books and records of the organization: **SCOTT BOWMAN - 203-573-7333**  
**64 ROBBINS STREET, WATERBURY, CT 06708**

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

Check if Schedule O contains a response to any question in this Part VII

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DARLENE STROMSTAD PRESIDENT/TREASURER	40.00 25.00	X	X				607,860.	0.	93,213.	
(2) CARL D. CONTADINI CHAIRMAN	0.30 0.30	X	X				0.	0.	0.	
(3) JOHN A. KELLY, JR. VICE CHAIRMAN	0.30 0.30	X	X				0.	0.	0.	
(4) ANDREW K. SKIPP SECRETARY	0.20 0.20	X	X				0.	0.	0.	
(5) CARL B. SHERTER, MD CHIEF OF STAFF	0.30 0.30	X					75,000.	0.	0.	
(6) O.J. BIZZOZERO, JR., MD DIRECTOR	0.50 0.50	X					0.	50,006.	679.	
(7) HENRY BORKOWSKI, MD DIRECTOR / CAGW - CARDIOLOGIST	40.30 0.30	X					799,502.	0.	36,796.	
(8) RON J. D'ANDREA, MD DIRECTOR	0.20 0.20	X					0.	0.	0.	
(9) STEVEN L. EISEN, MD DIRECTOR	0.10 40.10	X					0.	43,344.	1,305.	
(10) JAMES H. GATLING, PH.D DIRECTOR	0.40 0.40	X					0.	0.	0.	
(11) FREDERICK L. LUEDKE DIRECTOR	0.50 0.50	X					0.	0.	0.	
(12) PATRICIA MCKINLEY DIRECTOR	0.40 0.40	X					0.	0.	0.	
(13) JOHN A. MICHAELS DIRECTOR	0.50 0.50	X					0.	0.	0.	
(14) DAVID J. PIZZUTO, MD DIRECTOR / VP MEDICAL SERVICES	20.00 6.00	X	X				145,189.	0.	5,678.	
(15) WILLIAM J. PIZZUTO, PH.D DIRECTOR	0.90 0.90	X					0.	0.	0.	
(16) AJ WASSERSTEIN DIRECTOR	0.40 0.40	X					0.	0.	0.	
(17) THOMAS BURKE VICE PRESIDENT OPERATIONS	40.00 5.00		X				22,618.	0.	1,654.	



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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) SANDRA IADAROLA CHIEF NURSING OFFICER	40.00 1.80			X				215,047.	0.	15,752.
(19) DIANE WOOLLEY VP HUMAN RESOURCES	40.00 5.00			X				188,097.	0.	23,169.
(20) EDWARD ROMERO CHIEF FINANCIAL OFFICER	40.00 0.00			X				0.	0.	0.
(21) MICHAEL CEMENO CHIEF INFORMATION OFFICER	40.00 5.00			X				296,820.	0.	17,577.
(22) EHSAN ANSARI CAGW - CARDIOLOGIST	40.00				X			895,699.	0.	41,158.
(23) KEVIN KETT CAGW - CARDIOLOGIST	40.00				X			883,273.	0.	41,158.
(24) JOSEPH MORLEY CAGW - CARDIOLOGIST	40.00				X			865,151.	0.	41,158.
(25) MARK RUGGIERO CAGW - CARDIOLOGIST	40.00				X			832,056.	0.	41,158.
(26) STEPHEN WIDMAN CAGW - CARDIOLOGIST	40.00				X			846,439.	0.	41,042.
<b>1b Sub-total</b>								6,672,751.	93,350.	401,497.
<b>c Total from continuation sheets to Part VII, Section A</b>								219,369.	0.	17,362.
<b>d Total (add lines 1b and 1c)</b>								6,892,120.	93,350.	418,859.

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 **107**

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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
SODEXO INC. AND AFFILIATES P.O. BOX 360170, PITTSBURGH, PA 15251-6170	DIETARY, BUILDING SVCS, TRANSPORT	8,599,795.
YALE UNIVERSITY SCHOOL OF MEDICINE P.O. BOX 208087, NEW HAVEN, CT 06520-8087	CLINICAL SERVICES	5,729,291.
CERNER CORPORATION, 2800 ROCKCREEK PARKWAY, KANSAS CITY, MO 64117	INFORMATION TECHNOLOGY	1,882,665.
ACCESS REHAB CENTERS LLC 22 TOMPKINS STREET, WATERBURY, CT 06708	REHAB THERAPY SERVICES	1,182,770.
GREATER WATERBURY IMAGING CENTER 64 ROBBINS STREET, WATERBURY, CT 06708	IMAGING SERVICES	937,900.

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 **59**

SEE PART VII, SECTION A CONTINUATION SHEETS

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) COLLEEN SCOTT FORMER CFO	0.00						X	100,498.	0.	13,727.
(28) MARY K. MULSTON FORMER VP HUMAN RESOURCES	0.00						X	118,871.	0.	3,635.
Total to Part VII, Section A, line 1c								219,369.		17,362.

**Part VIII Statement of Revenue**

Check if Schedule O contains a response to any question in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>				
	<b>b</b> Membership dues	<b>1b</b>				
	<b>c</b> Fundraising events	<b>1c</b> 237,279.				
	<b>d</b> Related organizations	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b> 4,420,717.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b> 455,356.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$	9,000.				
	<b>h Total.</b> Add lines 1a-1f	5,113,352.				
	<b>Program Service Revenue</b>	<b>2 a</b> NET PATIENT SERVICE REVENUE	Business Code 624100	216,073,605.	216,073,605.	
<b>b</b> CAW - NET PATIENT SERVICE REVENUE		621110	6,426,998.	6,426,998.		
<b>c</b> LAB SERVICE REVENUE		621500	2,251,263.		2,251,263.	
<b>d</b> IMAGE REPAIRS & MAINTENANCE		541900	156,908.		156,908.	
<b>e</b>						
<b>f</b> All other program service revenue						
<b>g Total.</b> Add lines 2a-2f			224,908,774.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		2,821,620.		2,821,620.	
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties					
	<b>6 a</b> Gross rents	(i) Real	448,076.			
		(ii) Personal				
		<b>b</b> Less: rental expenses	0.			
		<b>c</b> Rental income or (loss)	448,076.			
	<b>d</b> Net rental income or (loss)		448,076.		448,076.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	4,197,539.			
		(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses	3,937,995.	58,883.		
		<b>c</b> Gain or (loss)	259,544.	-58,883.		
	<b>d</b> Net gain or (loss)		200,661.		200,661.	
	<b>8 a</b> Gross income from fundraising events (not including \$ 237,279. of contributions reported on line 1c). See Part IV, line 18	<b>a</b>	58,520.			
		<b>b</b> Less: direct expenses	134,668.			
<b>c</b> Net income or (loss) from fundraising events			-76,148.		-76,148.	
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>					
	<b>b</b> Less: direct expenses					
	<b>c</b> Net income or (loss) from gaming activities					
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>					
	<b>b</b> Less: cost of goods sold					
	<b>c</b> Net income or (loss) from sales of inventory					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
<b>11 a</b> MEANINGFUL USE INCOME	900099	2,423,278.	2,423,278.			
<b>b</b> CAW - OTHER INCOME	621110	1,644,871.	1,644,871.			
<b>c</b> PARTNERSHIPS	900099	1,601,565.	1,601,565.			
<b>d</b> All other revenue	900099	586,748.	489,650.		97,098.	
<b>e Total.</b> Add lines 11a-11d		6,256,462.				
<b>12 Total revenue.</b> See instructions.		239,672,797.	228,659,967.	2,408,171.	3,491,307.	

**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 to any question in this Part IX  X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,674,687.	644,796.	2,029,891.	
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	91,016,840.	84,930,700.	5,937,763.	148,377.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	4,124,117.	3,802,673.	314,572.	6,872.
9 Other employee benefits	15,306,841.	14,033,332.	1,247,521.	25,988.
10 Payroll taxes	6,854,016.	6,256,424.	586,174.	11,418.
11 Fees for services (non-employees):				
a Management				
b Legal	1,006,037.	102,297.	903,740.	
c Accounting	161,764.		161,764.	
d Lobbying	100,371.		100,371.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	386,596.		386,596.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	45,439,678.	33,835,088.	11,593,566.	11,024.
12 Advertising and promotion	771,497.	51,223.	720,274.	
13 Office expenses	10,463,086.	8,568,609.	1,872,840.	21,637.
14 Information technology				
15 Royalties				
16 Occupancy	4,417,113.	1,264,294.	3,152,819.	
17 Travel	179,561.	78,519.	97,745.	3,297.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	227,315.	196,720.	30,595.	
20 Interest	1,011,579.		1,011,579.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	7,750,130.		7,750,130.	
23 Insurance	6,985,494.	6,985,494.		
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 <b>MEDICAL/SURGICAL SUPPLI</b>	24,561,373.	24,561,373.		
b <b>BAD DEBT</b>	10,990,840.	10,990,840.		
c <b>DUES AND SUBSCRIPTIONS</b>	403,737.	130,228.	272,453.	1,056.
d <b>PHYSICIAN INCOME GUARAN</b>	127,556.	127,556.		
e All other expenses	369,504.	157,196.	45,392.	166,916.
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>235,329,732.</b>	<b>196,717,362.</b>	<b>38,215,785.</b>	<b>396,585.</b>
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.				

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

**Part X Balance Sheet**

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	363,707.	<b>1</b>	349,738.
	<b>2</b> Savings and temporary cash investments .....	23,422,100.	<b>2</b>	24,214,034.
	<b>3</b> Pledges and grants receivable, net .....	2,553,347.	<b>3</b>	3,013,492.
	<b>4</b> Accounts receivable, net .....	26,534,083.	<b>4</b>	24,464,386.
	<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 .....	3,105,602.	<b>8</b>	3,416,317.
	<b>9</b> Prepaid expenses and deferred charges .....	1,109,204.	<b>9</b>	1,291,734.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 266,683,072.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 229,493,366.	<b>10c</b>	37,189,706.
	<b>11</b> Investments - publicly traded securities .....	11,355,420.	<b>11</b>	12,387,068.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	61,841,260.	<b>12</b>	63,355,092.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....	200,500.	<b>14</b>	200,500.
	<b>15</b> Other assets. See Part IV, line 11 .....	1,937,944.	<b>15</b>	1,073,001.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	175,531,371.	<b>16</b>	170,955,068.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	32,392,727.	<b>17</b>	25,502,245.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....	25,207,100.	<b>20</b>	24,755,656.
	<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 .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	35,047,575.	<b>25</b>	34,558,465.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	92,647,402.	<b>26</b>	84,816,366.
<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 .....	30,228,350.	<b>27</b>	29,976,833.
	<b>28</b> Temporarily restricted net assets .....	7,645,420.	<b>28</b>	8,409,794.
	<b>29</b> Permanently restricted net assets .....	45,010,199.	<b>29</b>	47,752,075.
	<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 .....	82,883,969.	<b>33</b>	86,138,702.	
<b>34</b> Total liabilities and net assets/fund balances .....	175,531,371.	<b>34</b>	170,955,068.	

Form 990 (2012)

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI  X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	239,672,797.
2	Total expenses (must equal Part IX, column (A), line 25)	2	235,329,732.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,343,065.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	82,883,969.
5	Net unrealized gains (losses) on investments	5	783,812.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1,872,144.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	86,138,702.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII  X

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

Form 990 (2012)

**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. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open to Public Inspection

Name of the organization **THE WATERBURY HOSPITAL** Employer identification number **06-0665979**

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

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

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Non-functionally integrated
  - e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
  - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
  - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? <b>11g(i)</b>		
(ii) A family member of a person described in (i) above? <b>11g(ii)</b>		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? <b>11g(iii)</b>		
  - h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2012

232021 12-04-12

**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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>11 Total support.</b> Add lines 7 through 10						

**12** Gross receipts from related activities, etc. (see instructions) ..... **12**

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

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

<b>14</b> Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	%
<b>15</b> Public support percentage from 2011 Schedule A, Part II, line 14 .....	<b>15</b>	%
<b>16a 33 1/3% support test - 2012.</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 stop here. The organization qualifies as a publicly supported organization ..... <input type="checkbox"/>		
<b>b 33 1/3% support test - 2011.</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 stop here. The organization qualifies as a publicly supported organization ..... <input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2012.</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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... <input type="checkbox"/>		
<b>b 10% -facts-and-circumstances test - 2011.</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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ..... <input type="checkbox"/>		

232022  
12-04-12



**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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**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 2012 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

<b>17</b> Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2011 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2012.** 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 - 2011.** 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

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

**2012**

Name of the organization

**THE WATERBURY HOSPITAL**

Employer identification number

**06-0665979**

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, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization 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) and received from any one contributor, during the year, a contribution 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 a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to 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 of \$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 Part I, line 2 of its Form 990-PF, 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) (2012)**

<b>Name of organization</b> <b>THE WATERBURY HOSPITAL</b>	<b>Employer identification number</b> <b>06-0665979</b>
--	--

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<u>ONYX II JEWELERS</u> <u>683 MAIN STREET</u> <u>WATERTOWN, CT 06795</u>	\$ 9,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	<u>CAIN BROTHERS</u> <u>360 MADISON AVENUE</u> <u>NEW YORK, NY 10017</u>	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	<u>CARMODY, TORRANCE, SANDAK &amp; HENNESSEY LLP</u> <u>50 LEAVENWORTH STREET</u> <u>WATERBURY, CT 06721</u>	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	<u>CLY-DEL MANUFACTURING CO.</u> <u>151 SHARON ROAD</u> <u>WATERBURY, CT 06721</u>	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	<u>CONNECTICARE, INC.</u> <u>175 SCOTT SWAMP RD.</u> <u>FARMINGTON, CT 06034-4050</u>	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	<u>ION BANK FOUNDATION</u> <u>251 CHURCH STREET</u> <u>NAUGATUCK, CT 06770</u>	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

<b>Name of organization</b> <b>THE WATERBURY HOSPITAL</b>	<b>Employer identification number</b> <b>06-0665979</b>
--	--

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	<u>NEUROSURGERY, ORTHOPAEDICS &amp; SPINE SPECIALISTS, P.C.</u> <u>500 CHASE PARKWAY</u> <u>WATERBURY, CT 06708</u>	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	<u>ESTATE OF NORA O'TOOLE</u> <u>P.O. BOX 2184</u> <u>WATERBURY, CT 06722</u>	\$ 121,404.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	<u>THE HAROLD LEEVER REGIONAL CANCER CENTER</u> <u>1075 CHASE PARKWAY</u> <u>WATERBURY, CT 06708</u>	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	<u>WATERBURY HOSPITAL AUXILIARY, INC.</u> <u>64 ROBBINS STREET</u> <u>WATERBURY, CT 06708</u>	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	<u>WEBSTER BANK</u> <u>145 BANK STREET</u> <u>WATERBURY, CT 06702</u>	\$ 11,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<u> </u> <u> </u> <u> </u>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization <b>THE WATERBURY HOSPITAL</b>	Employer identification number <b>06-0665979</b>
---	---

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>1</u>	JEWELRY _____ _____ _____	\$ <u>9,000.</u>	<u>11/09/12</u>
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization <b>THE WATERBURY HOSPITAL</b>	Employer identification number <b>06-0665979</b>
---	---

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. 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 information once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee


(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee


(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee


(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee


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

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

**2012**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.**

**Open to Public Inspection**

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

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

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

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

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

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

Name of organization <b>THE WATERBURY HOSPITAL</b>	Employer identification number <b>06-0665979</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) 2012  
LHA

232041  
01-07-13

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
<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:30%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:70%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f) .....														
<b>h</b> Subtract line 1g from line 1a. If zero or less, enter -0- .....														
<b>i</b> Subtract line 1f from line 1c. If zero or less, enter -0- .....														
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2012



**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		66,318.
<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		34,053.
<b>j</b> Total. Add lines 1c through 1i .....			100,371.
<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

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

**PART II-B, LINE 1, LOBBYING ACTIVITIES:**

A PORTION OF THE CT HOSPITAL ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION FEES THAT ARE PAID BY THE WATERBURY HOSPITAL IS FOR LOBBYING ACTIVITIES.

**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

OMB No. 1545-0047

**2012**

Open to Public Inspection

Name of the organization **THE WATERBURY HOSPITAL** Employer identification number **06-0665979**

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<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 an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

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

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

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

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

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

Yes       No

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

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

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

Yes       No

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

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

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

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 .....
- ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X .....
- ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 .....
- ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X .....
- ▶ \$ \_\_\_\_\_

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	54,791,385.	48,442,875.	51,457,624.	49,308,865.	50,479,712.
b Contributions				20.	10,560.
c Net investment earnings, gains, and losses	4,160,381.	6,884,672.	-2,784,813.	2,729,359.	-512,662.
d Grants or scholarships					
e Other expenditures for facilities and programs	559,875.	536,162.	229,936.	580,620.	668,745.
f Administrative expenses					
g End of year balance	58,391,891.	54,791,385.	48,442,875.	51,457,624.	49,308,865.

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

- a Board designated or quasi-endowment  5.47 %
- b Permanent endowment  81.78 %
- c Temporarily restricted endowment  12.75 %

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(ii) related organizations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	<input type="checkbox"/>	<input type="checkbox"/>

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

**Part VI Land, Buildings, and Equipment.** 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		287,549.		287,549.
b Buildings		86,608,465.	69,879,804.	16,728,661.
c Leasehold improvements		539,905.	435,621.	104,284.
d Equipment		176,371,114.	156,737,874.	19,633,240.
e Other		2,876,039.	2,440,067.	435,972.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				37,189,706.

**Part VII Investments - Other Securities.** 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) FUNDS HELD IN TRUST BY		
(B) OTHERS	44,960,039.	END-OF-YEAR MARKET VALUE
(C) GREATER WATERBURY IMAGING		
(D) CENTER	3,897,525.	END-OF-YEAR MARKET VALUE
(E) ACCESS REHAB CENTERS	4,585,828.	END-OF-YEAR MARKET VALUE
(F) IMAGING PARTNERS	385,899.	END-OF-YEAR MARKET VALUE
(G) ALLIANCE MEDICAL GROUP	6,693,186.	END-OF-YEAR MARKET VALUE
(H) CARDIOLOGY ASSOCIATES OF		
(I) GREATER WATERBURY	2,832,615.	END-OF-YEAR MARKET VALUE
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	63,355,092.	

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) LIABILITIES OF CONSOLIDATED	
(3) AFFILIATES	4,371,113.
(4) RESERVE FOR WORKER'S	
(5) COMP/MALPRACTICE LIAB. LOSS	11,650,297.
(6) NONCONTROLLING INTEREST	2,714,506.
(7) DEFERRED LIAB. ON GIFT ANNUITY	112,157.
(8) ASSET RETIREMENT OBLIGATION	2,684,704.
(9) CAPITAL LEASE LIABILITY	1,226,087.
(10) ACCRUED PENSION LIABILITY	4,658,540.
(11) DEFERRED LIAB. ON SERP	240,869.
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	34,558,465.

2. FIN 48 (ASC 740) Footnote. 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**

1	Total revenue, gains, and other support per audited financial statements		1	268,349,632.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a	783,812.	
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d	29,922,689.	
e	Add lines 2a through 2d			2e 30,706,501.
3	Subtract line 2e from line 1			3 237,643,131.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	386,596.	
b	Other (Describe in Part XIII.)	4b	1,643,070.	
c	Add lines 4a and 4b			4c 2,029,666.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)			5 239,672,797.

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

1	Total expenses and losses per audited financial statements		1	269,074,841.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d	34,131,705.	
e	Add lines 2a through 2d			2e 34,131,705.
3	Subtract line 2e from line 1			3 234,943,136.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	386,596.	
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			4c 386,596.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)			5 235,329,732.

**Part XIII Supplemental Information**

Complete this part to 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 ENDOWMENT FUNDS ARE USED FOR FREE CARE AND GENERAL**

**HOSPITAL OPERATIONS.**

**PART X, LINE 2: THE HOSPITAL IS A NOT-FOR-PROFIT CORPORATION AS**

**DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT**

**FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF**

**THE CODE. THE HOSPITAL IS ALSO EXEMPT FROM STATE INCOME TAXES. ACCESS,**

**GWIC, CAGW, AND IMAGING PARTNERS LLC ARE PARTNERSHIPS. FOR TAX PURPOSES,**

**Part XIII** Supplemental Information (continued)

THESE PARTNERSHIP ARE PASS-THROUGH ENTITIES. TAXATION DOES NOT OCCUR AT THE PARTNERSHIP LEVEL. ACCORDINGLY, NO PROVISION FOR TAXES IS INCLUDED. AMG IS TAX EXEMPT UNDER SECTION 501(C)(3) OF THE CODE.

MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN AND HAS CONCLUDED THAT AS OF SEPTEMBER 30, 2013, THERE ARE NO UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY (OR ASSET) OR DISCLOSURE IN THE FINANCIAL STATEMENTS. THE HOSPITAL IS SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS; HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS. MANAGEMENT BELIEVES THE HOSPITAL IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS PRIOR TO 2010.

## PART XI, LINE 2D - OTHER ADJUSTMENTS:

INCOME FROM CONSOLIDATED AFFILIATE	29,788,021.
FUNDRAISING EXPENSE	134,668.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	29,922,689.

## PART XI, LINE 4B - OTHER ADJUSTMENTS:

INVESTMENT INCOME FROM PARTNERSHIP	1,601,565.
WATERBURY GASTROENTEROLOGY INCOME	41,505.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	1,643,070.

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

EXPENSE OF CONSOLIDATED AFFILIATE	33,997,037.
FUNDRAISING EXPENSE	134,668.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	34,131,705.



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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information Regarding  
Fundraising or Gaming Activities**

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

OMB No. 1545-0047

**2012**

**Open To Public  
Inspection**

Name of the organization

**THE WATERBURY HOSPITAL**

Employer identification number

**06-0665979**

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

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a  Mail solicitations
  - b  Internet and email solicitations
  - c  Phone solicitations
  - d  In-person solicitations
  - e  Solicitation of non-government grants
  - f  Solicitation of government grants
  - g  Special fundraising events
- 2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  Yes  No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

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

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

\_\_\_\_\_

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\_\_\_\_\_



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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		GALA	GOLF TOURNAMENT	1		
		(event type)	(event type)	(total number)		
Revenue	1	Gross receipts	152,955.	102,655.	40,189.	295,799.
	2	Less: Contributions	119,755.	91,135.	26,389.	237,279.
	3	Gross income (line 1 minus line 2)	33,200.	11,520.	13,800.	58,520.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes		8,197.		8,197.
	6	Rent/facility costs	33,200.	20,211.	13,800.	67,211.
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	40,653.	5,537.	13,070.	59,260.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				( 134,668 )
	11	Net income summary. Combine line 3, column (d), and line 10				-76,148.

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

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue			
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
	7	Direct expense summary. Add lines 2 through 5 in column (d)			( )
	8	Net gaming income summary. Combine line 1, column d, and line 7			

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_  
 a Is the organization licensed to operate gaming activities in each of these states?  Yes  No  
 b If "No," explain: \_\_\_\_\_  
 \_\_\_\_\_  
 10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_  
 \_\_\_\_\_

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

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

13 Indicate the percentage of gaming activity operated in:  
a The organization's facility  13a %  
b An outside facility  13b %

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

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

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

c If "Yes," enter name and address of the third party:  
Name ▶ \_\_\_\_\_  
Address ▶ \_\_\_\_\_

16 Gaming manager information:  
Name ▶ \_\_\_\_\_  
Gaming manager compensation ▶ \$ \_\_\_\_\_  
Description of services provided ▶ \_\_\_\_\_  
  
 Director/officer     Employee     Independent contractor

17 Mandatory distributions:  
a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No  
b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

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

\_\_\_\_\_  
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\_\_\_\_\_

**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization **THE WATERBURY HOSPITAL** Employer identification number **06-0665979**

**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	X	
<b>b</b> If "Yes," was it a written policy?	X	
<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.		
<input type="checkbox"/> Applied uniformly to all hospital facilities		
<input type="checkbox"/> Applied uniformly to most hospital facilities		
<input type="checkbox"/> Generally tailored to individual hospital facilities		
<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 free care?	X	
If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:		
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>400</u> %		
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	X	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
<b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
<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"?	X	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
<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?		
<b>6a</b> Did the organization prepare a community benefit report during the tax year?	X	
<b>b</b> If "Yes," did the organization make it available to the public?	X	

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

<b>7 Financial Assistance and Certain Other Community Benefits at Cost</b>	(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)			415,913.	63,737.	352,176.	.15%
<b>b</b> Medicaid (from Worksheet 3, column a)		45,498	49847313.	37770995.	12076318.	5.13%
<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		45,498	50263226.	37834732.	12428494.	5.28%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)		47,190	15504474.	753,396.	14751078.	6.27%
<b>f</b> Health professions education (from Worksheet 5)		3,500	19270228.	7777478.	11492750.	4.88%
<b>g</b> Subsidized health services (from Worksheet 6)		3,262	9899952.	9220306.	679,646.	.29%
<b>h</b> Research (from Worksheet 7)		18	47,919.		47,919.	.02%
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)		151,571	329,602.		329,602.	.14%
<b>j Total.</b> Other Benefits		205,541	45052175.	17751180.	27300995.	11.60%
<b>k Total.</b> Add lines 7d and 7j		251,039	95315401.	55585912.	39729489.	16.88%

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.

Table with 7 columns: (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. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense: Questions 1-4 regarding bad debt reporting and amounts. Section B. Medicare: Questions 5-8 regarding Medicare revenue and costs. Section C. Collection Practices: Questions 9a and 9b regarding debt collection policies. Includes checkboxes for cost accounting methods.

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

Table with 5 columns: (a) Name of entity, (b) Description of primary activity of entity, (c) Organization's profit % or stock ownership %, (d) Officers, directors, trustees, or key employees' profit % or stock ownership %, (e) Physicians' profit % or stock ownership %.

**Part V** Facility Information

**Section A. Hospital Facilities**

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

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

Name, address, and primary website address

1 THE WATERBURY HOSPITAL  
64 ROBBINS STREET  
WATERBURY, CT 06708

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER 24 hours	ER-other	Other (describe)	Facility reporting group
1 THE WATERBURY HOSPITAL 64 ROBBINS STREET WATERBURY, CT 06708	<b>X</b>	<b>X</b>		<b>X</b>			<b>X</b>			

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

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

Name of hospital facility or facility reporting group THE WATERBURY HOSPITAL

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
<b>1</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	<b>1</b> 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 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 checked="" 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 Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>12</u>		
<b>3</b> In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	<b>3</b> X	
<b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	<b>4</b> X	
<b>5</b> Did the hospital facility make its CHNA report widely available to the public?	<b>5</b> 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		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	<b>7</b>	X
<b>8a</b> Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	<b>8a</b>	X
<b>8b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	<b>8b</b>	
<b>8c</b> If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

**Part V Facility Information** (continued) THE WATERBURY HOSPITAL

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? .....	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? .....	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: <u>400</u> %		
	If "No," explain in Part VI the criteria the hospital facility used.		
11	Used FPG to determine eligibility for providing discounted care? .....	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>400</u> %		
	If "No," explain in Part VI the criteria the hospital facility used.		
12	Explained the basis for calculating amounts charged to patients? .....	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance? .....	X	
14	Included measures to publicize the policy within the community served by the hospital facility? .....	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		
<b>Billing and Collections</b>			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? .....	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP:		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? .....		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		

**Part V Facility Information** (continued) **THE WATERBURY HOSPITAL**

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

- a  Notified individuals of the financial assistance policy on admission
- b  Notified individuals of the financial assistance policy prior to discharge
- c  Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d  Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e  Other (describe in Part VI)

**Policy Relating to Emergency Medical Care**

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

	Yes	No
19	X	

If "No," indicate why:

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

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

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

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

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

21		X

If "Yes," explain in Part VI.

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

22		X

If "Yes," explain in Part VI.



**Part V Facility Information** (continued)

**Section C. 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? 0

Name and address	Type of Facility (describe)

**Part VI** Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments 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.
- 8 Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

PART I, LINE 3C: N/A

PART II: AS A LEADER IN THE DELIVERY OF HEALTHCARE SERVICES

IN THE GREATER WATERBURY AREA, WATERBURY HOSPITAL (WH) IS COMMITTED TO STRENGTHENING THE WELFARE AND AWARENESS OF THE CITIZENS WITHIN ITS COMMUNITY. FROM STRENGTHENING THE CAREER PATHS OF WATERBURY AREA YOUTH; TO SUPPORTING THE UNINSURED AND UNDERINSURED THROUGH THE WATERBURY HEALTH ACCESS PROGRAM AND; PROVIDING TRANSPORT TO AND FROM MEDICAL APPOINTMENTS; WATERBURY HOSPITAL IS REMOVING THE BARRIERS TO QUALITY HEALTH CARE FOR ALL AND REMAINS FIRM IN ITS COMMITMENT TO A HEALTHIER, STRONGER, AND MORE PRODUCTIVE COMMUNITY.

KEY PROGRAMS:

YOUTH PIPELINE INITIATIVES: THE WATERBURY HOSPITAL YOUTH PIPELINE INITIATIVES WERE ESTABLISHED IN 2001 AS A PARTNERSHIP BETWEEN WATERBURY HOSPITAL AND WATERBURY PUBLIC SCHOOLS. THE MISSION OF THE PROGRAM IS: "TO CLOSE THE ACHIEVEMENT GAP FOR MINORITY AND ECONOMICALLY DISADVANTAGED

**Part VI** Supplemental Information

STUDENTS IN WATERBURY SO THEY CAN MATRICULATE AND COMPETE NATIONALLY FOR PLACEMENT IN POST-SECONDARY EDUCATION PROGRAMS IN PREPARATION FOR HEALTH CAREERS". WATERBURY HOSPITAL IS COMMITTED TO ENHANCING AND ENRICHING THE ACADEMIC OPPORTUNITIES AND PERSONAL JOURNEYS OF OUR YOUTH, WHO ARE THE EMERGING WORKFORCE OF TOMORROW. TO THIS END, DURING 2013, WATERBURY HOSPITAL PROVIDED 109 STUDENTS AND PARENTS IN GREATER WATERBURY WITH UNIQUE EDUCATIONAL PROGRAMS THAT WILL ENHANCE THE OVERALL WELFARE OF OUR COMMUNITY.

THE WH YOUTH PIPELINE INITIATIVES HAD FOUR FOCUS AREAS DURING FY 2013, INCLUDING:

- PROVIDING EARLY ACQUAINTANCE WITH CAREERS IN HEALTHCARE (PEACH) - SINCE ITS INCEPTION IN 2004, WATERBURY HOSPITAL'S PROVIDING EARLY ACQUAINTANCE WITH CAREERS IN HEALTHCARE (PEACH) PROGRAM HAS ENGAGED ADMINISTRATORS, TEACHERS, AND STUDENTS FROM MIDDLE SCHOOLS IN GREATER WATERBURY TO ADDRESS PROJECTED SHORTAGES OF HEALTHCARE WORKERS AND TO CLOSE THE ACHIEVEMENT GAP FOR STUDENTS IN WATERBURY PUBLIC SCHOOLS. THROUGH THE PEACH PROGRAM, STUDENTS ENGAGE WITH HEALTHCARE WORKERS IN A NON-EMERGENCY SETTING AND ARE INFORMED OF THE VARIETY OF HEALTHCARE CAREER OPPORTUNITIES AVAILABLE IN OUR COMMUNITY. ANNUALLY, WATERBURY HOSPITAL ALSO OFFERS ITS PEACH SPRING BREAK EXPLORATION CAMP, THIS YEAR 47 MIDDLE SCHOOL STUDENTS FROM WATERBURY TOOK PART IN: SHADOWING AND HANDS-ON LEARNING ACTIVITIES AT THE HOSPITAL; CPR CERTIFICATION; AND EDUCATIONAL SESSIONS AT NORWALK'S MARITIME AQUARIUM.

- PARENT LEADERSHIP TRAINING INSTITUTE (PLTI) - IN 2013, SIXTEEN INDIVIDUALS FROM GREATER WATERBURY SUCCESSFULLY COMPLETED WATERBURY'S PLTI, A 20-WEEK CURRICULUM TEACHING LEADERSHIP AND ADVOCACY SKILLS.

**Part VI** Supplemental Information

WATERBURY HOSPITAL HAS HOSTED THE WATERBURY PLTI SINCE 2000, AND THE PROGRAM HAS TRAINED AND GRADUATED 209 AREA PARENTS. PLTI'S CORE MISSION IS TO IMPART LEADERSHIP AND ADVOCACY SKILLS TO PARENTS WHILE SIMULTANEOUSLY EDUCATING THEM ABOUT VOLUNTEERISM, CIVIC LIFE, AND THE PROCESS BY WHICH STATE AND LOCAL GOVERNMENTS ENACT AND CHANGE LAWS. EACH PARTICIPANT COMPLETES AND IMPLEMENTS A COMMUNITY PROJECT; EXAMPLES OF PROJECTS FROM 2013 INCLUDE: A "JUJI'S SENSORY FRIENDLY FILMS" PROGRAM - TO CREATE A SAFE AND ACCEPTING ENVIRONMENT FOR CHILDREN ON THE AUTISM SPECTRUM TO ATTEND FILMS AT THE MOVIE THEATER ON A MONTHLY BASIS AND "PADRE LATINOS" - A SUPPORT GROUP FOR SINGLE FATHERS TO LEARN KNOWLEDGE AND INFORMATION THROUGH THE LIFE EXPERIENCES OF THEIR PEERS.

- PARENTS SUPPORTING EDUCATIONAL EXCELLENCE (PSEE) - IN 2013, EIGHTEEN INDIVIDUALS FROM GREATER WATERBURY SUCCESSFULLY COMPLETED WATERBURY'S PSEE, A 13-WEEK CURRICULUM CO-CREATED BY THE CONNECTICUT CENTER FOR SCHOOL CHANGE AND THE CONNECTICUT COMMISSION ON CHILDREN FOR PARENTS (DEFINED BROADLY AS PARENTS, GUARDIANS, FAMILY MEMBERS AND GRANDPARENTS) TO INSTILL LEADERSHIP SKILLS IN EDUCATION AND TO FACILITATE PARTNERSHIPS BETWEEN SCHOOL STAFF AND PARENTS TO IMPROVE STUDENT LEARNING.

- WH SUMMER BRIDGE PROGRAM - DURING THE SUMMER OF 2013, TWENTY-EIGHT STUDENTS FROM WATERBURY, GRADES 6-11, PARTICIPATED IN THE WH SUMMER BRIDGE PROGRAM. 100% OF MEALS WERE SECURED FOR THE PROGRAM FROM CITY OF WATERBURY SUMMER FOOD PROGRAM.

STUDENTS COMPLETED THE FOLLOWING MODULES:

- 4 HOURS OF HOMEWORK AND STUDY SKILLS SESSIONS COMPLETED (LED BY STUDENT LEADERS), 12 HOURS OF MATH (PRE- ALGEBRA, ALGEBRA II, GEOMETRY AND

**Part VI** Supplemental Information

CALCULUS) REVIEW SESSIONS; 24.5 HOURS OF SAT WRITING AND VOCABULARY; 13.5 HOURS OF VIDEO PRODUCTION FOR HOSPITAL TEACHING VIDEOS; 23 HOURS OF PHOTOGRAPHY, FIELD TRIPS AND DISCUSSION TO CREATE A PHOTOVOICE PHOTO EXHIBITION; 11 HOURS OF POETRY INSTRUCTION AND PARTICIPATION IN THE INAUGURAL WH POETRY SLAM; 12 HOURS OF JOB SHADOWING SESSIONS (RADIOLOGY, NUCLEAR MEDICINE, NURSING, MRI, CASE MANAGEMENT, DR. S. ARONIN (ID INPATIENT ROUNDING), ICU MEDICAL ROUNDS, HEALTH INFORMATION MANAGEMENT, ACCESS REHAB, BEHAVIORAL HEALTH, RESPIRATORY THERAPY, FINANCE, WH ID CLINIC, SECURITY, ORTHOPEDICS, PHARMACY, INFECTION CONTROL AND SURGERY.)

- 4 HOURS OF MS OFFICE COMPUTER SESSIONS

- 2 FULL-DAY FIELD TRIPS COMPLETED: ONE TO WESLEYAN UNIVERSITY FOR AN ADMISSIONS INFO SESSION AND CAMPUS TOUR AND ONE TO HAMMONASSET STATE PARK INCLUDING THREE EDUCATIONAL SESSIONS AT MEIGS POINT NATURE CENTER

- 3 HOURS OF COLLEGE ADMISSIONS PRESENTATIONS COMPLETED BY UCONN WATERBURY & NAUGATUCK VALLEY COMMUNITY COLLEGE

- 1 HOUR OF INDIVIDUAL ACADEMIC ADVISING

- 2 HOURS OF HEALTH TOPICS PRESENTATIONS COMPLETED, INCLUDING HIV 101 AND HEALTH EATING/DIABETES.

SUPPORT GROUPS - DURING 2013, WATERBURY HOSPITAL HOSTED SEVERAL SUPPORT GROUPS FOR ITS PATIENTS AND THEIR FAMILIES, INCLUDING:

- BEHAVIORAL HEALTH'S PARENT AND SIBLING SUPPORT GROUP, WHICH OFFERS EMOTIONAL ASSISTANCE TO FAMILIES WHO HAVE CHILDREN IN TREATMENT; AND  
- ALCOHOLICS ANONYMOUS, SERVES OVER 4,000 PEOPLE ANNUALLY, MEETS WEEKLY THROUGHOUT THE YEAR, AND IS COORDINATED BY OUR BEHAVIORAL HEALTH DEPARTMENT.

PART III, LINE 4: THE HOSPITAL ACCEPTS ALL PATIENTS REGARDLESS OF

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THEIR ABILITY TO PAY. A PATIENT IS CLASSIFIED AS A CHARITY PATIENT BY REFERENCE TO THE ESTABLISHED POLICIES OF THE HOSPITAL. ESSENTIALLY, THESE POLICIES DEFINE CHARITY SERVICES AS THOSE SERVICES FOR WHICH NO PAYMENT IS POSSIBLE. IN ASSESSING A PATIENT'S INABILITY TO PAY, THE HOSPITAL UTILIZES THE GENERALLY RECOGNIZED FEDERAL POVERTY INCOME LEVELS, BUT ALSO INCLUDES CERTAIN CASES WHERE INCURRED CHARGES ARE SIGNIFICANT WHEN COMPARED TO INCOMES AND ASSETS. THESE SERVICES ARE NOT INCLUDED IN NET PATIENT SERVICE REVENUES FOR FINANCIAL REPORTING PURPOSES.

PART III, LINE 8: COSTING METHODOLOGY USED TO COMPUTE THE MEDICARE SHORTFALL AND ANY ASSOCIATED COMMUNITY BENEFIT IS A COMBINATION OF THE AMOUNT REPORTED ON LINE 7 AS WELL AS THE HEALTH PROFESSION EDUCATION LINE. A TOTAL SHORTFALL OF \$6,275,009 WAS DERIVED FROM THE 2013 MEDICARE COST REPORT USING AN AHA APPROVED FORM FOR SCHEDULE H WORKSHEET B PPS AND IPF HOSPITALS. ALL OF THIS SHORTFALL SHOULD BE REPORTED AS A COMMUNITY BENEFIT. THE HOSPITAL COST ACCOUNTING SYSTEM SHOWS A SHORTFALL FROM ALL MEDICARE PROGRAMS (INCLUDING MANAGED MEDICARE) OF \$27,786,884 (NET OF BAD DEBT AND FREE CARE).

PART III, LINE 9B: WE HAVE SEVERAL CREDIT AND COLLECTION PROGRAMS GOVERNING PATIENTS WHO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE; PROMPT PAY DISCOUNT; SLIDING SCALE; PAYMENT ARRANGEMENTS; CHARITY CARE AND FREE BED FUNDS. ANY PATIENT EXPRESSING DIFFICULTY PAYING A BALANCE IS ENTITLED TO APPLY FOR FINANCIAL COUNSELING ASSISTANCE. CUSTOMER SERVICE REPRESENTATIVES WORK WITH THE PATIENTS TO DETERMINE PROGRAM QUALIFICATION BASED ON THE COMPLETION OF A FINANCIAL APPLICATION. CASES ARE PREPARED AND PRESENTED TO THE PATIENT ASSISTANCE COMMITTEE. APPROVED CASES WILL BE EITHER FULLY OR PARTIALLY WRITTEN OFF TO FREE BED FUNDS OR CHARITY CARE.

**Part VI** Supplemental Information**THE WATERBURY HOSPITAL:**

PART V, SECTION B, LINE 3: BACKGROUND & PARTNERS: ON JANUARY 26, 2012, THE WATERBURY DEPARTMENT OF PUBLIC HEALTH, SAINT MARY'S AND WATERBURY HOSPITALS, STAYWELL HEALTH CENTER, NORTHWESTERN CT AREA HEALTH EDUCATION CENTER, THE CONNECTICUT COMMUNITY FOUNDATION, BRASS CITY HARVEST, AND THE UNITED WAY OF GREATER WATERBURY CAME TOGETHER TO FORM THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP (GWHIP), WHICH SERVES AS A STEERING COMMITTEE FOR THE GREATER WATERBURY COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA). THE GREATER WATERBURY COMMUNITY HEALTH IMPROVEMENT PARTNERSHIP ENGAGED HOLLERAN, A RESEARCH AND CONSULTING GROUP LOCATED IN LANCASTER, PA, TO FACILITATE THE CHNA.

PURPOSE: TO IDENTIFY HEALTHCARE NEEDS IN OUR COMMUNITY TO ENSURE THAT WE ARE PROVIDING SERVICES AND RESOURCES TO SUPPORT THESE IDENTIFIED NEEDS AND TO FULFILL REQUIREMENTS OF THE IRS 990 SCHEDULE H.

**GOALS OF CHNA:**

- IDENTIFY COMMUNITY HEALTH NEEDS AND PRIORITIES WITHIN THE GREATER WATERBURY AREA.
- PROVIDE A PLATFORM FOR COLLABORATION BETWEEN ORGANIZATIONS TO ADDRESS SOURCES OF POOR HEALTH OUTCOMES AND INEQUITY.
- PROVIDE A BASELINE MEASURE OF KEY HEALTH INDICATORS AND MONITOR TRENDS IN HEALTH STATUS FOR WATERBURY RESIDENTS.
- INFORM HEALTH POLICY AND STRATEGIES FOR DEVELOPING AND IMPLEMENTING A COMPREHENSIVE COMMUNITY HEALTH IMPROVEMENT PLAN.

TOTAL COST: \$72,850 & FUNDING PARTNERS: CONNECTICUT COMMUNITY FOUNDATION

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(\$25,000), SAINT MARY'S HOSPITAL (\$10,000), WATERBURY HEALTH DEPARTMENT  
 (\$20,000), WATERBURY HOSPITAL (\$10,000), AND UNITED WAY OF GREATER  
 WATERBURY (\$7,850)

PREVIOUS NEEDS ASSESSMENTS: "VISIONS: COMMUNITY HEALTH NEEDS ASSESSMENT"  
 (LAST COMPREHENSIVE NEEDS ASSESSMENT CONDUCTED IN 1995 BY WATERBURY  
 HOSPITAL, ST. MARY'S HOSPITAL, AND THE UNITED WAY) AND "COMMUNITY NEEDS  
 ASSESSMENT" (CONDUCTED IN 2007 BY THE UNITED WAY AND LEEVER FOUNDATION)

## KEY COMPONENTS:

SECONDARY DATA PROFILE - DATA COLLECTION TO DEPICT WATERBURY'S  
 DEMOGRAPHICS, HEALTH STATISTICS, MORBIDITY AND MORTALITY STATISTICS,  
 EDUCATION AND ECONOMIC MEASURES, AND OTHER SOCIOECONOMIC MEASURES.  
 (DECEMBER 2012 - JANUARY 2013)

HOUSEHOLD SURVEY/BRFSS - 1,100 RANDOM TELEPHONE SURVEYS OF AREA RESIDENTS;  
 HOLLERAN USED THE CDC'S BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS)  
 SURVEY ALONG WITH SOME CUSTOMIZED QUESTIONS. (DECEMBER 2012 - MAY 2013)

KEY INFORMANT SURVEYS - AN ONLINE SURVEY WAS CONDUCTED AMONG AREA "KEY  
 INFORMANTS." KEY INFORMANTS WERE DEFINED AS COMMUNITY STAKEHOLDERS WITH  
 EXPERT KNOWLEDGE INCLUDING PUBLIC HEALTH AND HEALTH CARE PROFESSIONALS,  
 SOCIAL SERVICE PROVIDERS, NON-PROFIT LEADERS, BUSINESS LEADERS,  
 FAITH-BASED ORGANIZATIONS, AND OTHER COMMUNITY LEADERS. TWO-HUNDRED AND  
 FIVE (205) COMPLETED SURVEYS WERE COLLECTED BETWEEN FEBRUARY AND APRIL  
 2013. A LISTING OF KEY INFORMANT PARTICIPANTS CAN BE FOUND IN APPENDIX D  
 OF THE CHNA FINAL REPORT. (DECEMBER 2012 - MARCH 2013)

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FOCUS GROUPS - SIX FOCUS GROUPS WERE CONDUCTED FOCUSING ON KEY ISSUES DERIVED FROM THE PRIMARY AND SECONDARY RESEARCH. FOUR OF THE FOCUS GROUPS TARGETED COMMUNITY MEMBERS FROM THE WOW, HILLSIDE, BROOKLYN, AND SOUTH END NEIGHBORHOODS IN WATERBURY (AS IDENTIFIED BY THE MAYOR'S OFFICE); TWO FOCUS GROUPS TARGETED AREA PHYSICIANS (ONE GROUP FOR SAINT MARY'S HOSPITAL AND ONE GROUP FOR WATERBURY HOSPITAL). FIFTY SEVEN COMMUNITY RESIDENTS AND PHYSICIANS PARTICIPATED IN THE FOCUS GROUPS. (JANUARY 2013 - MARCH 2013)

PRIORITIZATION SESSION - ON JUNE 17, 2013, APPROXIMATELY 40 INDIVIDUALS REPRESENTING THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP GATHERED TO REVIEW THE RESULTS OF THE 2013 COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA). AMONG THE ATTENDEES WERE REPRESENTATIVES FROM LOCAL HEALTH AND HUMAN SERVICES AGENCIES, AREA NON-PROFIT ORGANIZATIONS, HEALTH PROVIDERS, AND PUBLIC HEALTH REPRESENTATIVES. THE GOAL OF THE MEETING WAS TO DISCUSS AND PRIORITIZE KEY FINDINGS FROM THE CHNA AND TO SET THE STAGE FOR THE DEVELOPMENT OF THE HOSPITAL'S IMPLEMENTATION STRATEGY. A LIST OF ATTENDEES CAN BE FOUND AT APPENDIX G OF THE CHNA FINAL REPORT. (JUNE 17, 2013)

FINAL CHNA REPORT - PROVIDES COMPREHENSIVE OUTLINE OF THE PROCESS, METHODS, PARTICIPANTS, AND RESULTS. INCLUDES THE TOP FOUR IDENTIFIED HEALTH ISSUES: ACCESS TO CARE; MENTAL HEALTH & SUBSTANCE ABUSE; OVERWEIGHT & OBESITY; AND TOBACCO USE. (JUNE 2013 - JULY 2013)

IMPLEMENTATION PLANNING - AS REQUIRED BY THE IRS, HOLLERAN WORKED WITH WATERBURY HOSPITAL AND SAINT MARY'S HOSPITAL INDEPENDENTLY TO CREATE AN

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IMPLEMENTATION PLAN BASED ON THE GOALS, STRATEGIES, AND MEASUREMENTS THAT ARE IDENTIFIED THROUGH A PRIORITIZATION AND ASSET MAPPING SESSION. THIS INFORMATION IS DRIVING THE CREATION OF A COMMUNITY HEALTH IMPROVEMENT PLAN (CHIP). (MAY 2013 - AUGUST 2013)

FINAL PRESENTATION - A FINAL REPORT OF THE CHNA AND IMPLEMENTATION STRATEGIES WERE DELIVERED TO HOSPITAL LEADERSHIP, BOARD OF DIRECTORS, AND THE COMMUNITY-AT-LARGE AT NAUGATUCK VALLEY COMMUNITY COLLEGE. THE CHIP WAS APPROVED BY THE WH BOARD AND COPIES OF THE WH IMPLEMENTATION PLAN AND IMPLEMENTATION PLAN SUMMARY WERE POSTED ON THE WH WEBSITE AS PER IRS REQUIREMENTS. (SEPTEMBER 2013)

ONGOING REPORTING TO IRS - WH IS REQUIRED TO RESPOND TO QUESTIONS RE: ANNUAL PROGRESS ON CHNA AS STATED ON SCHEDULE H OF 990 (SUBMITTED ANNUALLY IN AUGUST) (ONGOING)

THE WATERBURY HOSPITAL:

PART V, SECTION B, LINE 4: ST. MARY'S HOSPITAL

THE WATERBURY HOSPITAL:

PART V, SECTION B, LINE 7: IN 2013, WATERBURY HOSPITAL CONDUCTED A COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) TO EVALUATE THE HEALTH NEEDS OF INDIVIDUALS LIVING IN THESE COMMUNITIES. THE CHNA WAS DONE IN COLLABORATION WITH THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP. THE PARTNERSHIP CONSISTS OF WATERBURY HOSPITAL, SAINT MARY'S HOSPITAL, WATERBURY DEPARTMENT OF PUBLIC HEALTH, CITY OF WATERBURY,

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STAYWELL HEALTH CENTER, CONNECTICUT COMMUNITY FOUNDATION, UNITED WAY, AND OTHER COMMUNITY ORGANIZATIONS. WATERBURY HOSPITAL VIEWS COMMUNITY HEALTH IMPROVEMENT AS AN ONGOING EFFORT THAT REQUIRES LEADERSHIP THROUGH EXAMPLE AND PARTNERSHIP WITH OTHER COMMUNITY ORGANIZATIONS TO IMPROVE THE HEALTH STATUS AND QUALITY OF LIFE OF COMMUNITY RESIDENTS.

THE PURPOSE OF THE ASSESSMENT WAS TO GATHER INFORMATION ABOUT HEALTH NEEDS AND BEHAVIORS. A VARIETY OF INDICATORS WERE EXAMINED INCLUDING RISKY HEALTH BEHAVIORS (ALCOHOL USE, TOBACCO USE) AND CHRONIC HEALTH CONDITIONS (DIABETES, HEART DISEASE). THE CHNA WAS COMPRISED OF BOTH QUANTITATIVE AND QUALITATIVE RESEARCH COMPONENTS. A BRIEF SYNOPSIS OF THE RESEARCH COMPONENTS FOLLOWS:

## QUANTITATIVE DATA:

- A STATISTICAL SECONDARY DATA PROFILE DEPICTING POPULATION AND HOUSEHOLD STATISTICS, EDUCATION AND ECONOMIC MEASURES, MORBIDITY AND MORTALITY RATES, INCIDENCE RATES AND OTHER HEALTH STATISTICS FOR WATERBURY, CONNECTICUT AND SURROUNDING CITIES WAS COMPILED.

- A HOUSEHOLD TELEPHONE SURVEY WAS CONDUCTED WITH 1,100 RANDOMLY-SELECTED COMMUNITY RESIDENTS. THE SURVEY WAS MODELED AFTER THE CENTER FOR DISEASE CONTROL AND PREVENTION'S BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS) WHICH ASSESSES HEALTH STATUS, HEALTH RISK BEHAVIORS, PREVENTIVE HEALTH PRACTICES, AND HEALTH CARE ACCESS PRIMARILY RELATED TO CHRONIC DISEASE AND INJURY.

## QUALITATIVE DATA:

- SIX FOCUS GROUPS WERE HELD WITH 24 HEALTH CARE PROVIDERS AND 33 COMMUNITY RESIDENTS IN FEBRUARY 2013.

**Part VI** Supplemental Information

- KEY INFORMANT INTERVIEWS WERE CONDUCTED WITH 205 COMMUNITY LEADERS AND PARTNERS BETWEEN FEBRUARY AND APRIL 2013.

## REVIEW OF KEY FINDINGS

IN JUNE 2013, INDIVIDUALS FROM HEALTHCARE ORGANIZATIONS, COMMUNITY AGENCIES, SOCIAL SERVICE ORGANIZATIONS, AND AREA NON-PROFITS GATHERED TO REVIEW THE RESULTS OF THE CHNA DATA. THE PLANNING MEETING WAS INITIATED AND FACILITATED BY THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP. THE GOAL OF THE MEETING WAS TO DISCUSS CHNA FINDINGS IN AN EFFORT TO PRIORITIZE KEY COMMUNITY HEALTH ISSUES.

THE OBJECTIVES FOR THE DAY WERE OUTLINED AS FOLLOWS:

- TO REVIEW RECENTLY COMPILED COMMUNITY HEALTH DATA AND HIGHLIGHT KEY RESEARCH FINDINGS;
- TO INITIATE DISCUSSIONS AROUND ADDITIONAL KEY HEALTH ISSUES NOT REPRESENTED IN THE CHNA;
- TO PRIORITIZE THE COMMUNITY HEALTH NEEDS BASED ON SELECT CRITERIA

## PRIORITIZATION PROCESS &amp; IDENTIFIED HEALTH PRIORITIES

THE PRIORITIZATION MEETING WAS FACILITATED BY HOLLERAN CONSULTING. THE MEETING BEGAN WITH AN ABBREVIATED RESEARCH OVERVIEW. THIS OVERVIEW PRESENTED THE RESULTS OF THE PRIMARY AND SECONDARY RESEARCH AND KEY FINDINGS OF THE CHNA.

FOLLOWING THE RESEARCH OVERVIEW, PARTICIPANTS WERE PROVIDED WITH INFORMATION REGARDING THE PRIORITIZATION PROCESS, CRITERIA TO CONSIDER WHEN EVALUATING KEY AREAS OF FOCUS, AND OTHER ASPECTS OF HEALTH

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IMPROVEMENT PLANNING, SUCH AS GOAL SETTING AND DEVELOPING STRATEGIES AND MEASURES. IN A LARGE-GROUP FORMAT, ATTENDEES WERE THEN ASKED TO SHARE OPENLY WHAT THEY PERCEIVED TO BE THE NEEDS AND AREAS OF OPPORTUNITY IN THE CITY. THROUGH FACILITATED DISCUSSION, ATTENDEES DEVELOPED A "MASTER LIST" OF POTENTIAL PRIORITY AREAS FOR THE IMPLEMENTATION PLANS.

ONCE THE MASTER LIST WAS COMPILED, PARTICIPANTS WERE ASKED TO RATE EACH NEED BASED ON TWO CRITERIA. THE TWO CRITERIA INCLUDED THE SERIOUSNESS OF THE ISSUE AND THE COMMUNITY'S ABILITY TO IMPACT THE ISSUE. RESPONDENTS WERE ASKED TO RATE EACH ISSUE ON A 1 (NOT AT ALL SERIOUS; NO ABILITY TO IMPACT) THROUGH 5 (VERY SERIOUS; GREAT ABILITY TO IMPACT) SCALE. THE RATINGS WERE GATHERED INSTANTLY AND ANONYMOUSLY THROUGH A WIRELESS AUDIENCE RESPONSE SYSTEM. EACH ATTENDEE RECEIVED A KEYPAD TO REGISTER THEIR VOTE. FOLLOWING THE RANKING OF THE HEALTH PRIORITIES, THE TOP FOUR PRIORITY AREAS WERE IDENTIFIED:

- A. ACCESS TO CARE
- B. MENTAL HEALTH/SUBSTANCE ABUSE
- C. OVERWEIGHT/OBESITY
- D. SMOKING

THE PRIORITIZATION SESSION PARTICIPANTS VOTED TO ADOPT THESE TOP FOUR PRIORITIES ON A COMMUNITY WIDE BASIS DUE TO A LACK OF RESOURCES TO ADDRESS ALL ISSUES. THEREFORE, WATERBURY HOSPITAL'S IMPLEMENTATION PLAN ADDRESSES THESE FOUR PRIORITY AREAS. WATERBURY HOSPITAL IS A FOUNDING MEMBER OF THE GREATER WATERBURY HEALTH IMPROVEMENT PLAN COMMITTEE AND CONTINUES TO SERVE BOTH ON THE STEERING COMMITTEE AND ON THE INDIVIDUAL PRIORITY AREA COMMITTEES.

**Part VI** Supplemental Information**RESEARCH PARTNER**

THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP CONTRACTED WITH HOLLERAN, AN INDEPENDENT RESEARCH AND CONSULTING FIRM LOCATED IN LANCASTER, PENNSYLVANIA, TO CONDUCT RESEARCH IN SUPPORT OF THE CHNA. HOLLERAN HAS 21 YEARS OF EXPERIENCE IN CONDUCTING PUBLIC HEALTH RESEARCH AND COMMUNITY HEALTH ASSESSMENTS. THE FIRM PROVIDED THE FOLLOWING ASSISTANCE:

- COLLECTED AND INTERPRETED SECONDARY DATA
- CONDUCTED, ANALYZED, AND INTERPRETED DATA FROM THE HOUSEHOLD TELEPHONE

**SURVEY**

- CONDUCTED FOCUS GROUPS WITH COMMUNITY MEMBERS
- CONDUCTED KEY INFORMANT INTERVIEWS WITH COMMUNITY LEADERS AND PARTNERS
- FACILITATED A PRIORITIZATION AND PLANNING SESSION
- PREPARED ALL REPORTS

**COMMUNITY REPRESENTATION**

COMMUNITY ENGAGEMENT AND FEEDBACK WERE AN INTEGRAL PART OF THE CHNA PROCESS. THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP SOUGHT COMMUNITY INPUT THROUGH FOCUS GROUPS WITH HEALTH CARE PROVIDERS AND COMMUNITY MEMBERS, KEY INFORMANT INTERVIEWS WITH COMMUNITY LEADERS AND PARTNERS, AND INCLUSION OF COMMUNITY LEADERS IN THE PRIORITIZATION AND IMPLEMENTATION PLANNING PROCESS. PUBLIC HEALTH AND HEALTH CARE PROFESSIONALS SHARED KNOWLEDGE AND EXPERTISE ABOUT HEALTH ISSUES, AND LEADERS AND REPRESENTATIVES OF NON-PROFIT AND COMMUNITY-BASED ORGANIZATIONS PROVIDED INSIGHT ON THE COMMUNITY, INCLUDING THE MEDICALLY UNDERSERVED, LOW INCOME, AND MINORITY POPULATIONS.

**RESEARCH LIMITATIONS**

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IT SHOULD BE NOTED THAT THE AVAILABILITY AND TIME LAG OF SECONDARY DATA MAY PRESENT SOME RESEARCH LIMITATIONS. ADDITIONALLY, LANGUAGE BARRIERS, TIMELINE, AND OTHER RESTRICTIONS MAY HAVE IMPACTED THE ABILITY TO SURVEY ALL COMMUNITY STAKEHOLDERS. THE GREATER WATERBURY HEALTH IMPROVEMENT PARTNERSHIP SOUGHT TO MITIGATE LIMITATIONS BY INCLUDING REPRESENTATIVES OF DIVERSE AND UNDERSERVED POPULATIONS THROUGHOUT THE RESEARCH COMPONENTS.

THE CURRENT ASSESSMENT WILL GUIDE WATERBURY HOSPITAL'S ONGOING WORK TO IMPROVE COMMUNITY HEALTH AND COMPLY WITH NEW REQUIREMENTS FOR TAX-EXEMPT HEALTH CARE ORGANIZATIONS TO CONDUCT A CHNA AND ADOPT AN IMPLEMENTATION STRATEGY ALIGNED WITH IDENTIFIED COMMUNITY NEEDS.

THE WATERBURY HOSPITAL:

PART V, SECTION B, LINE 20D: ALL PATIENTS ARE CHARGED THE SAME.

PART VI, LINE 2: WATERBURY HOSPITAL WORKS CLOSELY WITH LOCAL HEALTHCARE PROVIDERS AND COMMUNITY-BASED ORGANIZATIONS TO IDENTIFY HEALTHCARE NEEDS FOR UNDERSERVED PATIENTS THROUGHOUT THE WATERBURY COMMUNITY. THROUGH THESE COLLABORATIONS, WATERBURY HOSPITAL WORKS TO DEVELOP KEY PROGRAMMING FOR THE CITY'S VULNERABLE POPULATIONS, INCLUDING: THE WATERBURY HOSPITAL INFECTIOUS DISEASE CLINIC, WHICH PROVIDES COMPREHENSIVE HIV CARE TO 500 PEOPLE LIVING WITH HIV/AIDS; THE WATERBURY HEALTH ACCESS PROGRAM, WHICH PROVIDES COMPREHENSIVE CASE MANAGEMENT SERVICES TO OVER 3,000 UNINSURED AND UNDERINSURED PATIENTS ANNUALLY; AND THE WATERBURY HOSPITAL CHASE DIABETES DISEASE MANAGEMENT CLINIC, WHICH PROVIDES >150 DIABETICS WITH SELF-MANAGEMENT SKILLS AND CLINICAL CARE.

**Part VI** Supplemental Information

PART VI, LINE 3: WE HAVE SIGNAGE, PT HANDBOOK, STATEMENT BACKERS & HANDOUTS THAT INFORM PATIENTS OF FREE BED FUNDS ETC. THE HOSPITAL ACCEPTS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY. A PATIENT IS CLASSIFIED AS A CHARITY PATIENT BY REFERENCE TO THE ESTABLISHED POLICIES OF THE HOSPITAL. ESSENTIALLY, THESE POLICIES DEFINE CHARITY SERVICES AS THOSE SERVICES FOR WHICH NO PAYMENT IS POSSIBLE. IN ASSESSING A PATIENT'S INABILITY TO PAY, THE HOSPITAL UTILIZES THE GENERALLY RECOGNIZED POVERTY INCOME LEVELS FOR THE STATE, BUT ALSO INCLUDES CERTAIN CASES WHERE INCURRED CHARGES ARE SIGNIFICANT WHEN COMPARED TO INCOMES. THESE CHARGES ARE NOT INCLUDED IN NET PATIENT SERVICE REVENUES FOR FINANCIAL REPORTING PURPOSES.

PART VI, LINE 4: LOCATED IN A CITY OF 109,000 RESIDENTS, WATERBURY HOSPITAL IS CENTRALLY LOCATED IN WESTERN CONNECTICUT. IT IS ONE OF TWO HOSPITALS THAT SERVES THE CITY OF WATERBURY AND ITS SURROUNDING TOWNS, INCLUDING BEACON FALLS, BETHLEHEM, CHESHIRE, MIDDLEBURY, NAUGATUCK, PROSPECT, SOUTHBURY, THOMASTON, WATERTOWN, WOLCOTT, AND WOODBURY. OVERALL, THE CITY OF WATERBURY LAGS BEHIND THE STATE OF CONNECTICUT AND THE U.S. IN KEY MEASURABLE STATISTICS, AS SEEN IN TABLE 1, BELOW:

TABLE 1: SELECTED CENSUS DATA, JULY 2012, QUICKFACTS.CENSUS.GOV:

WATERBURY, CT, &amp; U.S.

	WATERBURY	CT	U.S.
MEDIAN HOUSEHOLD INCOME:	\$41,499	\$69,243	\$52,762
PER CAPITA MONEY INCOME:	\$22,004	\$37,627	\$27,915
% PERSONS BELOW POVERTY:	20.6%	9.5%	14.3%
% HOUSEHOLDS MARRIED COUPLE FAMILY:	35.4%	51.0%	49.7%



**Part VI** Supplemental Information

% OF OWNER-OCCUPIED HOMES:	49.7%	69.5%	66.9%
% FOREIGN-BORN PERSONS:	14.4%	13.3%	12.8%
% LANGUAGE NOT ENGLISH SPOKEN			
AT HOME, AGE 5+:	31.6%	20.8%	20.3%
% HOUSEHOLDS WITH NO VEHICLE:	16.8%	8.3%	8.8%
% MALE:	47.6%	48.7%	49.2%
% FEMALE	52.4%	51.3%	50.8%
% CAUCASIAN:	58.8%	77.6%	63.0%
% AFRICAN-AMERICAN:	20.1%	10.1%	13.1%
% HISPANIC:	31.2%	13.4%	16.9%
% HIGH SCHOOL GRADUATES OR HIGHER:	79.4%	88.2%	84.6%
% BACHELOR'S DEGREE OR HIGHER:	16.2%	35.1%	27.5%
% OF PERSONS AGE 65 & OVER:	12.6%	14.2%	13.7%
UNEMPLOYMENT RATE, MAY 2013:	10.8%	8.0%	7.6%
INFANT MORTALITY			
PER 1,000 RESIDENTS:	9.83	6.2	6.8
CRIME RATE (VIOLENT & PROPERTY)			
PER 100,000 RESIDENTS (2009):	6,379	2,981	3,466

WATERBURY WAS ONCE A ROBUST MANUFACTURING CENTER. HOWEVER, OVER THE PAST 25 YEARS, THE INDUSTRIAL BASE THAT WAS THE CENTER OF WATERBURY'S ECONOMY FOR MOST OF THE 20TH CENTURY DWINDLED, LEAVING MANY UNEMPLOYED. ALTHOUGH THERE ARE JOBS AVAILABLE IN HEALTHCARE AND SERVICE SECTORS, HIGH UNEMPLOYMENT REMAINS A THREAT FOR MANY INDIVIDUALS IN THE GREATER WATERBURY AREA. THE CITY OF WATERBURY IS ALSO DESIGNATED A FEDERAL MUA (MEDICALLY UNDERSERVED AREA) AND HPSA (HEALTH PROFESSIONAL SHORTAGE AREA) FOR PRIMARY CARE, MENTAL HEALTH, AND DENTAL CARE.

Part VI Supplemental Information

PART VI, LINE 5: REALIZING THE DIVERSE NEEDS OF RESIDENTS IN OUR COMMUNITY, WATERBURY HOSPITAL REMAINS DEDICATED TO PROVIDING COMPREHENSIVE HEALTH SERVICES TO ENSURE EVERY INDIVIDUAL HAS ACCESS TO APPROPRIATE, QUALITY HEALTHCARE.

DURING 2013, WATERBURY HOSPITAL'S SPECTRUM OF SERVICES CONTINUED TO HAVE A POSITIVE IMPACT ON THE WELFARE OF WATERBURY'S CITIZENS. TO REMAIN CONSISTENT WITH WATERBURY HOSPITAL'S MISSION, MANY OF OUR SERVICES ARE TARGETED FOR VULNERABLE MEMBERS OF OUR COMMUNITY, INCLUDING THOSE WHO ARE UNINSURED OR UNDERINSURED.

KEY PROGRAMS:

WATERBURY HEALTH ACCESS PROGRAM: WATERBURY HOSPITAL IS AWARE OF THE ECONOMIC NEEDS MANY PATIENTS IN OUR COMMUNITY, AND, AS A RESULT, WE REMAIN COMMITTED TO THE WATERBURY HEALTH ACCESS PROGRAM. FOUNDED IN 2003 AS A PARTNERSHIP BETWEEN WATERBURY HOSPITAL, ST. MARY'S HOSPITAL, STAYWELL HEALTH CENTER (FQHC), AND THE WATERBURY HEALTH DEPARTMENT, THE WATERBURY HEALTH ACCESS PROGRAM IMPROVES ACCESS TO HIGH-QUALITY MEDICAL CARE BY PROVIDING COMPREHENSIVE CASE MANAGEMENT, PHARMACY ASSISTANCE, AND ACCESS TO PRIMARY AND SUB-SPECIALTY MEDICAL CARE FOR THE UNINSURED AND UNDERINSURED RESIDENTS OF THE GREATER WATERBURY REGION. DURING FY 2013, THE WATERBURY HEALTH ACCESS PROGRAM HAD OVER 4,841 ACTIVE CLIENTS. ADDITIONALLY, WATERBURY HOSPITAL PROVIDED \$434,559 WORTH OF DONATED SERVICES TO WHAP'S PATIENTS.

BEHAVIORAL HEALTH - WATERBURY HOSPITAL'S CENTER FOR BEHAVIORAL HEALTH IS ONE OF THE REGION'S LARGEST SERVICE PROVIDERS OFFERING A FULL CONTINUUM OF

**Part VI** Supplemental Information

CARE FOR CHILDREN, ADOLESCENTS AND ADULTS. OUR SERVICES ALSO OUTREACH TO THE COMMUNITY THROUGH REGULAR PARTICIPATION IN HEALTH FAIRS, ELECTED MEMBERSHIP IN THE NORTHWEST REGIONAL MENTAL HEALTH BOARD, AS A HOST SITE TO NUMEROUS TWELVE-STEP MEETINGS AND THE PROVISION OF CASE MANAGEMENT AS WELL AS ACUTE SERVICES TO THE HOMELESS WITHIN THE CITY OF WATERBURY. BEHAVIORAL HEALTH CLINICIANS CAN ENGAGE CLIENTS TO HELP FACILITATE THEIR ENTRANCE INTO TREATMENT. WE PROVIDE PHONE SUPPORT, REFERRALS AND TRIAGING TEN HOURS A DAY SEVEN DAYS A WEEK. WITHIN OUR CRISIS CENTER WE OFFER SHORT TERM SERVICES TO HELP INDIVIDUALS OBTAIN MORE PERMANENT TREATMENT THAT BEST MEETS THEIR NEEDS. AMBULATORY SERVICES INCLUDE PARTIAL HOSPITAL PROGRAMS, INTENSIVE OUTPATIENT SERVICES, GROUP, INDIVIDUAL THERAPY AND MEDICATION MANAGEMENT TO PATIENTS EXPERIENCING MENTAL ILLNESS AND/ OR A SUBSTANCE USE DISORDER. FOR INDIVIDUALS EXPERIENCING ACUTE SYMPTOMS WE OFFER INPATIENT TREATMENT TO ADOLESCENTS AGED 12 AND UP AS WELL AS ADULT SERVICES. OUR EFFORTS ARE AIMED AT PROMOTING THE BENEFITS OF CLINICAL TREATMENT AS WELL AS POSITIVE LIFESTYLE CHOICES. EVERY EFFORT IS MADE TO EDUCATE CLIENTS, THEIR FAMILIES AND THE COMMUNITY ABOUT MENTAL ILLNESS AND THE IMPACT TREATMENT CAN HAVE ON ONE'S ILLNESS. THE ULTIMATE GOAL IS TO HELP PEOPLE FEEL BETTER, REDUCE OR RESOLVE SYMPTOMS AND TO MINIMIZE THE STIGMA OF MENTAL ILLNESS.

BE WELL BUS - IN ORDER TO ENSURE THAT PATIENTS HAVE ACCESS TO MEDICAL APPOINTMENTS, AT THE HOSPITAL AND AT LOCAL PHYSICIANS' OFFICES, WATERBURY HOSPITAL'S BE WELL BUS PROVIDES TRANSPORTATION SERVICES TO PATIENTS FROM WATERBURY AND ELEVEN OF ITS SURROUNDING TOWNS. DURING FY 2013, THE BE WELL BUS COMPLETED OVER 4,170 TRANSPORTS TO AND FROM MEDICAL APPOINTMENTS. WATERBURY HOSPITAL HAS CONTRACTED WITH A TRANSPORTATION PROVIDER TO OFFER THE BUS SERVICE, AND AREA PROVIDERS PAY A SMALL FEE TO PARTICIPATE.

**Part VI** Supplemental Information

HEART CENTER OF GREATER WATERBURY - FORMED IN COLLABORATION WITH SAINT MARY'S HOSPITAL, THE HEART CENTER OF GREATER WATERBURY PROVIDES DIVERSE MEDICAL SUPPORT INITIATIVES TO HELP EDUCATE RESIDENTS IN THE GREATER WATERBURY COMMUNITY ABOUT PERTINENT HEALTH AND WELLNESS ISSUES. THIS PAST YEAR, THE HEART CENTER CONDUCTED A SERIES OF HEALTH FAIRS AND VARIOUS HEALTH AND WELLNESS EDUCATION SESSIONS, INCLUDING "ASK THE NURSE," WHICH PROVIDES PATIENTS WITH COMPLIMENTARY BLOOD PRESSURE SCREENINGS AND HEALTH AWARENESS EDUCATION AND A "FREEDOM FROM SMOKING" SERIES TO HELP OUR RESIDENTS KICK THE HABIT.

FAMILY BIRTHING CENTER - PROVIDING A CHILD-CENTERED FOCUS, WATERBURY HOSPITAL'S FAMILY BIRTHING CENTER OFFERS EXPECTANT PARENTS A VARIETY OF CLASSES INCLUDING: BREAST FEEDING, CHILDBIRTH, AND INFANT CARE CLASSES TO PREPARE THEM FOR THEIR BABY'S ARRIVAL.

THANK GOD I'M FEMALE - FOR THE PAST 20 YEARS, WATERBURY HOSPITAL'S "THANK GOD I'M FEMALE" HAS SERVED AS AN ANNUAL WOMEN'S WELLNESS FORUM THAT FEATURES 40 EDUCATIONAL BOOTHS AND HEALTH-RELATED GIVEAWAYS. THE ULTIMATE GOAL OF THE FORUM IS TO EDUCATE ATTENDEES ABOUT STRESS, MENTAL WELL-BEING, HEART HEALTH, DIET, OSTEOPOROSIS AND BONE HEALTH, CHANGE OF LIFE, AND MORE. IN 2013, OVER 500 AREA RESIDENTS ATTENDED THE EVENT.

EVERGREEN 50 CLUB - WATERBURY HOSPITAL'S EVERGREEN 50 CLUB IS AN ORGANIZATION COMPRISED OF OVER 15,000 MEMBERS OVER THE AGE OF 50. THE CLUB OFFERS WELLNESS PROGRAMMING, MEDICARE COUNSELING, AND HEALTH EDUCATION PRESENTATIONS ON A VARIETY OF TOPICS ARE PRESENTED BY HEALTH CARE PROFESSIONALS. PRESENTATION TOPICS INCLUDE: HOLISTIC HEALTH, VARICOSE

Schedule H (Form 990)

232271  
05-01-12

**Part VI** Supplemental Information

VEIN TREATMENT, HEART DISEASE, SUMMER SKIN CARE, WEIGHT LOSS, BLOOD PRESSURE, BLADDER SCREENINGS, JOINT CARE AND REPLACEMENT, AND RESOLVING ADVERSE OUTCOMES WITH PATIENTS AND FAMILIES. ANNUALLY, THE EVERGREEN 50 CLUB HOSTS A HEALTH FAIR FOR ITS MEMBERS, WHICH PROVIDES FREE FLU SHOTS AND HEALTHCARE SCREENINGS.

WATERBURY HOSPITAL INFECTIOUS DISEASE CLINIC (WHIC) -

CURRENT SERVICES: THE WHIC OFFERS A COMPREHENSIVE "ONE-STOP SHOPPING" MODEL THAT PROVIDES PATIENTS WITH ON-SITE PRIMARY AND SPECIALTY SERVICES, MEDICAL CASE MANAGEMENT, INDIVIDUALIZED MEDICATION ADHERENCE SERVICES, MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES, NUTRITION COUNSELING, INDIVIDUALIZED HIV EDUCATION, LABORATORY TESTING, AND RADIOLOGY SERVICES. WHIC'S PROVIDERS INCLUDE THREE BOARD-CERTIFIED/BOARD-ELIGIBLE INFECTIOUS DISEASE SPECIALISTS AS WELL AS AN ADVANCED PRACTITIONER NURSE AND A REGISTERED DIETICIAN, ALL WITH EXPERTISE IN THE MANAGEMENT OF PATIENTS WITH HIV/AIDS. IN FY 2013, WHIC SERVED AROUND 500 PEOPLE LIVING WITH HIV/AIDS (PLWHA).

WHIC'S STAFF MEMBERS ACTIVELY PARTICIPATE IN STATEWIDE AND AREA COLLABORATIVES, SUCH AS THE CONNECTICUT HIV PLANNING CONSORTIUM (CHPC) AND THE RYAN WHITE PART A PLANNING COUNCIL, AND WHIC FACILITATES THE GREATER WATERBURY HIV CONSORTIUM. WHIC HAS A VERY ACTIVE CONSUMER ADVISORY GROUP (CAG), WHICH ORGANIZES SOCIAL AND TESTING EVENTS FOR THE COMMUNITY AND FACILITATES THE WATERBURY HOSPITAL PHOTOGRAPHY GROUP.

THE WHIC ALSO HAS A HEPATITIS C CLINIC, RUN BY AN ADVANCED PRACTITIONER NURSE. FROM OCTOBER 2004 TO PRESENT, NEARLY 200 HEPATITIS C MONO AND CO-INFECTED (HEPATITIS C AND HIV) HAVE BEEN EVALUATED AT THE ID CLINIC.

Part VI Supplemental Information

THE HEPATITIS C CLINIC PROVIDES A CONSULTATION WITH A NUTRITIONIST TO ADVISE ON HEALTHY EATING; COORDINATION WITH MENTAL HEALTH SERVICES; AND EDUCATIONAL SESSIONS ON SIDE EFFECT MANAGEMENT, THE IMPORTANCE OF HYDRATION AND ADHERENCE, AND POSITIVE COPING STRATEGIES.

FORGING COMMUNITY PARTNERSHIPS: SINCE 2009, THE WHIC HAS SERVED AS THE LEAD AGENCY FOR RYAN WHITE PART A FEDERAL FUNDING REGION 2 OF THE NEW HAVEN/FAIRFIELD ELIGIBLE METROPOLITAN AREA. THE WHIC WAS CHOSEN AS LEAD AGENCY BY THE CONSENSUS OF OTHER LOCAL RYAN WHITE PART A AGENCIES DUE TO ITS EXPERTISE IN PATIENT CARE AND FISCAL MANAGEMENT. AS THE LEAD AGENCY, THE WHIC HAS FORMED LONGSTANDING PARTNERSHIPS WITH STAYWELL HEALTH CENTER, INC., HISPANOS UNIDOS, INC., NEW OPPORTUNITIES, INC., RECOVERY NETWORK OF PROGRAMS, INC., CONNECTICUT COUNSELING CENTERS, INC., AND THE WATERBURY HEALTH DEPARTMENT, ALL OF WHOM WORK ALONGSIDE THE WHIC TO PROVIDE PATIENTS IN THE REGION WITH:

- PRIMARY HIV CARE;
- MEDICAL CASE MANAGEMENT;
- ORAL HEALTH CARE;
- INPATIENT AND OUTPATIENT SUBSTANCE ABUSE TREATMENT;
- HEALTH INSURANCE ASSISTANCE;
- MENTAL HEALTH;
- EARLY INTERVENTION SERVICES;
- HOUSING ASSISTANCE;
- EMERGENCY FINANCIAL ASSISTANCE;
- MEDICAL TRANSPORTATION; AND
- FOOD PANTRY.

IN JUNE 2013, WHIC COLLABORATED WITH THE WATERBURY HEALTH DEPARTMENT,

**Part VI** Supplemental Information

GRACE BAPTIST CHURCH, AND OTHER AREA AIDS SERVICE ORGANIZATIONS, TO ORGANIZE THE WATERBURY AIDS WALK AND RAISE AWARENESS ABOUT HIV/AIDS TREATMENT AND TESTING IN WATERBURY. 185 RESIDENTS PARTICIPATED IN THE EVENT.

FROM SEPTEMBER 2012 THROUGH AUGUST 2013, IN PARTNERSHIP WITH YALE UNIVERSITY, WATERBURY HOSPITAL CONDUCTED A CLINICAL TRIAL ENTITLED, "PROJECT NEW HOPE," TO TEST WHETHER EXTENDED-RELEASE NALTREXONE IS A VIABLE OPTION FOR IMPROVING OPIOID, ALCOHOL AND HIV TREATMENT OUTCOMES FOR RELEASED HIV-POSITIVE CRIMINAL JUSTICE SYSTEM POPULATIONS. THIS PROGRAM IS SUPPORTED BY THE NATIONAL INSTITUTE ON DRUG ABUSE OF THE NATIONAL INSTITUTES OF HEALTH UNDER AWARD NUMBER R01DA030762.

PART VI, LINE 6: N/A

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

CT

PART VI, LINE 5 (CONTINUED):

RESHAPING HIV TESTING STATEWIDE: SINCE 2008, PATIENTS VISITING WATERBURY HOSPITAL'S EMERGENCY DEPARTMENT ARE OFFERED FREE HIV TESTING WHILE WAITING TO BE EVALUATED OR TREATED FOR OTHER SYMPTOMS. IN ORDER TO OPTIMIZE THE NUMBER OF PEOPLE SCREENED FOR HIV, THE EMERGENCY DEPARTMENT'S PROGRAM USES AN OPT-OUT APPROACH. THE PROGRAM HAS SUCCESSFULLY SERVED AS A MODEL FOR OTHER HEALTHCARE INSTITUTIONS ACROSS THE STATE. THANKS, IN PART, TO WHIC'S LEADERSHIP, THE STATE OF CONNECTICUT NO LONGER LEGALLY REQUIRES PROVIDERS TO HAVE A SEPARATE CONSENT FORM FOR HIV TESTING.

**Part VI** Supplemental Information

ENGAGING PATIENTS: IN 2009, THE WHIC ESTABLISHED ITS PEER ADVOCATE PROGRAM. THREE PATIENTS FROM THE CLINIC SERVE AS THE PEER ADVOCATES, WHO WORK WITH CLIENTS AT THE CLINIC AND USE A SOCIAL NETWORKS STRATEGY TO BRING DIFFICULT-TO-REACH CLIENTS IN FOR TESTING AND/OR CARE; THEY HAVE TRAVELED TO HIGH-RISK NEIGHBORHOODS ON THE WATERBURY HEALTH DEPARTMENT'S COMMUNITY HEALTH VAN TO OFFER COUNSELING AND TESTING AND HAVE PARTICIPATED IN AIDS AWARENESS DAYS TO FACILITATE THE LINKAGE OF NEWLY DIAGNOSED PATIENTS TO PRIMARY CARE. PEER ADVOCATES PARTICIPATE IN THE WHIC'S CARE TEAM AND CONTINUUM MEETINGS TO KEEP PROVIDERS AND LOCAL PARTNERS AWARE OF THE PATIENTS' ACTIVITIES AND NEEDS.

THIS YEAR ONE PEER ADVOCATE PARTICIPATED IN THE WATERBURY PARENT LEADERSHIP TRAINING INSTITUTE, COMPLETING A COMMUNITY PROJECT, "JOSE'S HAVEN," TO PROVIDE SUPPORT SERVICES, ENROLL CLIENTS IN INDIVIDUAL PHOT DIARY PROJECTS, AND ENCOURAGE VOLUNTEERISM.

THE WHIC OFFERS ITS PATIENTS NATIONALLY-RECOGNIZED PEER AND SUPPORT PROGRAMS, INCLUDING ITS PROJECT PHOTOGRAPHY, WHICH WAS ESTABLISHED IN 2007 TO ENCOURAGE NON-COMPLIANT HIV/AIDS PATIENTS IN THE GREATER WATERBURY AREA TO BECOME MORE PROACTIVE IN THE SELF-MANAGEMENT OF THEIR DISEASE. PROJECT PHOTOGRAPHY HAS POSITIVELY TRANSFORMED ITS PARTICIPANT'S SELF-ESTEEM AND CONFIDENCE. PATIENT PROJECTS HAVE INCLUDED: (1) ENROLLING IN PHOTOGRAPHY CLASSES AT NAUGATUCK VALLEY COMMUNITY COLLEGE, (2) TAKING FIELD TRIPS, (3) DONATING FRAMED PHOTOGRAPHS TO THE HOSPITAL'S ANNUAL FUNDRAISING GALA AND PATIENT FLOORS, (4) PRODUCING HOLIDAY GREETING CARDS FOR THE ID CLINIC, (5) CREATING TEAM PORTRAITS AT THE HOSPITAL'S FUNDRAISING GOLF TOURNAMENT,



**Part VI** Supplemental information

AND (6) MOUNTING PHOTOGRAPHY EXHIBITS AT THE HOSPITAL, BARNES & NOBLE  
BOOKSTORE, AND SILAS BRONSON LIBRARY IN WATERBURY.

Lined area for supplemental information.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

**THE WATERBURY HOSPITAL**

Employer identification number

**06-0665979**

**Part I Questions Regarding Compensation**

	Yes	No
<p><b>1a</b> 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.</p> <p> <input type="checkbox"/> First-class or charter travel  <input type="checkbox"/> Travel for companions  <input type="checkbox"/> Tax indemnification and gross-up payments  <input type="checkbox"/> Discretionary spending account                 </p> <p> <input type="checkbox"/> Housing allowance or residence for personal use  <input type="checkbox"/> Payments for business use of personal residence  <input type="checkbox"/> Health or social club dues or initiation fees  <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)                 </p>		
<p><b>b</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 .....</p>	<b>1b</b>	
<p><b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? .....</p>	<b>2</b>	<b>X</b>
<p><b>3</b> 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.</p> <p> <input checked="" type="checkbox"/> Compensation committee  <input checked="" type="checkbox"/> Independent compensation consultant  <input type="checkbox"/> Form 990 of other organizations                 </p> <p> <input checked="" type="checkbox"/> Written employment contract  <input checked="" type="checkbox"/> Compensation survey or study  <input checked="" type="checkbox"/> Approval by the board or compensation committee                 </p>		
<p><b>4</b> 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:</p>		
<p><b>a</b> Receive a severance payment or change-of-control payment? .....</p>	<b>4a</b>	<b>X</b>
<p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....</p>	<b>4b</b>	<b>X</b>
<p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	<b>4c</b>	<b>X</b>
<p><b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b></p>		
<p><b>5</b> 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:</p>		
<p><b>a</b> The organization? .....</p>	<b>5a</b>	<b>X</b>
<p><b>b</b> Any related organization? .....</p> <p>If "Yes" to line 5a or 5b, describe in Part III.</p>	<b>5b</b>	<b>X</b>
<p><b>6</b> 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:</p>		
<p><b>a</b> The organization? .....</p>	<b>6a</b>	<b>X</b>
<p><b>b</b> Any related organization? .....</p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>	<b>6b</b>	<b>X</b>
<p><b>7</b> 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 .....</p>	<b>7</b>	<b>X</b>
<p><b>8</b> 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 .....</p>	<b>8</b>	<b>X</b>
<p><b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....</p>	<b>9</b>	

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

Schedule J (Form 990) 2012

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

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

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

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DARLENE STROMSTAD PRESIDENT/TREASURER	(i) 507,860. (ii) 0. (iii) 0.	100,000.	0.	82,500.	10,713.	701,073.	0.
(2) HENRY BORKOWSKI, MD DIRECTOR / CAGW - CARDIOLOGIST	(i) 799,502. (ii) 0. (iii) 0.	0.	0.	24,500.	12,296.	836,298.	0.
(3) DAVID J. PIZZUTO, MD DIRECTOR / VP MEDICAL SERVICES	(i) 145,189. (ii) 0. (iii) 0.	0.	0.	2,648.	3,030.	150,867.	0.
(4) SANDRA IADAROLA CHIEF NURSING OFFICER	(i) 200,047. (ii) 0. (iii) 0.	15,000.	0.	6,450.	9,302.	230,799.	0.
(5) DIANE WOOLLEY VP HUMAN RESOURCES	(i) 173,097. (ii) 0. (iii) 0.	15,000.	0.	5,888.	17,281.	211,266.	0.
(6) MICHAEL CEMENO CHIEF INFORMATION OFFICER	(i) 281,820. (ii) 0. (iii) 0.	15,000.	0.	3,245.	14,332.	314,397.	0.
(7) EHSAN ANSARI CAGW - CARDIOLOGIST	(i) 895,699. (ii) 0. (iii) 0.	0.	0.	24,500.	16,658.	936,857.	0.
(8) KEVIN KETT CAGW - CARDIOLOGIST	(i) 883,273. (ii) 0. (iii) 0.	0.	0.	24,500.	16,658.	924,431.	0.
(9) JOSEPH MORLEY CAGW - CARDIOLOGIST	(i) 865,151. (ii) 0. (iii) 0.	0.	0.	24,500.	16,658.	906,309.	0.
(10) MARK RUGGIERO CAGW - CARDIOLOGIST	(i) 832,056. (ii) 0. (iii) 0.	0.	0.	24,500.	16,658.	873,214.	0.
(11) STEPHEN WIDMAN CAGW - CARDIOLOGIST	(i) 846,439. (ii) 0. (iii) 0.	0.	0.	24,500.	16,542.	887,481.	0.
(12) COLLEEN SCOTT FORMER CFO	(i) 0. (ii) 0. (iii) 0.	0.	100,498.	6,102.	7,625.	114,225.	0.
(13) MARY K. MULSTON FORMER VP HUMAN RESOURCES	(i) 0. (ii) 0. (iii) 0.	0.	118,871.	3,564.	71.	122,506.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.

**Part III** Supplemental Information

Complete this part to 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, LINES 4A-B: DARLENE STROMSTAD PARTICIPATED IN A SERP.**

COLLEEN SCOTT'S SEVERANCE PAY: \$100,498

MARY K. MULSTON'S SEVERANCE PAY: \$118,871

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

**Supplemental Information on Tax-Exempt Bonds**  
▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047  
**2012**  
**Open to Public Inspection**

Name of the organization: **THE WATERBURY HOSPITAL**  
Employer identification number: **06-0665979**

**Part I Bond Issues**  
**SEE PART VI FOR COLUMNS (A) AND (F) 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>CONNECTICUT HEALTH &amp; EDUCATIONAL FACILITIES A06-0806186</b>		<b>NONE</b>	<b>12/22/10</b>	<b>25918000</b>	<b>REFINANCE/RETIRE EXISTING BONDS &amp;</b>		<b>X</b>		<b>X</b>		<b>X</b>
<b>B</b>											
<b>C</b>											
<b>D</b>											

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		19,435,000.						
2 Amount of bonds legally defeased		19,435,000.						
3 Total proceeds of issue		25,918,000.						
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		403,696.						
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		7,876,000.						
11 Other spent proceeds		17,638,304.						
12 Other unspent proceeds								
13 Year of substantial completion		2013						
14 Were the bonds issued as part of a current refunding issue?								
15 Were the bonds issued as part of an advance refunding issue?								
16 Has the final allocation of proceeds been made?								
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?								

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

**THE WATERBURY HOSPITAL**

06-0665979

**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?	X							
<b>2</b> If "No" to line 1, did the following apply?								
<b>a</b> Rebate not due yet?								
<b>b</b> Exception to rebate?								
<b>c</b> No rebate due?								
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
<b>3</b> Is the bond issue a variable rate issue?	X							
<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	RBS CITIZEN'S N.A.							
<b>c</b> Term of hedge	10.000000							
<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.** Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

**SCHEDULE K, PART I, BOND ISSUES:**  
**(A) ISSUER NAME: CONNECTICUT HEALTH & EDUCATIONAL FACILITIES AUTHORITY**  
**(F) DESCRIPTION OF PURPOSE:**  
**REFINANCE/RETIRE EXISTING BONDS & FINANCE NEW MONEY FOR CAPITAL IMPROVEMENT**

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

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**  
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

**2012**

**Open To Public Inspection**

Name of the organization **THE WATERBURY HOSPITAL** Employer identification number **06-0665979**

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ..... ▶ \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ..... ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
Total .....						▶ \$						

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance



**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
CARL SHERTER	TRUSTEE	75,000.	STIPEND FOR		X

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

**SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:**

**(A) NAME OF PERSON: CARL SHERTER**

**(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:**

TRUSTEE

**(C) AMOUNT OF TRANSACTION \$ 75,000.**

**(D) DESCRIPTION OF TRANSACTION: STIPEND FOR SERVING AS CHIEF OF STAFF**

**(E) SHARING OF ORGANIZATION REVENUES? = NO**

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

Department of the Treasury  
Internal Revenue Service

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

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

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

THE WATERBURY HOSPITAL

Employer identification number  
06-0665979

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

FAMILY OF PROFESSIONALS AND SERVICES.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS (CONTINUED):

TOTAL COMMUNITY BENEFITS FOR FY 2013 BY CATEGORY:

**A. COMMUNITY HEALTH IMPROVEMENT SERVICES & COMMUNITY BENEFIT OPERATIONS**

**BENEFIT: \$14,373,014**

**PERSONS SERVED: 31,179**

- COMMUNITY HEALTH EDUCATION
- COMMUNITY-BASED CLINICAL SERVICES
- HEALTH CARE SUPPORT SERVICES

**B. HEALTH PROFESSIONS EDUCATION**

**BENEFIT: \$14,293,160**

**PERSONS SERVED: 3,500**

- PHYSICIANS/MEDICAL STUDENTS
- NURSES/NURSING STUDENTS
- OTHER HEALTH PROFESSIONS EDUCATION
- SCHOLARSHIPS/FUNDING FOR PROFESSIONAL EDUCATION
- OTHER

**D. RESEARCH**

**BENEFIT: \$47,919**

**PERSONS SERVED: 18**

- CLINICAL RESEARCH

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.  
232211  
01-04-13

Schedule O (Form 990 or 990-EZ) (2012)

Name of the organization <b>THE WATERBURY HOSPITAL</b>	Employer identification number <b>06-0665979</b>
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- COMMUNITY HEALTH RESEARCH

**E. FINANCIAL AND IN-KIND CONTRIBUTIONS**

**BENEFIT: \$329,602**

**PERSONS SERVED: 151,571**

- CASH DONATIONS

- IN-KIND DONATIONS

**F. COMMUNITY BUILDING ACTIVITIES**

**BENEFIT: \$378,064**

**PERSONS SERVED: 16,011**

- COMMUNITY SUPPORT

- ENVIRONMENTAL IMPROVEMENTS

- LEADERSHIP DEVELOPMENT/TRAINING COMMUNITY MEMBERS/ YOUTH PIPELINE

- COALITION BUILDING

- OTHER

**G. COMMUNITY BENEFIT OPERATIONS**

**BENEFIT: \$259,933**

**PERSONS SERVED: N/A**

- DEDICATED STAFF

**SUBTOTAL FOR COMMUNITY BENEFITS: \$29,681,692**

**SUBTOTAL FOR PERSONS SERVED: 202,279**

**TRADITIONAL CHARITY CARE COSTS**

- FREE CARE: \$415,913

- BAD DEBT: \$2,637,761

Name of the organization <b>THE WATERBURY HOSPITAL</b>	Employer identification number <b>06-0665979</b>
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- UNPAID MEDICAID COSTS: \$12,076,318

- UNPAID MEDICARE COSTS: \$6,275,009

SUBTOTAL FOR CHARITY CARE COSTS BENEFIT: \$21,405,001

TOTAL BENEFIT - FY 2013: \$51,086,693

**CATEGORY A: COMMUNITY HEALTH IMPROVEMENT SERVICES**

TOTAL BENEFIT: \$14,373,014

TOTAL PERSONS SERVED: 31,179

REALIZING THE DIVERSE NEEDS OF RESIDENTS IN OUR COMMUNITY, WATERBURY HOSPITAL REMAINS DEDICATED TO PROVIDING COMPREHENSIVE HEALTH SERVICES TO ENSURE EVERY INDIVIDUAL HAS ACCESS TO APPROPRIATE, QUALITY HEALTHCARE.

DURING 2013, WATERBURY HOSPITAL'S SPECTRUM OF SERVICES CONTINUED TO HAVE A POSITIVE IMPACT ON THE WELFARE OF WATERBURY'S CITIZENS. TO REMAIN CONSISTENT WITH WATERBURY HOSPITAL'S MISSION, MANY OF OUR SERVICES ARE TARGETED FOR VULNERABLE MEMBERS OF OUR COMMUNITY, INCLUDING THOSE WHO ARE UNINSURED OR UNDERINSURED.

**KEY PROGRAMS:**

**WATERBURY HEALTH ACCESS PROGRAM**

WATERBURY HOSPITAL IS AWARE OF THE ECONOMIC NEEDS MANY PATIENTS IN OUR COMMUNITY, AND, AS A RESULT, WE REMAIN COMMITTED TO THE WATERBURY HEALTH ACCESS PROGRAM. FOUNDED IN 2003 AS A PARTNERSHIP BETWEEN

Name of the organization <b>THE WATERBURY HOSPITAL</b>	Employer identification number <b>06-0665979</b>
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WATERBURY HOSPITAL, ST. MARY'S HOSPITAL, STAYWELL HEALTH CENTER (FQHC), AND THE WATERBURY HEALTH DEPARTMENT, THE WATERBURY HEALTH ACCESS PROGRAM IMPROVES ACCESS TO HIGH-QUALITY MEDICAL CARE BY PROVIDING COMPREHENSIVE CASE MANAGEMENT, PHARMACY ASSISTANCE, AND ACCESS TO PRIMARY AND SUB-SPECIALTY MEDICAL CARE FOR THE UNINSURED AND UNDERINSURED RESIDENTS OF THE GREATER WATERBURY REGION. DURING FY 2013, THE WATERBURY HEALTH ACCESS PROGRAM HAD OVER 4,841 ACTIVE CLIENTS. ADDITIONALLY, WATERBURY HOSPITAL PROVIDED \$434,559 WORTH OF DONATED SERVICES TO WHAP'S PATIENTS.

BEHAVIORAL HEALTH - WATERBURY HOSPITAL'S CENTER FOR BEHAVIORAL HEALTH IS ONE OF THE REGION'S LARGEST SERVICE PROVIDERS OFFERING A FULL CONTINUUM OF CARE FOR CHILDREN, ADOLESCENTS AND ADULTS. OUR SERVICES ALSO OUTREACH TO THE COMMUNITY THROUGH REGULAR PARTICIPATION IN HEALTH FAIRS, ELECTED MEMBERSHIP IN THE NORTHWEST REGIONAL MENTAL HEALTH BOARD, AS A HOST SITE TO NUMEROUS TWELVE-STEP MEETINGS AND THE PROVISION OF CASE MANAGEMENT AS WELL AS ACUTE SERVICES TO THE HOMELESS WITHIN THE CITY OF WATERBURY. BEHAVIORAL HEALTH CLINICIANS CAN ENGAGE CLIENTS TO HELP FACILITATE THEIR ENTRANCE INTO TREATMENT. WE PROVIDE PHONE SUPPORT, REFERRALS AND TRIAGING TEN HOURS A DAY SEVEN DAYS A WEEK. WITHIN OUR CRISIS CENTER WE OFFER SHORT TERM SERVICES TO HELP INDIVIDUALS OBTAIN MORE PERMANENT TREATMENT THAT BEST MEETS THEIR NEEDS. AMBULATORY SERVICES INCLUDE PARTIAL HOSPITAL PROGRAMS, INTENSIVE OUTPATIENT SERVICES, GROUP, INDIVIDUAL THERAPY AND MEDICATION MANAGEMENT TO PATIENTS EXPERIENCING MENTAL ILLNESS AND/ OR A SUBSTANCE USE DISORDER. FOR INDIVIDUALS EXPERIENCING ACUTE SYMPTOMS WE OFFER INPATIENT TREATMENT TO ADOLESCENTS AGED 12 AND UP AS WELL AS ADULT SERVICES. OUR EFFORTS ARE AIMED AT PROMOTING THE BENEFITS OF CLINICAL

Name of the organization <b>THE WATERBURY HOSPITAL</b>	Employer identification number <b>06-0665979</b>
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TREATMENT AS WELL AS POSITIVE LIFESTYLE CHOICES. EVERY EFFORT IS MADE TO EDUCATE CLIENTS, THEIR FAMILIES AND THE COMMUNITY ABOUT MENTAL ILLNESS AND THE IMPACT TREATMENT CAN HAVE ON ONE'S ILLNESS. THE ULTIMATE GOAL IS TO HELP PEOPLE FEEL BETTER, REDUCE OR RESOLVE SYMPTOMS AND TO MINIMIZE THE STIGMA OF MENTAL ILLNESS.

BE WELL BUS - IN ORDER TO ENSURE THAT PATIENTS HAVE ACCESS TO MEDICAL APPOINTMENTS, AT THE HOSPITAL AND AT LOCAL PHYSICIANS' OFFICES, WATERBURY HOSPITAL'S BE WELL BUS PROVIDES TRANSPORTATION SERVICES TO PATIENTS FROM WATERBURY AND ELEVEN OF ITS SURROUNDING TOWNS. DURING FY 2013, THE BE WELL BUS COMPLETED OVER 4,170 TRANSPORTS TO AND FROM MEDICAL APPOINTMENTS. WATERBURY HOSPITAL HAS CONTRACTED WITH A TRANSPORTATION PROVIDER TO OFFER THE BUS SERVICE, AND AREA PROVIDERS PAY A SMALL FEE TO PARTICIPATE.

HEART CENTER OF GREATER WATERBURY - FORMED IN COLLABORATION WITH SAINT MARY'S HOSPITAL, THE HEART CENTER OF GREATER WATERBURY PROVIDES DIVERSE MEDICAL SUPPORT INITIATIVES TO HELP EDUCATE RESIDENTS IN THE GREATER WATERBURY COMMUNITY ABOUT PERTINENT HEALTH AND WELLNESS ISSUES. THIS PAST YEAR, THE HEART CENTER CONDUCTED A SERIES OF HEALTH FAIRS AND VARIOUS HEALTH AND WELLNESS EDUCATION SESSIONS, INCLUDING "ASK THE NURSE," WHICH PROVIDES PATIENTS WITH COMPLIMENTARY BLOOD PRESSURE SCREENINGS AND HEALTH AWARENESS EDUCATION AND A "FREEDOM FROM SMOKING" SERIES TO HELP OUR RESIDENTS KICK THE HABIT.

FAMILY BIRTHING CENTER - PROVIDING A CHILD-CENTERED FOCUS, WATERBURY HOSPITAL'S FAMILY BIRTHING CENTER OFFERS EXPECTANT PARENTS A VARIETY OF CLASSES INCLUDING: BREAST FEEDING, CHILDBIRTH, AND INFANT CARE CLASSES

Name of the organization <b>THE WATERBURY HOSPITAL</b>	Employer identification number <b>06-0665979</b>
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TO PREPARE THEM FOR THEIR BABY'S ARRIVAL.

THANK GOD I'M FEMALE - FOR THE PAST 20 YEARS, WATERBURY HOSPITAL'S "THANK GOD I'M FEMALE" HAS SERVED AS AN ANNUAL WOMEN'S WELLNESS FORUM THAT FEATURES 40 EDUCATIONAL BOOTHS AND HEALTH-RELATED GIVEAWAYS. THE ULTIMATE GOAL OF THE FORUM IS TO EDUCATE ATTENDEES ABOUT STRESS, MENTAL WELL-BEING, HEART HEALTH, DIET, OSTEOPOROSIS AND BONE HEALTH, CHANGE OF LIFE, AND MORE. IN 2013, OVER 500 AREA RESIDENTS ATTENDED THE EVENT.

EVERGREEN 50 CLUB - WATERBURY HOSPITAL'S EVERGREEN 50 CLUB IS AN ORGANIZATION COMPRISED OF OVER 15,000 MEMBERS OVER THE AGE OF 50. THE CLUB OFFERS WELLNESS PROGRAMMING, MEDICARE COUNSELING, AND HEALTH EDUCATION PRESENTATIONS ON A VARIETY OF TOPICS ARE PRESENTED BY HEALTH CARE PROFESSIONALS. PRESENTATION TOPICS INCLUDE: HOLISTIC HEALTH, VARICOSE VEIN TREATMENT, HEART DISEASE, SUMMER SKIN CARE, WEIGHT LOSS, BLOOD PRESSURE, BLADDER SCREENINGS, JOINT CARE AND REPLACEMENT, AND RESOLVING ADVERSE OUTCOMES WITH PATIENTS AND FAMILIES. ANNUALLY, THE EVERGREEN 50 CLUB HOSTS A HEALTH FAIR FOR ITS MEMBERS, WHICH PROVIDES FREE FLU SHOTS AND HEALTHCARE SCREENINGS.

WATERBURY HOSPITAL INFECTIOUS DISEASE CLINIC (WHIC) -

CURRENT SERVICES: THE WHIC OFFERS A COMPREHENSIVE "ONE-STOP SHOPPING" MODEL THAT PROVIDES PATIENTS WITH ON-SITE PRIMARY AND SPECIALTY SERVICES, MEDICAL CASE MANAGEMENT, INDIVIDUALIZED MEDICATION ADHERENCE SERVICES, MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES, NUTRITION COUNSELING, INDIVIDUALIZED HIV EDUCATION, LABORATORY TESTING, AND RADIOLOGY SERVICES. WHIC'S PROVIDERS INCLUDE THREE

BOARD-CERTIFIED/BOARD-ELIGIBLE INFECTIOUS DISEASE SPECIALISTS AS WELL

232212  
01-04-13

Schedule O (Form 990 or 990-EZ) (2012)

Name of the organization

THE WATERBURY HOSPITAL

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AS AN ADVANCED PRACTITIONER NURSE AND A REGISTERED DIETICIAN, ALL WITH EXPERTISE IN THE MANAGEMENT OF PATIENTS WITH HIV/AIDS. IN FY 2013, WHIC SERVED AROUND 500 PEOPLE LIVING WITH HIV/AIDS (PLWHA).

WHIC'S STAFF MEMBERS ACTIVELY PARTICIPATE IN STATEWIDE AND AREA COLLABORATIVES, SUCH AS THE CONNECTICUT HIV PLANNING CONSORTIUM (CHPC) AND THE RYAN WHITE PART A PLANNING COUNCIL, AND WHIC FACILITATES THE GREATER WATERBURY HIV CONSORTIUM. WHIC HAS A VERY ACTIVE CONSUMER ADVISORY GROUP (CAG), WHICH ORGANIZES SOCIAL AND TESTING EVENTS FOR THE COMMUNITY AND FACILITATES THE WATERBURY HOSPITAL PHOTOGRAPHY GROUP.

THE WHIC ALSO HAS A HEPATITIS C CLINIC, RUN BY AN ADVANCED PRACTITIONER NURSE. FROM OCTOBER 2004 TO PRESENT, NEARLY 200 HEPATITIS C MONO- AND CO-INFECTED (HEPATITIS C AND HIV) PATIENTS HAVE BEEN EVALUATED AT THE ID CLINIC. THE HEPATITIS C CLINIC PROVIDES A CONSULTATION WITH A NUTRITIONIST TO ADVISE ON HEALTHY EATING; COORDINATION WITH MENTAL HEALTH SERVICES; AND EDUCATIONAL SESSIONS ON SIDE EFFECT MANAGEMENT, THE IMPORTANCE OF HYDRATION AND ADHERENCE, AND POSITIVE COPING STRATEGIES.

FORGING COMMUNITY PARTNERSHIPS: SINCE 2009, THE WHIC HAS SERVED AS THE LEAD AGENCY FOR RYAN WHITE PART A FEDERAL FUNDING REGION 2 OF THE NEW HAVEN/FAIRFIELD ELIGIBLE METROPOLITAN AREA. THE WHIC WAS CHOSEN AS LEAD AGENCY BY THE CONSENSUS OF OTHER LOCAL RYAN WHITE PART A AGENCIES DUE TO ITS EXPERTISE IN PATIENT CARE AND FISCAL MANAGEMENT. AS THE LEAD AGENCY, THE WHIC HAS FORMED LONGSTANDING PARTNERSHIPS WITH STAYWELL HEALTH CENTER, INC., HISPANOS UNIDOS, INC., NEW OPPORTUNITIES, INC., RECOVERY NETWORK OF PROGRAMS, INC., CONNECTICUT COUNSELING CENTERS,



Name of the organization

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INC., AND THE WATERBURY HEALTH DEPARTMENT, ALL OF WHOM WORK ALONGSIDE  
THE WHIC TO PROVIDE PATIENTS IN THE REGION WITH:

- PRIMARY HIV CARE;
- MEDICAL CASE MANAGEMENT;
- ORAL HEALTH CARE;
- INPATIENT AND OUTPATIENT SUBSTANCE ABUSE TREATMENT;
- HEALTH INSURANCE ASSISTANCE;
- MENTAL HEALTH;
- EARLY INTERVENTION SERVICES;
- HOUSING ASSISTANCE;
- EMERGENCY FINANCIAL ASSISTANCE;
- MEDICAL TRANSPORTATION; AND
- FOOD PANTRY.

IN JUNE 2013, WHIC COLLABORATED WITH THE WATERBURY HEALTH DEPARTMENT,  
GRACE BAPTIST CHURCH, AND OTHER AREA AIDS SERVICE ORGANIZATIONS, TO  
ORGANIZE THE WATERBURY AIDS WALK AND RAISE AWARENESS ABOUT HIV/AIDS  
TREATMENT AND TESTING IN WATERBURY. 185 RESIDENTS PARTICIPATED IN THE  
EVENT.

FROM SEPTEMBER 2012 THROUGH AUGUST 2013, IN PARTNERSHIP WITH YALE  
UNIVERSITY, WATERBURY HOSPITAL CONDUCTED A CLINICAL TRIAL ENTITLED,  
"PROJECT NEW HOPE," TO TEST WHETHER EXTENDED-RELEASE NALTREXONE IS A  
VIABLE OPTION FOR IMPROVING OPIOID, ALCOHOL AND HIV TREATMENT OUTCOMES  
FOR RELEASED HIV-POSITIVE CRIMINAL JUSTICE SYSTEM POPULATIONS. THIS  
PROGRAM IS SUPPORTED BY THE NATIONAL INSTITUTE ON DRUG ABUSE OF THE  
NATIONAL INSTITUTES OF HEALTH UNDER AWARD NUMBER R01DA030762.

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RESHAPING HIV TESTING STATEWIDE: SINCE 2008, PATIENTS VISITING WATERBURY HOSPITAL'S EMERGENCY DEPARTMENT ARE OFFERED FREE HIV TESTING WHILE WAITING TO BE EVALUATED OR TREATED FOR OTHER SYMPTOMS. IN ORDER TO OPTIMIZE THE NUMBER OF PEOPLE SCREENED FOR HIV, THE EMERGENCY DEPARTMENT'S PROGRAM USES AN OPT-OUT APPROACH. THE PROGRAM HAS SUCCESSFULLY SERVED AS A MODEL FOR OTHER HEALTHCARE INSTITUTIONS ACROSS THE STATE. THANKS, IN PART, TO WHIC'S LEADERSHIP, THE STATE OF CONNECTICUT NO LONGER LEGALLY REQUIRES PROVIDERS TO HAVE A SEPARATE CONSENT FORM FOR HIV TESTING.

ENGAGING PATIENTS: IN 2009, THE WHIC ESTABLISHED ITS PEER ADVOCATE PROGRAM. THREE PATIENTS FROM THE CLINIC SERVE AS THE PEER ADVOCATES, WHO WORK WITH CLIENTS AT THE CLINIC AND USE A SOCIAL NETWORKS STRATEGY TO BRING DIFFICULT-TO-REACH CLIENTS IN FOR TESTING AND/OR CARE; THEY HAVE TRAVELED TO HIGH-RISK NEIGHBORHOODS ON THE WATERBURY HEALTH DEPARTMENT'S COMMUNITY HEALTH VAN TO OFFER COUNSELING AND TESTING AND HAVE PARTICIPATED IN AIDS AWARENESS DAYS TO FACILITATE THE LINKAGE OF NEWLY DIAGNOSED PATIENTS TO PRIMARY CARE. PEER ADVOCATES PARTICIPATE IN THE WHIC'S CARE TEAM AND CONTINUUM MEETINGS TO KEEP PROVIDERS AND LOCAL PARTNERS AWARE OF THE PATIENTS' ACTIVITIES AND NEEDS.

THIS YEAR ONE PEER ADVOCATE PARTICIPATED IN THE WATERBURY PARENT LEADERSHIP TRAINING INSTITUTE, COMPLETING A COMMUNITY PROJECT, "JOSE'S HAVEN," TO PROVIDE SUPPORT SERVICES, ENROLL CLIENTS IN INDIVIDUAL PHOTO DIARY PROJECTS, AND ENCOURAGE VOLUNTEERISM.

THE WHIC OFFERS ITS PATIENTS NATIONALLY-RECOGNIZED PEER AND SUPPORT PROGRAMS, INCLUDING ITS PROJECT PHOTOGRAPHY, WHICH WAS ESTABLISHED IN

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2007 TO ENCOURAGE NON-COMPLIANT HIV/AIDS PATIENTS IN THE GREATER WATERBURY AREA TO BECOME MORE PROACTIVE IN THE SELF-MANAGEMENT OF THEIR DISEASE. PROJECT PHOTOGRAPHY HAS POSITIVELY TRANSFORMED ITS PARTICIPANT'S SELF-ESTEEM AND CONFIDENCE. PATIENT PROJECTS HAVE INCLUDED: (1) ENROLLING IN PHOTOGRAPHY CLASSES AT NAUGATUCK VALLEY COMMUNITY COLLEGE, (2) TAKING FIELD TRIPS, (3) DONATING FRAMED PHOTOGRAPHS TO THE HOSPITAL'S ANNUAL FUNDRAISING GALA AND PATIENT FLOORS, (4) PRODUCING HOLIDAY GREETING CARDS FOR THE ID CLINIC, (5) CREATING TEAM PORTRAITS AT THE HOSPITAL'S FUNDRAISING GOLF TOURNAMENT, AND (6) MOUNTING PHOTOGRAPHY EXHIBITS AT THE HOSPITAL, BARNES & NOBLE BOOKSTORE, AND SILAS BRONSON LIBRARY IN WATERBURY.

## CATEGORY B: HEALTH PROFESSIONS EDUCATION

TOTAL BENEFIT: \$14,293,160

TOTAL PERSONS SERVED: 3,500

SINCE IT FIRST AFFILIATED WITH THE YALE UNIVERSITY SCHOOL OF MEDICINE IN 1973, WATERBURY HOSPITAL HAS SERVED AS THE CLINICAL TRAINING SITE FOR THOUSANDS OF MEDICAL PROFESSIONALS IN TRAINING. DURING FY 2013, STUDENTS COMPLETED CLINICAL ROTATIONS, INTERNSHIPS, AND SHADOWING EXPERIENCES AT WATERBURY HOSPITAL.

## KEY PROGRAMS:

YALE PRIMARY CARE INTERNAL MEDICINE RESIDENCY PROGRAM -

DURING 2013, OUR YALE PRIMARY CARE INTERNAL MEDICINE RESIDENT

## ACTIVITIES INCLUDED:

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- PARTICIPATION IN RESEARCH DAYS AT YALE AND WATERBURY/ST. MARY'S HOSPITALS;
- ACP REGIONAL AND NATIONAL MEETINGS;
- HOME/OFFICE VISITS FOR CLINIC PATIENTS; AND
- EDUCATIONAL SEMINARS HELD AT WATERBURY HOSPITAL AND YALE UNIVERSITY.

AT WATERBURY HOSPITAL, WE SEEK TO TRAIN PHYSICIANS WHO DESIRE A GENERALIST BACKGROUND TO THEIR CAREERS IN MEDICINE. THIS PROGRAM IS UNIQUE IN THAT IT PROVIDES THE MEDICAL RESIDENTS THE OPPORTUNITY TO WORK EACH YEAR IN A TERTIARY MEDICAL CENTER AT YALE-NEW HAVEN HOSPITAL, A COMMUNITY HOSPITAL AT WATERBURY HOSPITAL, AND OUTPATIENT PRACTICE SITES THAT INCLUDE PRIVATE PRACTICE OFFICES AND COMMUNITY HEALTH CENTERS IS UNIQUE IN RESIDENCY TRAINING. OUR GRADUATES ARE HIGHLY SOUGHT AFTER BY PRIVATE PRACTICE OFFICES, HOSPITALIST PROGRAMS, AND FELLOWSHIP PROGRAMS THROUGHOUT THE COUNTRY.

STUDENT NURSE INTERN PROGRAM (SNI) -

THE SNI PROGRAM IS AVAILABLE FOR NURSING STUDENTS ENTERING THEIR SENIOR YEAR. THE PROGRAM PROVIDES THESE STUDENT NURSES WITH SHADOWING OPPORTUNITIES SO THEY CAN APPLY THEIR CONTENT KNOWLEDGE TO AUTHENTIC PATIENT CARE SITUATIONS. STAFF RNS SERVE AS THE STUDENTS' MENTORS AS THE STUDENTS ACCOMPANY THEM ON THEIR MEDICAL ROUNDS. THE GOALS OF THE PROGRAM ARE: (1) TO PROVIDE THE STUDENT NURSES WITH THE KNOWLEDGE AND SKILLS NECESSARY TO PASS THE NCLEX EXAM AND (2) TO SOCIALIZE THE STUDENT NURSE IN AN ATTEMPT TO DECREASE THE STRESS OF ASSIMILATING INTO THE HOSPITAL'S WORK ENVIRONMENT, SHOULD THEY BE HIRED AS GRADUATE NURSES AT WATERBURY HOSPITAL.

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## PHYSICIAN'S ASSISTANT (PA) STUDENTS -

P.A. STUDENTS FROM QUINNIPIAC UNIVERSITY COMPLETED CLINICAL ROUNDS IN SEVERAL DEPARTMENTS AROUND THE HOSPITAL, INCLUDING THE OPERATING ROOM, EMERGENCY DEPARTMENT, BEHAVIORAL HEALTH, AND RADIOLOGY. THE EXPERIENCE IS DESIGNED FOR THE STUDENT TO LEARN TO APPLY THE KNOWLEDGE GAINED FROM DIDACTIC COURSE WORK IN MEDICINE, SURGERY, AND THE BASIC AND BEHAVIORAL SCIENCES INTO THE CLINICAL ARENA RESULTING IN THE ABILITY TO SUCCESSFULLY MANAGE PATIENTS IN A THOROUGH AND COMPREHENSIVE MANNER.

THE PRIMARY GOAL OF CLINICAL ROTATIONS IS TO EXPOSE THE STUDENT TO PATIENTS OF ALL AGES, PATIENTS IN A VARIETY OF DIFFERENT SETTINGS, AND PATIENTS WITH A BROAD RANGE OF MEDICAL, SURGICAL, AND PSYCHOSOCIAL PROBLEMS.

## THE P.A. STUDENTS PARTICIPATE IN:

- HISTORY TAKING;
- EXAMINING THE PATIENT;
- ASSISTING IN AND/OR PERFORMING DIAGNOSTIC TESTING;
- ASSISTING IN AND/OR PERFORMING THERAPEUTIC TASKS;
- ORAL PRESENTATIONS;
- MEDICAL DOCUMENTATION OF THE PATIENT ENCOUNTER;
- FORMULATING A DIFFERENTIAL DIAGNOSIS AND PROBLEM LIST;
- FORMULATING A TREATMENT PLAN; AND
- COUNSELING OF PATIENTS REGARDING MEDICATION, DIET, AND LIFESTYLE CHANGES SUCH AS SMOKING CESSATION, EXERCISE, AND WELL-BEING.

## RADIOLOGY STUDENTS FROM NVCC -

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THE NAUGATUCK VALLEY COMMUNITY COLLEGE (NVCC) RADIOLOGY STUDENTS ARE INVOLVED WITH MANY ACTIVITIES WHILE ASSIGNED TO WATERBURY HOSPITAL. UNDER THE SUPERVISION OF A NVCC CLINICAL INSTRUCTOR AND HOSPITAL RADIOLOGIC TECHNOLOGISTS, THE STUDENTS ARE ASSIGNED TO THE VARIOUS RADIOGRAPHIC SUITES AND MODALITIES. DURING THEIR ASSIGNMENT, STUDENTS ARE PERFORMING OR ASSISTING WITH RADIOGRAPHIC PROCEDURES, INCLUDING CHEST X-RAYS, SKELETAL EXAMS, FLUOROSCOPIC PROCEDURES, MOBILE X-RAYS IN THE VARIOUS PATIENT UNITS, AND SURGICAL CASES. THE STUDENTS ALSO INCREASE THE NUMBER OF INDIVIDUALS AVAILABLE IN THE DEPARTMENT TO ASSIST IN MOVING AND TRANSPORTING PATIENTS AS WELL AS CHAPERONING SENSITIVE EXAMS. IN ADDITION TO THE DIAGNOSTIC RADIOLOGY THE STUDENTS ARE ASSIGNED TO EXPERIENCES IN INTERVENTIONAL RADIOLOGY, CT, MRI, NUCLEAR MEDICINE, AND ULTRASOUND. STUDENTS WORK IN THESE MODALITIES UNDER THE DIRECT SUPERVISION OF THE HOSPITAL STAFF.

WATERBURY HOSPITAL'S AFFILIATION WITH NVCC AS A CLINICAL SITE FOR STUDENTS HAS MANY BENEFITS. PERHAPS THE SINGLE MOST IMPORTANT BENEFIT IS THE HOSPITAL HAS A CONTINUOUS STREAM OF POTENTIAL RADIOLOGY EMPLOYEES. STUDENTS ARE IN THE PROGRAM FOR 22 MONTHS AND IN THAT TIME BECOME VERY FAMILIAR WITH THE HOSPITAL EQUIPMENT, ROUTINES, PERSONAL, AND MISSION. THIS PROVIDES WATERBURY HOSPITAL WITH NEW EMPLOYEES WHO HAVE A STRONG SKILL SET AND PROVEN DEDICATION TO THE HOSPITAL COMMUNITY.

CATEGORY D: RESEARCH

TOTAL BENEFIT: \$47,919

TOTAL PERSON SERVED: 18

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DURING 2012, WATERBURY HOSPITAL PARTICIPATED IN SEVERAL CLINICAL TRIALS THAT BENEFITED RESIDENTS IN GREATER WATERBURY. THESE TRIALS INCLUDED: THE BIOMARKERS STUDY, WHICH EXPLORED THE IDENTIFICATION OF BIOMARKERS FOR PREDICTION OF RESPONSE TO PREOPERATIVE CHEMORADIOTHERAPY IN PATIENTS WITH RECTAL CANCER; THE ROCKING CHAIR STUDY, WHICH INVESTIGATED ROCKING CHAIR SINGLE WAVE MOTION INTERVENTION FOR POST-SURGICAL PATIENT CARE; THE NEW HOPE STUDY, THAT ENROLLED OPIOID DEPENDENT, RELEASED, HIV POSITIVE PERSONS WHO WERE TRANSITIONING FROM JAIL BACK TO THE COMMUNITY; THE INFECTIVE ENDOCARDITIS STUDY RUN IN COLLABORATION WITH DUKE UNIVERSITY, WHICH ENROLLS PATIENTS EITHER DIAGNOSED OR PRESENTING SYMPTOMS OF INVECTIVE ENDOCARDITIS FOR A PROSPECTIVE DATA COLLECTION STUDY; AND THE FECAL TRANSPLANT STUDY, WHICH ENROLLS PATIENTS WITH RESISTANT CLOSTRIDIUM DIFFICILE COLITIS WHO HAVE HAD 2 OR MORE RELAPSEES OF COLITIS IN SPITE OF ANTIBIOTICOTHERAPY.

CATEGORY E: FINANCIAL & IN-KIND CONTRIBUTIONS

TOTAL BENEFIT: \$329,602

TOTAL PERSONS SERVED: 151,571

WATERBURY HOSPITAL CONTINUES TO PROVIDE FINANCIAL AND IN-KIND CONTRIBUTIONS TO MEMBERS OF OUR COMMUNITY. FROM UNITED WAY DONATIONS FROM HOSPITAL EMPLOYEES TO FREE PARKING FOR PATIENTS, WATERBURY HOSPITAL PROVIDED \$30,705.00 WORTH OF FINANCIAL AND IN-KIND SUPPORT DURING 2013. LOCAL AGENCIES RECEIVING DONATIONS INCLUDED:

- EASTER SEALS
- HOMELESS CONNECT
- MATTATUCK MUSEUM
- PALACE THEATER

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- UNITED WAY OF GREATER WATERBURY

- VNA HEALTH AT HOME

- WATERBURY SYMPHONY ORCHESTRA

- WATERBURY REGIONAL CHAMBER

CATEGORY F: COMMUNITY BUILDING ACTIVITIES

TOTAL BENEFIT: \$378,064

TOTAL PERSONS SERVED: 16,011

AS A LEADER IN THE DELIVERY OF HEALTHCARE SERVICES IN THE GREATER WATERBURY AREA, WATERBURY HOSPITAL (WH) IS COMMITTED TO STRENGTHENING THE WELFARE AND AWARENESS OF THE CITIZENS WITHIN ITS COMMUNITY. FROM STRENGTHENING THE CAREER PATHS OF WATERBURY AREA YOUTH; TO SUPPORTING THE UNINSURED AND UNDERINSURED THROUGH THE WATERBURY HEALTH ACCESS PROGRAM AND; PROVIDING TRANSPORT TO AND FROM MEDICAL APPOINTMENTS; WATERBURY HOSPITAL IS REMOVING THE BARRIERS TO QUALITY HEALTH CARE FOR ALL AND REMAINS FIRM IN ITS COMMITMENT TO A HEALTHIER, STRONGER, AND MORE PRODUCTIVE COMMUNITY.

KEY PROGRAMS:

YOUTH PIPELINE INITIATIVES:

THE WATERBURY HOSPITAL YOUTH PIPELINE INITIATIVES WERE ESTABLISHED IN 2001 AS A PARTNERSHIP BETWEEN WATERBURY HOSPITAL AND WATERBURY PUBLIC SCHOOLS. THE MISSION OF THE PROGRAM IS: "TO CLOSE THE ACHIEVEMENT GAP FOR MINORITY AND ECONOMICALLY DISADVANTAGED STUDENTS IN WATERBURY SO THEY CAN MATRICULATE AND COMPETE NATIONALLY FOR PLACEMENT IN



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POST-SECONDARY EDUCATION PROGRAMS IN PREPARATION FOR HEALTH CAREERS".  
 WATERBURY HOSPITAL IS COMMITTED TO ENHANCING AND ENRICHING THE ACADEMIC  
 OPPORTUNITIES AND PERSONAL JOURNEYS OF OUR YOUTH, WHO ARE THE EMERGING  
 WORKFORCE OF TOMORROW. TO THIS END, DURING 2013, WATERBURY HOSPITAL  
 CONTINUED TO PROVIDE 109 STUDENTS AND PARENTS IN GREATER WATERBURY WITH  
 UNIQUE EDUCATIONAL PROGRAMS THAT WILL ENHANCE THE OVERALL WELFARE OF  
 OUR COMMUNITY.

THE WH YOUTH PIPELINE INITIATIVES HAD FOUR FOCUS AREAS DURING FY 2013,  
 INCLUDING:

- PROVIDING EARLY ACQUAINTANCE WITH CAREERS IN HEALTHCARE (PEACH) -  
 SINCE ITS INCEPTION IN 2004, WATERBURY HOSPITAL'S PROVIDING EARLY  
 ACQUAINTANCE WITH CAREERS IN HEALTHCARE (PEACH) PROGRAM HAS ENGAGED  
 ADMINISTRATORS, TEACHERS, AND STUDENTS FROM MIDDLE SCHOOLS IN GREATER  
 WATERBURY TO ADDRESS PROJECTED SHORTAGES OF HEALTHCARE WORKERS AND TO  
 CLOSE THE ACHIEVEMENT GAP FOR STUDENTS IN WATERBURY PUBLIC SCHOOLS.  
 THROUGH THE PEACH PROGRAM, STUDENTS ENGAGE WITH HEALTHCARE WORKERS IN A  
 NON-EMERGENCY SETTING AND ARE INFORMED OF THE VARIETY OF HEALTHCARE  
 CAREER OPPORTUNITIES AVAILABLE IN OUR COMMUNITY. ANNUALLY, WATERBURY  
 HOSPITAL ALSO OFFERS ITS PEACH SPRING BREAK EXPLORATION CAMP, THIS YEAR  
 47 MIDDLE SCHOOL STUDENTS FROM WATERBURY TOOK PART IN: SHADOWING AND  
 HANDS-ON LEARNING ACTIVITIES AT THE HOSPITAL; CPR CERTIFICATION; AND  
 EDUCATIONAL SESSIONS AT NORWALK'S MARITIME AQUARIUM.

- PARENT LEADERSHIP TRAINING INSTITUTE (PLTI) - IN 2013, SIXTEEN  
 INDIVIDUALS FROM GREATER WATERBURY SUCCESSFULLY COMPLETED WATERBURY'S  
 PLTI, A 20-WEEK CURRICULUM TEACHING LEADERSHIP AND ADVOCACY SKILLS.

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WATERBURY HOSPITAL HAS HOSTED THE WATERBURY PLTI SINCE 2000, AND THE PROGRAM HAS TRAINED AND GRADUATED OVER 209 AREA PARENTS. PLTI'S CORE MISSION IS TO IMPART LEADERSHIP AND ADVOCACY SKILLS TO PARENTS WHILE SIMULTANEOUSLY EDUCATING THEM ABOUT VOLUNTEERISM, CIVIC LIFE, AND THE PROCESS BY WHICH STATE AND LOCAL GOVERNMENTS ENACT AND CHANGE LAWS. EACH PARTICIPANT COMPLETES AND IMPLEMENTS A COMMUNITY PROJECT; EXAMPLES OF PROJECTS FROM 2013 INCLUDE: A "JUJI'S SENSORY FRIENDLY FILMS" PROGRAM - TO CREATE A SAFE AND ACCEPTING ENVIORNMENT FOR CHILDREN ON THE AUTISM SPECTRUM TO ATTEND FILMS AT THE MOVIE THEATER ON A MONTHLY BASIS AND "PADRE LATINOS" - A SUPPORT GROUP FOR SINGLE FATHERS TO LEARN KNOWLEDGE AND INFORMATION THROUGH THE LIFE EXPERIENCES OF THEIR PEERS.

- PARENTS SUPPORTING EDUCATIONAL EXCELLENCE (PSEE) - IN 2013, EIGHTEEN INDIVIDUALS FROM GREATER WATERBURY SUCCESSFULLY COMPLETED WATERBURY'S PSEE, A 13-WEEK CURRICULUM CO-CREATED BY THE CONNECTICUT CENTER FOR SCHOOL CHANGE AND THE CONNECTICUT COMMISSION ON CHILDREN FOR PARENTS (DEFINED BROADLY AS PARENTS, GUARDIANS, FAMILY MEMBERS AND GRANDPARENTS) TO INSTILL LEADERSHIP SKILLS IN EDUCATION AND TO FACILITATE PARTNERSHIPS BETWEEN SCHOOL STAFF AND PARENTS TO IMPROVE STUDENT LEARNING.

- WH SUMMER BRIDGE PROGRAM - DURING THE SUMMER OF 2013, TWENTY-EIGHT STUDENTS FROM WATERBURY, GRADES 6-11, PARTICIPATED IN THE WH SUMMER BRIDGE PROGRAM. 100% OF MEALS WERE SECURED FOR THE PROGRAM FROM CITY OF WATERBURY SUMMER FOOD PROGRAM.

STUDENTS COMPLETED THE FOLLOWING MODULES:

- 4 HOURS OF HOMEWORK AND STUDY SKILLS SESSIONS COMPLETED (LED BY

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STUDENT LEADERS), 12 HOURS OF MATH (PRE- ALGEBRA, ALGEBRA II, GEOMETRY AND CALCULUS) REVIEW SESSIONS; 24.5 HOURS OF SAT WRITING AND VOCABULARY; 13.5 HOURS OF VIDEO PRODUCTION FOR HOSPITAL TEACHING VIDEOS; 23 HOURS OF PHOTOGRAPHY, FIELD TRIPS AND DISCUSSION TO CREATE A PHOTOVOICE PHOTO EXHIBITION; 11 HOURS OF POETRY INSTRUCTION AND PARTICIPATION IN THE INAUGURAL WH POETRY SLAM; 12 HOURS OF JOB SHADOWING SESSIONS (RADIOLOGY, NUCLEAR MEDICINE, NURSING, MRI, CASE MANAGEMENT, DR. S. ARONIN (ID INPATIENT ROUNDING), ICU MEDICAL ROUNDS, HEALTH INFORMATION MANAGEMENT, ACCESS REHAB, BEHAVIORAL HEALTH, RESPIRATORY THERAPY, FINANCE, WH ID CLINIC, SECURITY, ORTHOPEDICS, PHARMACY, INFECTION CONTROL AND SURGERY.)

- 4 HOURS OF MS OFFICE COMPUTER SESSIONS

- 2 FULL-DAY FIELD TRIPS COMPLETED: ONE TO WESLEYAN UNIVERSITY FOR AN ADMISSIONS INFO SESSION AND CAMPUS TOUR AND ONE TO HAMMONASSET STATE PARK INCLUDING THREE EDUCATIONAL SESSIONS AT MEIGS POINT NATURE CENTER

- 3 HOURS OF COLLEGE ADMISSIONS PRESENTATIONS COMPLETED BY UCONN WATERBURY & NAUGATUCK VALLEY COMMUNITY COLLEGE

- 1 HOUR OF INDIVIDUAL ACADEMIC ADVISING

- 2 HOURS OF HEALTH TOPICS PRESENTATIONS COMPLETED, INCLUDING HIV 101 AND HEALTH EATING/DIABETES.

SUPPORT GROUPS - DURING 2013, WATERBURY HOSPITAL HOSTED SEVERAL SUPPORT GROUPS FOR ITS PATIENTS AND THEIR FAMILIES, INCLUDING:

- BEHAVIORAL HEALTH'S PARENT AND SIBLING SUPPORT GROUP, WHICH OFFERS EMOTIONAL ASSISTANCE TO FAMILIES WHO HAVE CHILDREN IN TREATMENT; AND

- ALCOHOLICS ANONYMOUS, SERVES OVER 4,000 PEOPLE ANNUALLY, MEETS

WEEKLY THROUGHOUT THE YEAR, AND IS COORDINATED BY OUR BEHAVIORAL HEALTH

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DEPARTMENT.

FORM 990, PART VI, SECTION A, LINE 6: GREATER WATERBURY HEALTH NETWORK, INC. IS SOLE MEMBER.

FORM 990, PART VI, SECTION A, LINE 7A: GREATER WATERBURY HEALTH NETWORK, INC. ELECTS HOSPITAL BOARD.

FORM 990, PART VI, SECTION A, LINE 7B: GREATER WATERBURY HEALTH NETWORK, INC. HAS RESERVED POWERS FOR HOSPITAL TRANSACTIONS.

FORM 990, PART VI, SECTION B, LINE 11: REVIEWED AND APPROVED BY ORGANIZATION'S AUDIT COMMITTEE. A COPY OF THE FORM 990 IS THEN PROVIDED TO EACH MEMBER OF THE AUDIT COMMITTEE BEFORE IT IS FILED.

FORM 990, PART VI, SECTION B, LINE 12C: THE HOSPITAL COMPLIANCE OFFICER REVIEWS ANNUALLY THE SUBMISSION OF POTENTIAL/ACTUAL CONFLICT DECLARATIONS. THEY ARE ALSO REVIEWED ANNUALLY AT THE BOARD'S COMPLIANCE AND ETHICS COMMITTEE MEETING AND RECOMMENDATIONS FOR ACTION ARE MADE TO THE FULL BOARD AS NECESSARY. ADDITIONALLY, RESPONSES ARE PROFILED, BY MEMBER, FOR EACH COMMITTEE OF THE BOARD/NETWORK, AND DISTRIBUTED AT EACH COMMITTEE MEETING AS A WAY TO PROMOTE TRANSPARENCY. THE COMMITTEE CHAIR AND MEMBERS SHARE RESPONSIBILITY IN IDENTIFYING AND MANAGING THESE DECLARED CONFLICTS OF INTEREST WHEN MAKING BUSINESS DECISIONS ON BEHALF OF THE HOSPITAL.

FORM 990, PART VI, SECTION B, LINE 15: EXECUTIVE COMPENSATION IS UNDER THE PURVIEW OF THE BOARD OF TRUSTEES. THERE IS A COMPENSATION COMMITTEE AND THEY ALWAYS USE THE SERVICES OF AN INDEPENDENT COMPENSATION CONSULTANT WHO

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USES NATIONAL, STATE AND REGIONAL COMPENSATION SURVEY DATA FOR SIMILAR TAX EXEMPT COMMUNITY HOSPITALS.

FORM 990, PART VI, SECTION C, LINE 19: FINANCIAL RESULTS ARE MADE AVAILABLE IN THE ANNUAL REPORT TO THE COMMUNITY. GOVERNING DOCUMENTS AND THE CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

## CONSULTING FEES:

PROGRAM SERVICE EXPENSES	300,215.
MANAGEMENT AND GENERAL EXPENSES	980,283.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	1,280,498.

## PROFESSIONAL SERVICES:

PROGRAM SERVICE EXPENSES	23,366,710.
MANAGEMENT AND GENERAL EXPENSES	10,613,283.
FUNDRAISING EXPENSES	11,024.
TOTAL EXPENSES	33,991,017.

## MISC. MEDICAL SERVICES:

PROGRAM SERVICE EXPENSES	10,168,163.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	10,168,163.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	45,439,678.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

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INCREASE IN FAIR VALUE OF FUNDS HELD IN TRUST BY OTHERS	2,741,876.
ALLIANCE SUBSIDY	-6,685,266.
PENSION LIABILITY ADJUSTMENT	903,495.
INTEREST RATE SWAP ADJUSTMENT	1,209,256.
INCOME FROM WATERBURY GASTROENTEROLGY	-41,505.
TOTAL TO FORM 990, PART XI, LINE 9	-1,872,144.

FORM 990, PART XII, LINE 2C:

THE AUDIT COMMITTEE AND THE BOARD OF DIRECTORS HAS THE RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT. THE AUDIT COMMITTEE MAKES RECOMMENDATIONS TO THE BOARD OF DIRECTORS IN REGARD TO THE SELECTION OF AN INDEPENDENT AUDITOR.

**Related Organizations and Unrelated Partnerships**

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

**2012**  
**Open to Public Inspection**

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**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
CARDIOLOGY ASSOCIATES OF GREATER WATERBURY, LLC - 27-3828899, 455 CHASE PARKWAY, WATERBURY, CT 06708	CARDIOLOGY PRACTICE	CONNECTICUT	-3,054,329.	2,832,615.	THE WATERBURY HOSPITAL

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
GREATER WATERBURY HEALTH NETWORK, INC. - 22-2572044, 64 ROBBINS STREET, WATERBURY, CT 06721	HEALTH CARE MANAGEMENT	CONNECTICUT	501(C)(3)	11 TYPE 1 N/A			X
GREATER WATERBURY HEALTH SERVICES, INC. - 22-2572042, 64 ROBBINS STREET, WATERBURY, CT 06708	HEALTH SERVICES	CONNECTICUT	501(C)(3)	9 INC.	GREATER WATERBURY HEALTH NETWORK, INC.		X
ALLIANCE MEDICAL GROUP, INC. - 26-3520540 1625 STRAITS TURNPIKE, SUITE 211 MIDDLEBURY, CT 06762	HEALTH SERVICES	CONNECTICUT	501(C)(3)	9	THE WATERBURY HOSPITAL		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule R (Form 990) 2012

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or (managing partner?)		(k) Percentage ownership
							Yes	No		Yes	No	
ACCESS REHAB CENTERS, LLC - 06-1527429, 22 TOMPKINS STREET, WATERBURY, CT 06708	THERAPY SERVICES	CT	THE WATERBURY HOSPITAL	RELATED	566,652.	2,577,212.		X	N/A		X	65.00%
GREATER WATERBURY IMAGING CENTER, LLP - 06-1242903, 64 ROBBINS STREET, WATERBURY, CT 06721	IMAGING SERVICES	CT	THE WATERBURY HOSPITAL	RELATED	958,447.	2,185,214.	X		N/A		X	63.64%
IMAGING PARTNERS, LLC - 06-1617047, 134 GRANDVIEW AVENUE, WATERBURY, CT 06708	IMAGING SERVICES	CT	THE WATERBURY HOSPITAL	RELATED	66,677.	323,882.	X		N/A		X	85.00%
WATERBURY GASTROENTEROLOGY CO-MANAGEMENT COMPANY, LLC - 27-2417014, 64 ROBBINS STREET, WATERBURY, CT 06721	MEDICAL SERVICES	CT	THE WATERBURY HOSPITAL	RELATED	41,505.	73,831.	X		N/A		X	45.45%

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

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



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

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

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

	Yes	No
<b>a</b> Receipt of (i) interest (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) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) ACCESS REHAB CENTERS, LLC	A	69,673.	
(2) ACCESS REHAB CENTERS, LLC	L	1,263,619.	
(3) ALLIANCE MEDICAL GROUP	A	25,108.	
(4) GREATER WATERBURY IMAGING CENTER, LLP	A	105,628.	
(5) GREATER WATERBURY IMAGING CENTER, LLP	L	904,350.	
(6) ALLIANCE MEDICAL GROUP	B	340,947.	

**Part V** Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(8) <b>(7) ALLIANCE MEDICAL GROUP</b>	R	6,685,266.	
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-5-14)	(e) All items sec. 501(c)(3) - 008?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Lined area for supplemental information.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

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

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions <b>THE WATERBURY HOSPITAL</b>	Employer identification number (EIN) or <b>06-0665979</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>64 ROBBINS STREET</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>WATERBURY, CT 06708</b>	

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

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

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

**SCOTT BOWMAN**

- The books are in the care of **64 ROBBINS STREET - WATERBURY, CT 06708**  
Telephone No. **203-573-7333** FAX No. \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.
- 4 I request an additional 3-month extension of time until **AUGUST 15, 2014**.
- 5 For calendar year \_\_\_\_\_, or other tax year beginning **OCT 1, 2012**, and ending **SEP 30, 2013**.
- 6 If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period
- 7 State in detail why you need the extension  
**ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN**

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

**Signature and Verification must be completed for Part II only.**

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

Signature \_\_\_\_\_ Title **PRESIDENT/TREASURER** Date \_\_\_\_\_

Form **8879-EO**

**IRS e-file Signature Authorization for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2012, or fiscal year beginning OCT 1, 2012, and ending SEP 30, 2013

**2012**

Department of the Treasury  
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**

Name of exempt organization

Employer identification number

**THE WATERBURY HOSPITAL**

**06-0665979**

Name and title of officer

**DARLENE STROMSTAD  
PRESIDENT/TREASURER**

**Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12) .....	1b <u>239672797</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9) .....	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22) .....	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5) .....	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c) .....	5b _____

**Part II Declaration and Signature Authorization of Officer**

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2012 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize MARCUM LLP to enter my PIN 65979  
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

**06411606103**  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2012 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**ERO Must Retain This Form - See Instructions  
Do Not Submit This Form To the IRS Unless Requested To Do So**

LHA For Paperwork Reduction Act Notice, see instructions.  
223051  
11-05-12

Form **8879-EO** (2012)

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**SEPTEMBER 30, 2013 AND 2012**

# THE WATERBURY HOSPITAL AND SUBSIDIARIES

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
**The Waterbury Hospital**

We have audited the accompanying consolidated financial statements of The Waterbury Hospital, which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these 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.



***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Waterbury Hospital as of September 30, 2013 and 2012, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Marcum LLP*

Hartford, CT  
January 10, 2014

# THE WATERBURY HOSPITAL AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2013 AND 2012

	2013	2012
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 23,993,423	\$ 24,607,775
Restricted cash	4,519,908	3,511,398
Short-term investments	472,637	448,318
Patient accounts receivable, less allowance (\$20,385,000 in 2013 and \$17,046,000 in 2012)	29,441,126	31,771,976
Grants and other receivables	3,702,524	2,977,504
Inventories of supplies	3,581,595	3,305,079
Prepaid insurance and other expenses	1,571,465	1,493,512
<b>Total Current Assets</b>	<b>67,282,678</b>	<b>68,115,562</b>
<b>Other Assets</b>		
Funds held in escrow by agreement with the State of Connecticut Health and Educational Facilities Authority (CHEFA) and trustee: Construction fund	--	661,338
Funds held in trust by others	44,960,039	42,218,163
Long-term investments	10,814,695	10,001,712
Board-designated endowment funds	3,193,664	2,974,503
Other receivables	171,972	290,416
Goodwill	1,813,567	1,813,567
CHEFA obligations issue expense, less amortization	282,676	321,666
	61,236,613	57,620,027
Property, plant and equipment:		
Land	287,549	287,549
Buildings and improvements	94,052,332	92,117,304
Equipment	186,912,261	184,952,035
Construction in progress (estimated additional cost to complete: 2013 - \$13,000)	73,654	2,473,015
	281,325,796	279,829,903
Less accumulated depreciation	(238,890,019)	(230,695,459)
	42,435,777	49,134,444
	<b>\$ 170,955,068</b>	<b>\$ 175,531,371</b>

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

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS (CONTINUED)**

**SEPTEMBER 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 21,578,227	\$ 28,420,641
Salaries, wages, payroll taxes and amounts withheld from employees	7,395,011	8,325,174
Due to third-party reimbursement agencies	2,969,391	601,271
Current portion of CHEFA obligations	472,136	451,444
Current portion of notes payable	694,549	666,376
Due to affiliates	<u>2,042,951</u>	<u>2,999,940</u>
<b>Total Current Liabilities</b>	<u>35,152,265</u>	<u>41,464,846</u>
<b>Other Noncurrent Liabilities</b>	<u>21,813,507</u>	<u>21,853,067</u>
<b>CHEFA Obligations - less current portion and discount</b>	<u>24,283,520</u>	<u>24,755,656</u>
<b>Notes Payable - less current portion</b>	<u>852,568</u>	<u>1,426,291</u>
<b>Net Assets</b>		
Unrestricted	29,976,833	30,228,350
Temporarily restricted	8,409,794	7,645,420
Permanently restricted	<u>47,752,075</u>	<u>45,010,199</u>
<b>Total Net Assets Excluding Noncontrolling Interests</b>	86,138,702	82,883,969
Noncontrolling Interests	<u>2,714,506</u>	<u>3,147,542</u>
<b>Total Net Assets</b>	<u>88,853,208</u>	<u>86,031,511</u>
	<u>\$ 170,955,068</u>	<u>\$ 175,531,371</u>

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

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS  
AND CHANGES IN NET ASSETS**

**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	2013	2012
<b>Unrestricted Revenues</b>		
Net revenues from services to patients	\$ 254,713,112	\$ 269,112,543
Provision for bad debts	<u>(11,366,671)</u>	<u>(10,964,528)</u>
Net patient service revenue less provision for bad debts	243,346,441	258,148,015
Other operating revenues	5,209,968	5,784,691
Net assets released from restrictions	<u>5,419,591</u>	<u>5,609,005</u>
	<u>253,976,000</u>	<u>269,541,711</u>
<b>Operating Expenses</b>		
Salaries	116,676,000	124,608,715
Employee benefits	30,913,497	35,479,916
Supplies and other	100,247,756	98,648,364
Depreciation	8,821,562	9,241,684
Interest and amortization	<u>1,049,355</u>	<u>1,160,533</u>
	<u>257,708,170</u>	<u>269,139,212</u>
<b>(Loss) Income from Operations</b>	(3,732,170)	402,499
<b>Nonoperating Gains</b>		
Unrestricted gifts and bequests	217,275	83,577
Investment income	<u>1,737,423</u>	<u>1,607,608</u>
	<u>1,954,698</u>	<u>1,691,185</u>
<b>(Deficiency) Excess of Revenues over Expenses Before Changes in Net Unrealized Gains on Investments</b>	(1,777,472)	2,093,684
<b>Changes in Net Unrealized Gains on Investments</b>	<u>268,235</u>	<u>392,543</u>
<b>(Deficiency) Excess of Revenues over Expenses</b>	(1,509,237)	2,486,227
<b>Less Excess of Revenues over Expenses Attributable to Noncontrolling Interests</b>	<u>(874,685)</u>	<u>(997,139)</u>
<b>(Deficiency) Excess of Revenues Over Expenses Attributable to Controlling Interest</b>	<u>(2,383,922)</u>	<u>1,489,088</u>

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

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS  
AND CHANGES IN NET ASSETS (CONTINUED)**

**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Unrestricted Net Assets, Controlling Interest</b>		
(Deficiency) excess of revenues over expenses	\$ (2,383,922)	\$ 1,489,088
Net assets released from restrictions used for purchase of property and equipment	19,654	134,036
Interest rate swap adjustment	1,209,256	(524,547)
Pension liability adjustments	<u>903,495</u>	<u>366,769</u>
<b>(Decrease) Increase in Unrestricted Net Assets, Controlling Interest</b>	<u>(251,517)</u>	<u>1,465,346</u>
<b>Unrestricted Net Assets, Noncontrolling Interest</b>		
Excess of revenues over expenses	874,685	997,139
Distributions and other	<u>(1,307,721)</u>	<u>(1,031,774)</u>
<b>Decrease in Unrestricted Net Assets Noncontrolling Interest</b>	<u>(433,036)</u>	<u>(34,635)</u>
<b>Temporarily Restricted Net Assets</b>		
Gifts and bequests	475,360	444,830
Income from investments	497,540	476,299
Net realized and unrealized gains on investments	810,002	1,255,981
Grants	4,420,717	4,733,897
Net assets released from restrictions	<u>(5,439,245)</u>	<u>(5,743,041)</u>
<b>Increase in Temporarily Restricted Net Assets</b>	<u>764,374</u>	<u>1,167,966</u>
<b>Permanently Restricted Net Assets</b>		
Increase in fair value of funds held in trust by others	<u>2,741,876</u>	<u>4,878,924</u>
<b>Increase in Permanently Restricted Net Assets</b>	<u>2,741,876</u>	<u>4,878,924</u>
<b>Increase in Net Assets</b>	2,821,697	7,477,601
<b>Net Assets - Beginning</b>	<u>86,031,511</u>	<u>78,553,910</u>
<b>Net Assets - End</b>	<u>\$ 88,853,208</u>	<u>\$ 86,031,511</u>

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

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	2013	2012
<b>Operating Activities and Nonoperating Revenues</b>		
Change in net assets	\$ 2,821,697	\$ 7,477,601
Adjustments to reconcile change in net assets to net cash provided by operating activities and nonoperating revenues:		
Provision for bad debts	11,366,671	10,964,528
Depreciation and amortization	8,860,554	9,349,683
Pension liability adjustments	(903,495)	(366,769)
Distributions to noncontrolling interests	1,307,721	1,031,774
Net realized and unrealized gains and change in fair value of funds held in trust by others	(3,820,113)	(6,527,448)
Restricted gifts, bequests and income from investments	(972,900)	(921,129)
Change in market value of interest rate swap	(1,209,256)	524,547
	<u>17,450,879</u>	<u>21,532,787</u>
Changes in operating working capital other than cash and cash equivalents:		
Patient accounts receivable, net	(9,035,821)	(13,705,794)
Grants and other receivables	(725,020)	1,406,813
Inventories of supplies	(276,516)	(46,317)
Prepaid insurance and other expenses	(77,953)	253,646
Accounts payable and accrued expenses	(6,842,414)	(815,566)
Salaries, wages, payroll taxes and amounts withheld from employees	(930,163)	(1,771,866)
Due to third-party reimbursement agencies	2,368,120	3,459,357
Increase in other noncurrent liabilities	2,073,189	1,819,663
	<u>(13,446,578)</u>	<u>(9,400,064)</u>
<b>Net Cash Provided by Operating Activities and Nonoperating Revenues</b>	<u>4,004,301</u>	<u>12,132,723</u>

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

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	2013	2012
<b>Cash Flows from Investing Activities</b>		
Increase in restricted cash	\$ (1,008,510)	\$ (9,473)
Purchases of investments	(23,516,332)	(4,884,095)
Sales of investments	24,199,444	4,885,678
Cash received from affiliates	--	6,848,889
Cash paid to affiliates	(956,989)	--
Other assets	118,444	3,009,787
Additions to property, plant and equipment	<u>(2,122,895)</u>	<u>(8,759,471)</u>
<b>Net Cash (Used in) Provided by Investing Activities</b>	<u>(3,286,838)</u>	<u>1,091,315</u>
<b>Cash Flows from Financing Activities</b>		
Restricted gifts, bequests and income from investments	972,900	921,129
Distributions to noncontrolling interests	(1,307,721)	(1,031,774)
Proceeds from issuance of debt	157,781	616,571
Principal payments on debt obligations	<u>(1,154,775)</u>	<u>(1,030,933)</u>
<b>Net Cash Used in Financing Activities</b>	<u>(1,331,815)</u>	<u>(525,007)</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(614,352)	12,699,031
<b>Cash and Cash Equivalents - Beginning</b>	<u>24,607,775</u>	<u>11,908,744</u>
<b>Cash and Cash Equivalents - End</b>	<u>\$ 23,993,423</u>	<u>\$ 24,607,775</u>

**Supplemental Cash Flow Information**

Cash paid during the year for interest on borrowings was \$1,224,496 and \$1,319,213 for the years ended September 30, 2013 and 2012, respectively.

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



**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION**

***ORGANIZATION***

The Waterbury Hospital (the Hospital), a voluntary association incorporated under the General Statutes of the State of Connecticut, is a wholly-owned subsidiary of Greater Waterbury Health Network, Inc. (sole member) (the Network or GWHN). The Board of the Hospital, which is appointed by the Network, controls the operations of the Hospital. In addition to the Hospital, the accompanying financial statements include Access Rehab Centers LLC (Access), Greater Waterbury Imaging Center Limited Partnership (GWIC), Imaging Partners, LLC, Alliance Medical Group, Inc. (AMG) and Cardiology Associates of Greater Waterbury, LLC (CAGW) to the extent of the Hospital's ownership interest in these affiliated entities.

On October 29, 2012, the Network signed a Letter of Intent to develop a Joint Venture relationship with Vanguard Health Systems, Inc. (Vanguard) of Nashville, TN, a network of for-profit hospitals. Under terms of the proposed Joint Venture, the two organizations would form a Limited Liability Company in which Vanguard would have an 80 percent ownership interest and GWHN would have a 20 percent interest. The Joint Venture would create a taxable, for-profit health system. The GWHN board selected Vanguard due to the company's unique ability to meet the long-term goals of the Greater Waterbury Health Network, Inc. Under the terms of the transaction, the new Joint Venture would be overseen by a 12-member board of directors, half of whom will be appointed by GWHN with Vanguard serving as manager of the Joint Venture. The transaction with Waterbury Hospital will allow it to expand its range of outpatient services to the communities it serves while also conducting extensive renovations and upgrades to the Hospital's main campus. The transaction will also allow the Hospital to continue to attract and maintain top-quality physicians. With the Letter of Intent, the two organizations have developed a Definitive Agreement for the Certificate of Need (CON) process, which will be necessary for the approval from the State of Connecticut Office of Health Care Access (OHCA) and the Office of the Attorney General. The transaction will also require approval from state and federal antitrust authorities.

On October 1, 2013, Tenet Healthcare Corporation (THC) completed its acquisition of Vanguard. THC is a leading health care services company, which through its subsidiaries operates 77 acute care hospitals, 173 outpatient centers and Conifer Health Solutions, a provider of business process solutions for health care providers serving more than 600 hospitals and other clients nationwide.

During November 2010, the Hospital established a limited liability company by the name of Cardiology Associates of Greater Waterbury, LLC to operate a cardiology practice. CAGW acquired the assets of Cardiology Associates of Waterbury (CAW) that were used by CAW physicians in the performance of their professional services.

## THE WATERBURY HOSPITAL AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

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##### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

Waterbury Hospital also acquired the assets of CAW that were used by CAW to perform diagnostic ancillary services. The Hospital converted these ancillary services to provider-based services, which are provided at a diagnostic center located near the Hospital. The goodwill recorded on the consolidated balance sheets relates to the purchase of CAW.

During June 2010, the Hospital entered into an arrangement with certain gastroenterology physician-members of the Hospital's medical staff to form Waterbury Gastroenterology Co-Management Company, LLC (GI Co-Management Company), a Connecticut limited liability company. This company was formed as a collaborative effort between the Hospital and the physicians for the purpose of improving the quality and efficiency of the gastroenterology service line at the Hospital. The Hospital's investment of \$50,000 in the GI Co-Management Company is included in the Hospital's consolidated financial statements in long-term investments.

The Hospital entered into a members' agreement, making it an equal member with St. Mary's Hospital, located in Waterbury, Connecticut, in a joint venture to form The Harold Leever Regional Cancer Center, Inc. (the Cancer Center). The Cancer Center is a Connecticut non-stock corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The purpose of the joint venture is to develop, construct, own and operate the Cancer Center. Both member hospitals transferred the revenue and related expenses of their respective radiation oncology services to the Cancer Center in October 2002. Both member hospitals made working capital advances to the Cancer Center. The Cancer Center is not included in the Hospital's consolidated financial statements.

The Hospital's major accounting policies are as summarized below and in Note 2.

##### ***PRINCIPLES OF CONSOLIDATION***

The consolidated financial statements include the accounts of the Hospital and the affiliated entities. Recognition has been given to noncontrolling interests in the affiliates which is reflected as a component of unrestricted net assets. All significant intercompany accounts and transactions are eliminated in consolidation.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)**

***USE OF ESTIMATES***

The preparation of 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, including estimated uncollectible accounts receivable for services to patients, and liabilities, including estimated net settlements with third-party reimbursement agencies and professional liabilities, and disclosure of contingent assets and contingent liabilities at the date of the financial statements. Estimates also affect the amounts of revenues and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

***RECLASSIFICATIONS***

Certain prior year amounts were reclassified to conform to the current year presentation.

***REGULATORY MATTERS***

The Hospital is required to file annual operating information with OHCA.

***TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS***

Temporarily restricted net assets are available to provide grant related services, free care, and educational seminars. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity or in funds held in trust by others.

***DONOR RESTRICTED GIFTS***

Unconditional promises to give cash are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises to give are received. Amortization of the discounts is included in gifts and bequests on the consolidated statements of operations and changes in net assets. Unconditional promises to give other assets are reported at fair value at the date the promise is received.

The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)**

***CASH AND CASH EQUIVALENTS***

The Hospital considers all highly liquid investments with remaining maturities of three months or less at date of purchase to be cash equivalents. Cash and cash equivalents are held at a limited number of financial institutions and at times, the amounts on deposit exceed insured limits.

***RESTRICTED CASH***

The Hospital had letters of credit totaling \$4.5 million and \$3.5 million with banks available at September 30, 2013 and 2012, respectively, to support its self-insured workers' compensation program that were collateralized by certain investments held by the banks. As of September 30, 2013 and 2012, there were no borrowings on the letters of credit.

***ACCOUNTS RECEIVABLE***

Patient accounts receivable result from the health care services provided by the Hospital. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators. See Note 2 for additional information relative to net patient service revenue and third-party payor programs.

***INVENTORIES***

Inventories are stated at the lower of cost or market. The Hospital values its inventories using the first in first out method.

***INVESTMENTS***

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) and unrealized gains and losses are included in the (deficiency) excess of revenues over expenses unless the income or loss is restricted by donor or law.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)**

Unrealized gains and losses on investments related to permanently restricted net assets and certain temporarily restricted net assets are included in temporarily restricted net assets under State law which allows the Board of Trustees to appropriate as much of the net appreciation of investments as is prudent considering the Hospital's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Reference is made to Note 5.

***OTHER ASSETS***

Other assets include assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority. The portion of these amounts required for funding current liabilities is included in current assets.

***PROPERTY, PLANT AND EQUIPMENT***

Property, plant and equipment are recorded at cost. The Hospital provides for depreciation of property, plant and equipment and amortization of assets recorded under capital leases using the straight-line method in amounts sufficient to amortize the cost of the assets over their estimated useful lives which range from 3 to 40 years.

Financial Accounting Standards Board (FASB) ASC 410-20, *Accounting for Asset Retirement Obligations* (ASC 410-20), provides guidance on accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. Asset retirement obligations include, but are not limited to, certain types of environmental issues which are legally required to be remediated upon an asset's retirement as well as contractually required asset retirement obligations. ASC 410-20 provides clarifying guidance on conditional asset retirement obligations. Conditional asset retirement obligations are obligations whose settlement may be uncertain.

ASC 410-20's guidance requires such conditional asset retirement obligations to be estimated and recognized.

Conditional asset retirement obligations of \$2,684,704 and \$2,785,468 as of September 30, 2013 and 2012, respectively, are recorded in other noncurrent liabilities related to future asbestos remediation. During 2013 and 2012, there were no retirement obligations incurred or settled.

***GOODWILL***

Goodwill, which has an indefinite life, is not amortized and is evaluated for impairment whenever events or business conditions indicate that the carrying values of such assets may not be fully recoverable.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)**

***IMPAIRMENT OF LONG-LIVED ASSETS***

The Hospital records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There were no impairment losses recorded in 2013 and 2012.

***NONOPERATING GAINS***

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating gains consist primarily of income on invested funds, gains and losses on sales of securities, changes in unrestricted unrealized gains and losses and unrestricted gifts and bequests.

***(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES***

The consolidated statements of operations and changes in net assets include the (deficiency) excess of revenues over expenses as the performance indicator. Changes in unrestricted net assets which are excluded from the (deficiency) excess of revenues over expenses, consistent with industry practice, include 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), pension liability adjustments, and interest rate swap adjustments.

***INCOME TAXES***

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital is also exempt from state income taxes. Access, GWIC, CAGW, and Imaging Partners LLC are partnerships. For tax purposes, these partnerships are pass-through entities. Taxation does not occur at the partnership level. Accordingly, no provision for taxes is included. AMG is tax exempt under Section 501 (c)(3) of the code.

Management has analyzed the tax positions taken and has concluded that as of September 30, 2013, there are no uncertain tax positions taken or expected to be taken in that would require recognition of a liability (or asset) or disclosure in the financial statements. The Hospital is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Hospital is no longer subject to income tax examinations prior to 2010.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)**

***MEDICAL MALPRACTICE AND WORKERS' COMPENSATION INSURANCE***

The Hospital has a policy of self-insuring the deductible portion of its workers' compensation claims. The deductible limit is \$500,000 and \$400,000 per claim for the years ended September 30, 2013 and 2012, respectively. Management records its best estimate of losses as they occur. The accrued workers' compensation self-insurance liabilities of \$9,996,921 and \$9,871,633 at September 30, 2013 and 2012, respectively, have been discounted 2.25%.

Effective October 1, 2006, the Hospital obtained "claims-made" medical malpractice insurance coverage, through the Network, from Healthcare Alliance Insurance Company, Ltd. (HAIC). HAIC is a multi-provider captive insurance company domiciled in the Cayman Islands. The Network is a one third owner of the HAIC with two other local hospitals that each hold one third ownership. The Hospital's insurance coverage is \$1,500,000 per occurrence and \$5,000,000 in the aggregate. In addition to the coverage from HAIC, the Hospital recorded reserves of approximately \$2,066,103 and \$2,104,554 at September 30, 2013 and 2012, respectively, related to claims that were incurred subsequent to October 1, 2006, but not yet reported. These reserves were discounted at 2.25% at September 30, 2013 and 2012.

The Hospital also obtains excess insurance coverage for professional and general liability, through the Network, from HAIC. These policies have limits of \$25,000,000 per claim and \$25,000,000 aggregate, in excess of the underlying limits in the primary layer, for both professional and general liability.

The Hospital also purchased a loss transfer insurance policy which provides \$1,000,000 of coverage for each medical incident that was incurred between October 1, 2003 and October 1, 2006 and specifically reported to the insurance company on the effective date of the transfer policy (February 7, 2008) in addition to medical incidents incurred during the aforementioned period which are first reported after the effective date of the policy. This policy also provides \$1,000,000 of coverage for general liability incurred but not reported claims that occurred after October 1, 2003 through October 1, 2006 and were first reported after the effective date of the policy.

The policy has annual aggregate limits of \$4,500,000 for medical incidents and \$3,000,000 for general liability cases with a combined \$25,000,000 total limit for all policy years. These aggregate limits are eroded by claims previously paid by the Hospital or other insurance.

***RETIREMENT BENEFIT PLANS***

The Hospital maintains a defined benefit pension plan for eligible individuals and participates in two multi-employer pension plans that cover certain union employees. Reference is made to Note 9.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)**

***OTHER NONCURRENT LIABILITIES***

Other noncurrent liabilities include the long-term portion of liabilities for medical malpractice, workers' compensation, retirement benefits, the interest rate swap, and conditional asset retirement obligations.

***RISKS AND UNCERTAINTIES***

The Hospital invests in a variety of investment securities which are exposed to various risks, such as interest rate risk, financial market risk, currency risk and credit risk. Due to the level of risk associated with investment securities, coupled with the economic events, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Hospital's September 30, 2013 financial statements, in addition to the funded status of its defined benefit pension plan.

***NEW ACCOUNTING PRONOUNCEMENTS***

***BAD DEBTS***

In July 2011, the FASB issued ASU 2011-07, *Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts*, which requires certain health care entities to present the provision for bad debts associated with patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than as an operating expense with enhanced footnote disclosures on the policies for recognizing revenue and assessing bad debts, in addition to qualitative and quantitative information about changes in the allowance for doubtful accounts. The pronouncement was adopted for the year ended September 30, 2013 and retrospectively applied to the year ended September 30, 2012. Refer to Note 2 for the additional disclosures required by ASU 2011-07. There was no material impact to the Hospital's consolidated financial statements aside from the required changes in presentation.

***MULTI-EMPLOYER PENSION PLAN DISCLOSURES***

ASU 2011-09, *Disclosures about an Employer's Participation in a Multi-Employer Plan*, became effective for the year ended September 30, 2013 and required additional disclosures regarding multi-employer pension plans. The Hospital has made these additional disclosures in Note 9. The adoption of this pronouncement had no material impact on the Hospital's consolidated financial statements.



**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 2 – REVENUES FROM SERVICES TO PATIENTS AND CHARITY CARE**

The following table summarizes net revenues from services to patients:

	<u>2013</u>	<u>2012</u>
Gross revenues from services to patients	\$ 936,820,801	\$ 966,591,489
Deductions (additions)		
Allowances	682,420,456	698,910,302
Regulatory	<u>(312,767)</u>	<u>(1,431,356)</u>
	<u>682,107,689</u>	<u>697,478,946</u>
Net revenues from services to patients	254,713,112	269,112,543
Provision for bad debts	<u>11,366,671</u>	<u>10,964,528</u>
Net patient service revenue		
less provision for bad debts	<u>\$ 243,346,441</u>	<u>\$ 258,148,015</u>

Patient accounts receivable and revenues are recorded when patient services are performed.

Amounts received from most payors are different from the established billing rates of the Hospital, and these differences are accounted for as allowances. Net revenues have been affected by State of Connecticut Disproportionate Share program in 2013 and 2012 which is reflected in the regulatory amounts in the table above.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. For the years ended September 30, 2013 and 2012, the Hospital recorded approximately (\$2,400,000) and \$2,066,000, respectively, as a (decrease) increase to net revenues from services to patients as changes in estimates related to third-party payor settlements and adjustments to accruals recorded in prior years.

During 2013 and 2012, approximately 37% and 43%, respectively, of net revenue from services to patients was received under the Medicare program, 16% and 11%, respectively, under the state Medicaid program, and 42% and 41%, respectively, from contracts with other third-parties.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 2 – REVENUES FROM SERVICES TO PATIENTS AND CHARITY CARE (CONTINUED)**

Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital. The State of Connecticut has announced reductions in the State's Disproportionate Share Reimbursement Program for the period from July 1, 2012 through June 30, 2015.

The significant concentrations of net accounts receivable for services to patients include 44% from Medicare, 13% from Medicaid, 24% from commercial insurance carriers and 19% from others at September 30, 2013 (47%, 13%, 25% and 15%, respectively, in 2012).

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. The Hospital believes that it is in compliance with all applicable laws and regulations. Cost reports for the Hospital, which serve as a basis for final settlement with government payors, have been settled by final settlement through 2009 for Medicare and 1995 for Medicaid. Other years remain open for settlement.

The Hospital has agreements with various Health Maintenance Organizations (HMOs) to provide medical services to subscribing participants. Under these agreements, the HMOs make fee-for-service payments to the Hospital for certain covered services based upon discounted fee schedules.

***ALLOWANCE FOR DOUBTFUL ACCOUNTS***

The Hospital's estimation of the allowance for doubtful accounts is based primarily upon the type and age of the patient accounts receivable and the effectiveness of the Hospital's collection efforts. The Hospital's policy is to reserve a portion of all self-pay receivables, including amounts due from the uninsured and amounts related to co-payments and deductibles, as the charges are recorded. On a monthly basis, the Hospital reviews its accounts receivable balances, the effectiveness of the Hospital's reserve policies and various analytics to support the basis for its estimates. These efforts primarily consist of reviewing the following:

- Revenue and volume trends by payor, particularly the self-pay components;
- Changes in the aging and payor mix of accounts receivable, including increased focus on accounts due from the uninsured and accounts that represent co-payments and deductibles due from patients;
- Various allowance coverage statistics.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 2 – REVENUES FROM SERVICES TO PATIENTS AND CHARITY CARE (CONTINUED)**

The Hospital regularly performs hindsight procedures to evaluate historical write-off and collection experience throughout the year to assist in determining the reasonableness of its process for estimating the allowance for doubtful accounts.

A summary of the Hospital's allowance for doubtful accounts activity for the years ended September 30, 2013 and 2012 is as follows:

	Balance at Beginning of Period	Additions Recorded in the Provision for Bad Debts	Accounts Written off, Net of Recoveries and Other	Balance at End of Period
Allowance for doubtful accounts:				
Year ended September 30, 2012	\$ (15,096,000)	\$ (10,964,528)	\$ 9,014,528	\$ (17,046,000)
Year ended September 30, 2013	\$ (17,046,000)	\$ (11,366,671)	\$ 8,027,671	\$ (20,385,000)

***MEASURING CHARITY CARE***

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is possible. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized Federal poverty income levels, but also includes certain cases where incurred charges are significant when compared to incomes and assets. These services are not included in net patient service revenues for financial reporting purposes.

Self-pay revenues are derived primarily from patients who do not have any form of health care coverage. The Hospital evaluates these patients, after the patient's medical condition is determined to be stable, for their ability to pay based upon federal and state poverty guidelines, qualifications for Medicaid or other governmental assistance programs, as well as the Hospital's policy for charity care. The Hospital provides care without charge to certain patients that qualify under its charity care policy. For the years ended September 30, 2013 and 2012, the Hospital estimates that its costs of care provided under its charity care programs approximated \$440,051 and \$369,888, respectively.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 2 – REVENUES FROM SERVICES TO PATIENTS AND CHARITY CARE (CONTINUED)**

The Hospital's management estimates its costs of care provided under its charity care programs utilizing a calculated ratio of costs to gross charges multiplied by the Hospital's gross charity care charges provided. The Hospital's gross charity care charges include only services provided to patients who are unable to pay and qualify under the Hospital's charity care policy. To the extent the Hospital receives reimbursement through the various governmental assistance programs in which it participates to subsidize its care of indigent patients, the Hospital does not include these patients' charges in its' cost of care provided under its' charity care program. Additionally, the Hospital does not report a charity care patient's charges in revenues or in the provision for doubtful accounts as it is the Hospital's policy not to pursue collection of amounts related to these patients.

***ELECTRONIC HEALTH RECORD INCENTIVE PAYMENTS***

The American Recovery and Reinvestment Act of 2009 (ARRA) included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are also available to providers that adopt, implement or upgrade certified EHR technology. Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments.

Income from Medicare incentive payments is recognized as revenue after the Hospital has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period. The Hospital recognized revenue from Medicaid and Medicare for incentive payments after it adopted certified EHR technology. Medicaid incentive payments were \$483,979 and \$806,632 for the years ended September 30, 2013 and 2012, respectively. Medicare incentive payments were \$1,939,299 and \$2,585,732 for the years ended September 30, 2013 and 2012, respectively. Incentive payments are included in other operating revenues in the accompanying consolidated statements of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Hospital's compliance with the meaningful use criteria is subject to audit by the federal government.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 2 – REVENUES FROM SERVICES TO PATIENTS AND CHARITY CARE (CONTINUED)**

***ICD-10 IMPLEMENTATION***

The Hospital is subject to the administrative simplification provisions of HIPAA which require the use of uniform electronic data transmission standards for health care claims and payment transactions submitted or received electronically.

In January 2009, the Centers for Medicare and Medicaid Services (CMS) published its tenth revision of International Statistical Classification of Diseases and Related Health Problems (ICD-10) and related changes to the formats used for certain electronic transactions. ICD-10 contains significantly more diagnostic and procedural codes than the existing ICD-9 coding system, and as a result, the coding for the patient services provided in the Hospital will require much greater specificity when ICD-10 becomes effective on October 1, 2014.

The implementation of ICD-10 will require a significant investment in technology and training. The Hospital may experience delays in reimbursement while the Hospital and the payors from which it seeks reimbursement make the transition to ICD-10. If the Hospital fails to implement the new coding systems by the deadline, the Hospital will not be paid for services. Management is not able to reasonably estimate the overall financial statement impact of the Hospital's transition to ICD-10.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 3 – INVESTMENTS**

The composition of investments, including other assets and funds held in escrow is set forth in the following table. Investments are stated at fair value:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Short-Term Investments				
Certificates of deposit and money market funds	<u>\$ 406,088</u>	<u>\$ 472,637</u>	<u>\$ 386,726</u>	<u>\$ 448,318</u>
Escrow funds for long-term debt:				
Cash and money market funds	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 661,338</u>	<u>\$ 661,338</u>
Investments of funds held in trust by others	<u>\$ 36,611,831</u>	<u>\$ 44,960,039</u>	<u>\$ 35,730,956</u>	<u>\$ 42,218,163</u>
Long-term investments and Board-designated funds:				
Certificates of deposit and money market funds	\$ 901,472	\$ 901,472	\$ 854,843	\$ 854,843
Marketable equity securities	197,835	287,008	73,305	116,299
U.S. Government obligations	108,451	154,567	108,451	169,163
Corporate bonds	3,412,334	3,396,880	3,386,725	3,548,495
Mutual funds	<u>7,708,657</u>	<u>8,908,523</u>	<u>7,626,076</u>	<u>7,904,439</u>
	<u>\$ 12,328,749</u>	<u>\$ 13,648,450</u>	<u>\$ 12,049,400</u>	<u>\$ 12,593,239</u>

The Hospital had long-term investments in partnerships and joint ventures that were recorded at cost of \$359,909 and \$382,976 as of September 30, 2013 and 2012, respectively, as it was not practicable to estimate fair value. These investments are not included in the tables above.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
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**NOTE 3 – INVESTMENTS (CONTINUED)**

Unrestricted investment income, including income on funds held in trust by others and gains are comprised of the following for the years ended September 30, 2013 and 2012:

	2013	2012
Income		
Investment income	\$ 1,737,423	\$ 1,607,608
Changes in net unrealized gains on investments	268,235	392,543
	\$ 2,005,658	\$ 2,000,151

A summary of interest cost and investment income on borrowed funds held by the trustee under revenue bond indentures during the years ended September 30, 2013 and 2012 follows:

	2013	2012
Interest charged to operations	\$ 1,017,986	\$ 929,633
Investment income credited to other operating revenues	\$ 31	\$ 233

**NOTE 4 – FAIR VALUE MEASUREMENTS**

The Hospital categorizes assets and liabilities for disclosure purposes based on whether the inputs used to determine their fair values are observable or unobservable. The Hospital utilizes a three-level fair value hierarchy that prioritizes the inputs used to measure assets at fair value. Level inputs are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Hospital has the ability to access on the reporting date.

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specific (contractual) term, a Level 2 input must be observable for substantially the full term of the asset.

Level 3 – Inputs that are unobservable for the asset or liability.

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**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

The fair values of Level 1 securities were determined through quoted market prices, while fair values of Level 2 securities were determined primarily through prices obtained from third party pricing sources, where quoted market prices for such securities are not available. The fair values of Level 3 securities were determined primarily through information obtained from the relevant counterparties for such assets or liabilities, as information on which these fair values are based is generally not readily available in the market.

The fair value of the interest rate swap was determined by the counterparty based on an estimate of the net present value of the expected cash flows using relevant mid-market data inputs and based on the assumption of no unusual market conditions or forced liquidation.

The following table summarizes fair value measurements, by level, at September 30, 2013, for all assets and liabilities which are measured at fair value on a recurring basis in the consolidated financial statements:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 31,081,328	\$ --	\$ --	\$ 31,081,328
Common stock-Insurance	93,309	--	--	93,309
<b>Mutual funds:</b>				
U.S. large cap	23,645,248	--	--	23,645,248
U.S. mid cap	3,460,785	--	--	3,460,785
U.S. small cap	3,034,881	--	--	3,034,881
International developed	4,960,376	--	--	4,960,376
Emerging markets	2,705,380	--	--	2,705,380
<b>Fixed income securities:</b>				
Investment grade taxable	2,042,330	11,202,070	--	13,244,400
International developed bonds	1,237	719,184	--	720,421
Global high yield taxable	261,841	2,027,557	--	2,289,398
Real estate investment trusts	1,972,747	--	--	1,972,747
Other	101,506	284,678	--	386,184
<b>Total investments at fair value</b>	<b><u>\$ 73,360,968</u></b>	<b><u>\$ 14,233,489</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 87,594,457</u></b>
<b>Liabilities:</b>				
Interest rate swap	<u>\$ --</u>	<u>\$ 1,729,706</u>	<u>\$ --</u>	<u>\$ 1,729,706</u>



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**NOTE 4 -- FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table summarizes fair value measurements, by level, at September 30, 2012, for all assets and liabilities which are measured at fair value on a recurring basis in the consolidated financial statements:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 31,686,030	\$ --	\$ --	\$ 31,686,030
Common stock-Insurance	64,739	--	--	64,739
<b>Mutual funds:</b>				
U.S. large cap	19,580,267	--	--	19,580,267
U.S. mid cap	2,972,585	--	--	2,972,585
U.S. small cap	2,025,227	--	--	2,025,227
International developed	4,210,680	--	--	4,210,680
Emerging markets	2,394,768	--	--	2,394,768
Bonds	345,802	--	--	345,802
<b>Fixed income securities:</b>				
Investment grade taxable	2,293,528	10,423,958	--	12,717,486
International developed bonds	--	632,249	--	632,249
Global high yield taxable	399,340	2,977,811	--	3,377,151
U.S. Government obligations	1,276,960	--	--	1,276,960
Mortgage backed securities	--	873,732	--	873,732
Real estate investment trusts	1,844,055	--	--	1,844,055
Other	38,500	--	--	38,500
<b>Total investments at fair value</b>	<b><u>\$ 69,132,481</u></b>	<b><u>\$ 14,907,750</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 84,040,231</u></b>
<b>Liabilities:</b>				
Interest rate swap	<u>\$ --</u>	<u>\$ 2,938,962</u>	<u>\$ --</u>	<u>\$ 2,938,962</u>

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
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**NOTE 5 – RESTRICTED ENDOWMENTS**

The Hospital's endowments consist of donor-restricted endowment funds and Board designated endowment funds. Net assets associated with endowment funds are classified and reported based on donor-imposed restrictions.

The Hospital's Board of Trustees has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and, if applicable (c) accumulations to the permanent endowment made in accordance with the related gift's donor instructions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard for expenditure as proscribed by UPMIFA. In accordance with UPMIFA, the Hospital considers the following factors in making determinations to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Hospital and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Hospital
- (7) The investment policies of the Hospital

***RETURN OBJECTIVES AND RISK PARAMETERS***

For the permanently restricted endowment funds, the bank, acting in its capacity as trustee, determines and directs the investment policy and asset allocation. For the unrestricted and temporarily restricted endowment funds, the Hospital's Board of Trustees has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. The Hospital expects these endowment funds, over time, to provide an average rate of return that exceeds the rate of inflation by 3.5% annually. Actual returns in any given year may vary from this amount.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
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**NOTE 5 – RESTRICTED ENDOWMENTS (CONTINUED)**

***STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES***

To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

***SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY***

The Hospital has a policy of evaluating the spending decisions for each endowment fund based upon the intentions of the donors and specific contractual agreements. In determining the annual amount to be spent, the Hospital considers the long-term expected return on its endowment. The spending policy is designed to limit spending to the expected long-term real rate of return. The annual distribution from the endowment funds is expected to be contained within a range of 4-6% of the trusts' market value. This is consistent with the Hospital's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

***ENDOWMENT NET ASSET COMPOSITION BY TYPE OF FUND AS OF SEPTEMBER 30, 2013***

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ --	\$ 7,446,152	\$ 47,752,075	\$ 55,198,227
Board-designated endowment funds	<u>3,193,664</u>	<u>--</u>	<u>--</u>	<u>3,193,664</u>
	<u>\$ 3,193,664</u>	<u>\$ 7,446,152</u>	<u>\$ 47,752,075</u>	<u>\$ 58,391,891</u>

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
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**NOTE 5 – RESTRICTED ENDOWMENTS (CONTINUED)**

***CHANGES IN ENDOWMENT NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013***

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning balance	\$ 2,974,503	\$ 6,806,683	\$ 45,010,199	\$ 54,791,385
Investment return				
Investment income	72,896	238,568	--	311,464
Net appreciation (realized and unrealized)	<u>277,353</u>	<u>829,688</u>	<u>2,741,876</u>	<u>3,848,917</u>
Total investment return	350,249	1,068,256	2,741,876	4,160,381
Appropriation of endowment assets for expenditure	<u>(131,088)</u>	<u>(428,787)</u>	--	<u>(559,875)</u>
Endowment net assets, ending balance	<u>\$ 3,193,664</u>	<u>\$ 7,446,152</u>	<u>\$ 47,752,075</u>	<u>\$ 58,391,891</u>

***ENDOWMENT NET ASSET COMPOSITION BY TYPE OF FUND AS OF SEPTEMBER 30, 2012***

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ --	\$ 6,806,683	\$ 45,010,199	\$ 51,816,882
Board-designated endowment funds	<u>2,974,503</u>	--	--	<u>2,974,503</u>
	<u>\$ 2,974,503</u>	<u>\$ 6,806,683</u>	<u>\$ 45,010,199</u>	<u>\$ 54,791,385</u>

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**NOTE 5 – RESTRICTED ENDOWMENTS (CONTINUED)**

***CHANGES IN ENDOWMENT NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012***

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning balance	\$ 2,615,009	\$ 5,696,591	\$ 40,131,275	\$ 48,442,875
Investment return				
Investment income	72,000	259,851	--	331,851
Net appreciation (realized and unrealized)	<u>406,963</u>	<u>1,266,934</u>	<u>4,878,924</u>	<u>6,552,821</u>
Total investment return	478,963	1,526,785	4,878,924	6,884,672
Appropriation of endowment assets for expenditure	<u>(119,469)</u>	<u>(416,693)</u>	<u>--</u>	<u>(536,162)</u>
Endowment net assets, ending balance	<u>\$ 2,974,503</u>	<u>\$ 6,806,683</u>	<u>\$ 45,010,199</u>	<u>\$ 54,791,385</u>

**NOTE 6 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets at September 30, 2013 and 2012, are restricted amounts which are to be held in perpetuity, the income from which is expendable to provide free care, scholarships for the children of the Hospital's employees, and for the operations of the Hospital. Also included in permanently restricted net assets are funds held in trust by others. The Hospital is the restricted income beneficiary of funds held in trust by others. The total trust assets, as reported by the trustee, had an aggregate fair value at September 30, 2013 and 2012 of \$44,960,039 and \$42,218,163, respectively. Income of \$1,896,981 and \$1,759,075 earned on these assets for the years ended September 30, 2013 and 2012, respectively, is included in investment income.

Temporarily restricted net assets are available to provide psychiatric services, free care and educational seminars.

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**NOTE 6 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)**

During 2013, net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes in providing grant related services, free care, and various miscellaneous services in the amounts of \$4,420,718, \$657,252 and \$341,621, respectively in 2013 and \$4,733,897, \$625,195, and \$249,913, respectively in 2012. In addition, \$19,654 and \$134,036 were released for the purchase of property and equipment in 2013 and 2012, respectively.

**NOTE 7 - DEBT**

***SERIES C AND D BOND FINANCING***

In December 2010, the Hospital refinanced its Series C bond financing and financed an additional \$8,000,000 for various capital projects to be completed over a two year period. The par amount of the new Series D debt was \$25,918,000 and interest is variable at the interest rate that is equal to the product of (i) sixty-eight percent (68%) and (ii) the sum of the LIBOR Rate and three hundred basis points (2.16% at September 30, 2013). The new bonds require monthly principal and interest payments, based upon a 10 year amortization schedule, from 2011 through 2020 with the remaining principal balance due in 2020.

The terms of the bonds provide for, among other things, a pledge of gross receipts of the Hospital, restriction on the incurrence of certain indebtedness of the Hospital and provide for covenants regarding the Hospital's debt service coverage ratios, minimum levels of cash on hand, sale and lease of assets and other covenants similar in financings of this type.

In connection with this refinancing, the Hospital entered into an interest rate swap with a bank which allowed it to convert its variable interest rate liability to a fixed interest rate liability of 4.475% without changing the structure of the underlying debt.

The Hospital uses the interest rate swap agreement to manage interest rate risk associated with its outstanding debt. At September 30, 2013 and 2012, the notional value of outstanding interest rate swap was \$24,755,656 and \$25,207,100, respectively.

The Hospital recognizes the fair value of its interest rate swap in the consolidated balance sheet as a liability, recorded in other noncurrent liabilities. At September 30, 2013 and 2012, the fair value of interest rate swap was in a liability position of \$1,729,706 and \$2,938,962, respectively.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
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**NOTE 7 – DEBT (CONTINUED)**

The Hospital designated its interest rate swap as a cash flow hedge for accounting purposes, and accordingly defers gains or losses associated with the swap in net assets.

Future minimum payments by year and in the aggregate under the Series D bond financing are as follows at September 30, 2013:

2014	\$ 472,136
2015	493,776
2016	516,408
2017	540,080
2018	564,832
Aggregate thereafter	<u>22,168,424</u>
	<u>\$ 24,755,656</u>

Access has a \$250,000 line of credit with a bank. There were no borrowings under this line of credit at September 30, 2013 and 2012.

AMG had a capital lease for equipment that called for monthly payments of \$1,485 through April 2013 and was secured by the equipment. The balance of the capital lease liability was \$0 at September 30, 2013 and \$10,054 at September 30, 2012.

AMG has a capital lease for equipment that calls for monthly payments of \$593 through January 2014 and is secured by the equipment. The balance of the capital lease liability was \$2,858 at September 30, 2013 and \$9,037 at September 30, 2012.

AMG entered into an equipment lease during 2010. The lease calls for monthly payments of \$353 through March 2015 and is secured by the equipment. The balance of the capital lease liability was \$5,877 at September 30, 2013 and \$9,445 at September 30, 2012.

AMG entered into an equipment lease during 2010. The lease calls for monthly payments of \$447 through May 2015 and is secured by the equipment. The balance of the capital lease liability was \$8,687 at September 30, 2013 and \$13,095 at September 30, 2012.

The Hospital entered into a capital lease for equipment during 2011. The lease calls for equal monthly payments of \$20,885 through May 2016 and is secured by the equipment. The balance of the capital lease liability was \$609,435 at September 30, 2013 and \$835,685 at September 30, 2012.

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**NOTE 7 – DEBT (CONTINUED)**

The Hospital entered into a capital lease for equipment during 2011. The lease called for equal monthly payments of \$14,031 through July 2013 and was secured by the equipment. The balance of the capital lease liability was \$0 at September 30, 2013 and \$137,403 at September 30, 2012.

AMG entered into a term note during 2010 at an interest rate of 9.8%. The note calls for monthly payments of \$13,216 through November 2014 and is secured by the assets of AMG. The balance of the term note liability was \$173,794 at September 30, 2013 and \$307,277 at September 30, 2012.

AMG assumed a note payable during 2009 for the fit-up of office space. The original amount of the note was \$320,000 and is repayable in installments of principal plus interest at 7.50% totaling \$4,908 per month through January 2014. In addition, this note calls for a final payment of principal and interest of \$113,981 in February 2014. The balance of this note was \$129,815 at September 30, 2013 and \$177,038 at September 30, 2012.

The Hospital entered into a capital lease for equipment during 2012. The lease calls for equal monthly payments of \$11,469 through August 2017 and is secured by the equipment. The balance of the capital lease liability was \$495,826 at September 30, 2013 and \$593,633 at September 30, 2012.

The Hospital entered into a capital lease for equipment during 2013. The lease calls for equal monthly payments of \$4,779 through November 2015. The balance of capital lease liability was \$120,826 at September 30, 2013.

Future minimum payments by year and in the aggregate for all obligations other than the CHEFA Series D bonds were as follows at September 30, 2013:

2014	\$ 694,549
2015	448,424
2016	280,624
2017	<u>123,520</u>
	<u>\$ 1,547,117</u>

The fair value of the debt, using the discounted cash flow analyses, was approximately \$28,032,000 at September 30, 2013 and \$29,240,000 at September 30, 2012.



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**NOTE 8 – RENTAL EXPENSE AND LEASE COMMITMENTS**

The Hospital has entered into operating leases for office space and office equipment. Rental expense for the years ended September 30, 2013 and 2012 was \$4,740,477 and \$4,586,155, respectively. The minimum rental commitments under all noncancellable operating leases with initial or remaining terms of more than one year are as follows:

2014	\$ 4,354,779
2015	3,592,196
2016	3,271,507
2017	2,479,208
2018	27,036
Thereafter	<u>201,566</u>
	<u>\$ 13,926,292</u>

**NOTE 9 – EMPLOYEE BENEFIT PLANS**

The Hospital has a noncontributory defined benefit cash balance plan (the Plan). Under the Plan, each participant who elected to transfer their balances to the Plan from the former defined contribution plan receives a credit of 6% of compensation allocated to their cash balance accounts. All other participants receive a 3% credit. Additionally, each participant receives an interest credit to their cash balance account based on the yield to maturity on three-year treasury bills. The Plan covers substantially all non-union employees age 21 and older with one year of service. It is the Hospital's policy to make contributions to the Plan sufficient to meet the minimum funding requirements of applicable laws and regulations.

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**NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)**

Following is a summary of the Plan's funded status using the measurement dates of September 30, 2013 and 2012 and amounts recognized in the Hospital's consolidated financial statements.

	2013	2012
<b>Change in benefit obligation</b>		
Benefit obligation beginning of year	\$ (37,888,825)	\$ (37,373,483)
Service cost	(1,702,273)	(1,220,226)
Interest cost	(1,154,537)	(1,798,078)
Actuarial gain (loss)	2,126,771	(443,054)
Benefits paid	3,056,653	2,946,016
Benefit obligation, end of year	\$ (35,562,211)	\$ (37,888,825)
<b>Change in plan assets</b>		
Fair value of plan assets, beginning of year	\$ 28,843,113	\$ 26,540,513
Actual return on plan assets	253,055	2,716,897
Employer contributions	1,162,156	2,531,719
Benefits paid	(3,056,653)	(2,946,016)
Fair value of plan assets, end of year	\$ 27,201,671	\$ 28,843,113
Funded status	\$ (8,360,540)	\$ (9,045,712)
Accrued pension liability	\$ (8,360,540)	\$ (9,045,712)
<b>Components of net periodic pension cost</b>		
Service cost	\$ 1,702,273	\$ 1,220,226
Interest cost	1,154,537	1,798,078
Expected return on plan assets	(2,483,658)	(2,566,157)
Amortization of actuarial loss	971,872	623,556
Amortization of prior service cost	35,455	35,527
Net periodic pension cost	\$ 1,380,479	\$ 1,111,230
Accumulated benefit obligation	\$ 34,675,898	\$ 36,832,025

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**

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**NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)**

Included in unrestricted net assets are the following amounts that have not yet been recognized in net periodic cost:

	<u>2013</u>	<u>2012</u>
Unrecognized prior service cost	\$ (156,531)	\$ (191,986)
Unrecognized actuarial losses	<u>(14,772,799)</u>	<u>(15,640,839)</u>
Benefit obligation, end of year	<u>\$ (14,929,330)</u>	<u>\$ (15,832,825)</u>

Changes in benefit obligations recognized in unrestricted net assets include:

	<u>2013</u>	<u>2012</u>
Current year actuarial losses	\$ (103,832)	\$ (292,314)
Amortization of prior service cost	35,455	35,527
Amortization of net loss	<u>971,872</u>	<u>623,556</u>
	<u>\$ 903,495</u>	<u>\$ 366,769</u>

The prior service cost and actuarial losses included in unrestricted net assets and expected to be recognized in net periodic cost during the year ending September 30, 2014 are \$35,455 and \$816,016, respectively.

***ASSUMPTIONS***

The weighted-average assumptions used to determine benefit obligations at September 30 are as follows:

	<u>2013</u>	<u>2012</u>
Discount rate	3.99%	3.17%
Expected return on plan assets	8.00%	8.00%
Rate of compensation increase	2.00% for 3 year select period, 3.00% ultimate	2.00% for 4 year select period, 3.00% ultimate

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**NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)**

The weighted-average assumptions used to determine net periodic benefit cost for years ended September 30 are as follows:

	2013	2012
Discount rate	3.17%	5.07%
Expected return on plan assets	8.00%	8.00%
Rate of compensation increase	2.00% for 4 year select period, 3.00% ultimate	2.00% for 5 year select period, 3.00% ultimate

***EXPECTED LONG-TERM RETURN ON PLAN ASSETS***

To develop the expected long-term rate of return on assets assumptions, the Hospital considered the historical returns and the future expectations of returns for each asset class, as well as target asset allocations of the pension portfolio. This resulted in the selection of the 8.0% long-term rate of return.

***INVESTMENT POLICY***

The Plan's weighted-average asset allocation at September 30, 2013, by asset category are as follows:

Asset Category	Plan Assets	Asset Allocation Policy	
		Target	Range
Global defensive equity unhedged	10%	0.1	5% - 15%
Custom fixed income	90%	0.9	85% - 95%

The Plan's weighted-average asset allocation at September 30, 2012, by asset category are as follows:

Asset Category	Plan Assets	Asset Allocation Policy	
		Target	Range
Equity securities	44%	45%	40% -50%
Debt securities	33%	35%	25% -45%
Multi-strategy hedge fund of funds	20%	20%	15% -25%
Cash and cash equivalents	3%		

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**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)**

The Pension Committee of the Board of Trustees (the Committee) is responsible for employee benefit program policies with respect to plan assets and the retention of qualified managers, consultants and trustee/custodians. The purpose of the Committee is to ensure the Plan assets accumulate monies required to meet the anticipated benefit payments of the Plan; contributions are made by the Hospital on a basis determined by the Plan’s actuary to be adequate to fund the benefits. The investment objective of the Committee is to maximize total return after inflation within the limits of prudent risk taking by diversifying across asset classes and multiple managers. The Committee has established an asset allocation policy that sets a target and range for each asset class, as shown in the table above.

***CONTRIBUTIONS***

The Hospital expects to make \$1,500,000 in contributions to the Plan in 2014.

***ESTIMATED FUTURE BENEFIT PAYMENTS***

The following benefit payments which reflect expected future service are expected to be paid as follows:

2014	\$ 3,702,000
2015	3,025,000
2016	3,414,000
2017	3,289,000
2018	3,512,000
2019-2023	<u>15,898,000</u>
	<u>\$ 32,840,000</u>

As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)**

The following tables set forth by level within the fair value hierarchy the investment assets and investment liabilities at fair value, as of September 30, 2013.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Commingled funds and private equity	<u>\$ --</u>	<u>\$ --</u>	<u>\$27,201,671</u>	<u>\$27,201,671</u>

The following tables set forth by level within the fair value hierarchy the investment assets and investment liabilities at fair value, as of September 30, 2012.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 1,450,511	\$ --	\$ --	\$ 1,450,511
Commingled funds and private equity	--	--	19,307,214	19,307,214
U.S. Government obligations	4,463,951	--	--	4,463,951
Corporate bonds	--	3,210,511	--	3,210,511
Distribution receivable	363,345	--	--	363,345
Interest and dividends	<u>47,581</u>	<u>--</u>	<u>--</u>	<u>47,581</u>
	<u>\$ 6,325,388</u>	<u>\$ 3,210,511</u>	<u>\$19,307,214</u>	<u>\$28,843,113</u>

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

	<u>2013</u>	<u>2012</u>
Balance as of September 30,	\$ 19,307,214	\$ 17,038,042
Change in unrealized (depreciation) appreciation	(487,433)	2,362,257
Purchases	52,316,941	7,446,351
Sales	<u>(43,935,051)</u>	<u>(7,539,436)</u>
Balance as of September 30,	<u>\$ 27,201,671</u>	<u>\$ 19,307,214</u>

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

**NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)**

***OTHER BENEFIT PLANS***

The Hospital participates in multi-employer pension plans that cover substantially all union employees. Contributions to the plans are based upon a percentage of each participant's total salary. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of another participating employer.
- If a participating employer stops contributing to the plan, the unfunded obligation of the plan may be borne by the remaining participating employers.
- If the Hospital chose to stop participating in the multi-employer plans, it would be required to pay those plans an amount based on the underfunded status of the plans, referred to as a withdrawal liability.

The following table presents the Hospital's participation in these plans as of and for the years ended September 30, 2013 and 2012.

Pension Trust Fund	Pension Plan Employer Identification Number	Pension Protection Act ("PPA") Certified Zone Status <sup>1</sup>		FIP / RP Status Pending / Implemented <sup>2</sup>	Contributions		Surcharge Imposed	Expiration Date of Collection Bargaining Agreement <sup>3</sup>
		2013	2012		2013	2012		
Connecticut Health Care Associates Pension Fund	06-1313462	Green	Green	N/A	\$ 2,077,612	\$ 2,230,433	No	September 30, 2013
New England Health Care Employees Pension Fund	22-3071963	Green	Green	N/A	783,235	865,646	No	February 29, 2016
Total Contributions:					\$ 2,860,847	\$ 3,096,079		

<sup>1</sup> The most recent PPA zone status available in 2013 and 2012 is for the plan's year-ending during 2012 and 2011, respectively. The zone status is based on information received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the orange zone are less than 80 percent funded and have an accumulated funding deficiency in the current year or projected in the next six years, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded.

<sup>2</sup> The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.

<sup>3</sup> Lists the expiration dates of the collective-bargaining agreements to which the plans are subject.

During the years ended September 30, 2013 and 2012, the Hospital's contributions to the Connecticut Health Care Associates Pension Plan represented 96% of the total contributions made to the plan by all participating employers.

During the years ended September 30, 2013 and 2012, the Hospital's contributions to the New England Health Care Employees Pension Plan represented 3% of the total contributions made to the plan by all participating employers.

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)**

Governmental regulations impose certain requirements relative to union-sponsored pension plans. In the event of plan termination or employer withdrawal, an employer may be liable for a portion of the plan's unfunded vested benefits. The Hospital has explored the costs to withdraw from the Connecticut Health Care Associates (CHCA) Pension Plan in the event that the Hospital enters into a joint venture (Note 1). As of September 30, 2013, it is estimated a withdrawal liability to exit this plan would be \$17,200,000. It is expected that CHCA will likewise withdraw from the pension plan making a total withdrawal liability for the Hospital of approximately \$27,700,000. Management expects that the costs to withdraw from the plan will be funded by the proceeds from the transaction and payable over time at the rate of \$2,400,000 per annum.

In addition, the Hospital has a supplemental employee retirement plan for certain executives. The plan provides for a total benefit and is partially funded. As of September 30, 2013 and 2012, liabilities of \$240,869 and \$152,244, respectively, have been reflected in the consolidated balance sheets.

As noted above, the Hospital also has a noncontributory defined benefit cash balance plan covering substantially all non-union employees age 21 and older with one year of service. Total pension expense, relating to this plan, charged to operations during the years ended September 30, 2013 and 2012 was \$1,380,479 and \$1,111,230, respectively.

**NOTE 10 – SELF-INSURANCE CLAIMS**

There have been medical malpractice and workers' compensation claims that fall within the Hospital's partially self-insured program, which have been asserted against the Hospital. In addition, there are known incidents that have occurred through September 30, 2013 that may result in the assertion of claims. Hospital management has accrued its best estimate of these contingent losses. Other claims may be asserted arising from services provided to patients or workers' compensation incidents in the past. Hospital management has provided reserves for these contingent liabilities.

**NOTE 11 – CONTINGENCIES**

The Hospital is a party to various lawsuits incidental to its business.



**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE 12 – DUE (TO) FROM AFFILIATES**

The amounts due to affiliates of (\$2,042,951) and (\$2,999,940) at September 30, 2013 and 2012, respectively, represent receivables from and (payables) to affiliates that do not eliminate in consolidation. These balances are comprised of the following:

	<u>2013</u>	<u>2012</u>
Greater Waterbury Health Network, Inc.	\$ (1,885,946)	\$ (2,828,764)
Alliance Medical Group of Greater Waterbury, P.C.	(9,983)	(9,983)
Greater Waterbury Management Resources, Inc.	(162,693)	(162,693)
GI Co-Management Company	1,500	1,500
Children's Center of Greater Waterbury Health Network, Inc.	<u>14,171</u>	<u>--</u>
	<u>\$ (2,042,951)</u>	<u>\$ (2,999,940)</u>

**NOTE 13 – FUNCTIONAL EXPENSES**

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Health care services	\$ 193,831,378	\$ 202,823,451
General and administrative	63,524,487	66,059,047
Fundraising	<u>352,305</u>	<u>256,714</u>
	<u>\$ 257,708,170</u>	<u>\$ 269,139,212</u>

**NOTE 14 – SUBSEQUENT EVENTS**

The Hospital evaluates the impact of subsequent events, events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date or for disclosure in the notes to the financial statements. The Hospital evaluated events occurring subsequent to September 30, 2013 through January 10, 2014, the date on which the accompanying consolidated financial statements were available to be issued. During this period, there were no subsequent events that required recognition in the consolidated financial statements.



**INDEPENDENT AUDITORS' REPORT  
ON OTHER FINANCIAL INFORMATION**

Board of Trustees  
**The Waterbury Hospital**

We have audited the consolidated financial statements of The Waterbury Hospital as of and for the years ended September 30, 2013 and 2012, and our report thereon dated January 10, 2014, which contained an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Marcum LLP*

Hartford, CT  
January 10, 2014



**THE WATERBURY HOSPITAL AND SUBSIDIARIES**

**CONSOLIDATING BALANCE SHEET**

**SEPTEMBER 30, 2013**

	The Waterbury Hospital	Greater Waterbury Imaging Center Limited Partnership	Access Rehab Centers, LLC	Imaging Partners, LLC	Alliance Medical Group, Inc.	Cardiology Associates of Greater Waterbury, LLC	Eliminations	Consolidated
<b>Assets</b>								
<b>Current Assets</b>								
Cash and cash equivalents	\$ 19,142,392	\$ 1,262,636	\$ 1,706,736	\$ 359,845	\$ 1,317,437	\$ 204,377	\$ --	\$ 23,993,423
Restricted cash	4,519,908	--	--	--	--	--	--	4,519,908
Short-term investments	--	751,229	472,637	--	--	--	--	472,637
Patient accounts receivable, net	25,010,738	--	1,842,494	352	1,952,597	430,068	(546,352)	29,441,126
Grants and other receivables	3,065,683	--	--	--	503,555	185,477	(52,191)	3,702,524
Inventories of supplies	3,416,317	--	--	--	162,966	2,312	--	3,581,595
Prepaid insurance and other expenses	1,291,734	--	71,843	4,686	80,404	122,798	--	1,571,465
<b>Total Current Assets</b>	<b>56,446,772</b>	<b>2,013,865</b>	<b>4,093,710</b>	<b>364,883</b>	<b>4,016,959</b>	<b>945,032</b>	<b>(598,543)</b>	<b>67,282,678</b>
<b>Other Assets</b>								
Funds held in trust by others	44,960,039	--	--	--	--	--	--	44,960,039
Long-term investments	10,713,229	42,426	59,040	--	--	--	--	10,814,695
Board-designated endowment funds	3,193,664	--	--	--	--	--	--	3,193,664
Other receivables	171,972	--	--	--	--	--	--	171,972
Goodwill	200,500	--	--	--	--	1,613,067	--	1,813,567
CHEFA obligations issue expense, less amortization	282,676	--	--	--	--	--	--	282,676
	59,522,080	42,426	59,040	--	--	1,613,067	--	61,236,613
<b>Property, plant and equipment</b>								
Land	287,549	--	--	--	--	--	--	287,549
Buildings and improvements	89,664,119	1,150,646	488,740	--	2,634,456	114,371	--	94,052,332
Equipment	176,657,750	5,970,380	766,531	1,134,076	2,040,925	342,599	--	186,912,261
Construction in progress	73,654	--	--	(1,113,060)	(1,999,154)	--	--	73,654
Accumulated depreciation	(229,493,366)	(5,279,792)	(822,193)	--	--	(182,454)	--	(238,890,019)
	37,189,706	1,841,234	433,078	21,016	2,676,227	274,516	--	42,435,777
<b>Total Assets</b>	<b>\$ 153,158,558</b>	<b>\$ 3,897,525</b>	<b>\$ 4,585,828</b>	<b>\$ 385,899</b>	<b>\$ 6,693,186</b>	<b>\$ 2,832,615</b>	<b>\$ (598,543)</b>	<b>\$ 170,955,068</b>

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**  
**CONSOLIDATING BALANCE SHEET (CONTINUED)**

**SEPTEMBER 30, 2013**

	The Waterbury Hospital	Greater Waterbury Imaging Center Limited Partnership	Access Rehab Centers, LLC	Imaging Partners, LLC	Alliance Medical Group, Inc.	Cardiology Associates of Greater Waterbury, LLC	Eliminations	Consolidated
<b>Liabilities and Net Assets</b>								
<b>Current Liabilities</b>								
Accounts payable and accrued expenses	\$ 20,802,742	\$ 348,614	\$ 479,401	\$ 19,215	\$ 502,553	\$ 24,245	\$ (598,543)	\$ 21,578,227
Salaries, wages, payroll taxes and amounts withheld from employees	5,298,046	--	159,713	--	505,210	1,432,042	--	7,395,011
Due to third-party reimbursement agencies	2,969,391	--	--	--	--	--	--	2,969,391
Current portion of CHEFA obligations	472,136	--	--	--	--	--	--	472,136
Current portion of notes payable	405,496	--	--	--	289,053	--	--	694,549
Due to affiliates	1,795,348	--	--	(3,634)	690,250	(439,013)	--	2,042,951
<b>Total Current Liabilities</b>	<b>31,743,159</b>	<b>348,614</b>	<b>639,114</b>	<b>15,581</b>	<b>1,987,066</b>	<b>1,017,274</b>	<b>(598,543)</b>	<b>35,152,265</b>
<b>Other Noncurrent Liabilities</b>	<b>21,482,020</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>331,487</b>	<b>--</b>	<b>--</b>	<b>21,813,507</b>
<b>CHEFA Obligations - less current portion and discount</b>	<b>24,283,520</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>24,283,520</b>
<b>Notes Payable - less current portion</b>	<b>820,591</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>31,977</b>	<b>--</b>	<b>--</b>	<b>852,568</b>
<b>Net Assets</b>								
Unrestricted	18,667,399	2,271,303	2,565,364	314,770	4,342,656	1,815,341	--	29,976,833
Temporarily restricted	8,409,794	--	--	--	--	--	--	8,409,794
Permanently restricted	47,752,075	--	--	--	--	--	--	47,752,075
<b>Total Net Assets Excluding Noncontrolling Interests</b>	<b>74,829,268</b>	<b>2,271,303</b>	<b>2,565,364</b>	<b>314,770</b>	<b>4,342,656</b>	<b>1,815,341</b>	<b>--</b>	<b>86,138,702</b>
<b>Noncontrolling Interests</b>	<b>--</b>	<b>1,277,608</b>	<b>1,381,350</b>	<b>55,548</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,714,506</b>
<b>Total Net Assets</b>	<b>74,829,268</b>	<b>3,548,911</b>	<b>3,946,714</b>	<b>370,318</b>	<b>4,342,656</b>	<b>1,815,341</b>	<b>--</b>	<b>88,853,208</b>
	<b>\$ 153,158,558</b>	<b>\$ 3,897,525</b>	<b>\$ 4,585,828</b>	<b>\$ 385,899</b>	<b>\$ 6,693,186</b>	<b>\$ 2,832,615</b>	<b>\$ (598,543)</b>	<b>\$ 170,955,068</b>

**THE WATERBURY HOSPITAL AND SUBSIDIARIES**

**CONSOLIDATING BALANCE SHEET**

**SEPTEMBER 30, 2012**

	The Waterbury Hospital	Greater Waterbury Imaging Center Limited Partnership	Access Rehab Centers, LLC	Imaging Partners, LLC	Alliance Medical Group, Inc.	Cardiology Associates of Greater Waterbury, LLC	Eliminations	Consolidated
<b>Assets</b>								
<b>Current Assets</b>								
Cash and cash equivalents	\$ 19,419,565	\$ 1,688,371	\$ 2,353,527	\$ 279,212	\$ 664,318	\$ 202,782	\$ --	\$ 24,607,775
Restricted cash	3,511,398	--	--	--	--	--	--	3,511,398
Short-term investments	--	448,318	--	--	--	--	--	448,318
Patient accounts receivable, net	26,903,888	757,059	1,821,440	43,622	2,195,621	420,152	(369,806)	31,771,976
Grants and other receivables	2,829,816	--	--	--	223,046	201,111	(276,469)	2,977,504
Inventories of supplies	3,105,602	--	--	--	199,477	--	--	3,305,079
Prepaid insurance and other expenses	1,109,204	--	100,122	5,106	156,561	122,519	--	1,493,512
<b>Total Current Assets</b>	<b>56,879,473</b>	<b>2,445,430</b>	<b>4,723,407</b>	<b>327,940</b>	<b>3,439,023</b>	<b>946,564</b>	<b>(646,275)</b>	<b>68,115,562</b>
Funds held in escrow by agreement with the State of Connecticut Health and Educational Facilities Authority (CHEFA) and trustee:								
Construction fund	661,338	--	--	--	--	--	--	661,338
Funds held in trust by others	42,218,163	--	--	--	--	--	--	42,218,163
Long-term investments	9,900,286	46,076	55,350	--	--	--	--	10,001,712
Board-designated endowment funds	2,974,503	--	--	--	--	--	--	2,974,503
Other receivables	290,416	--	--	--	--	--	--	290,416
Goodwill	200,500	--	--	--	--	1,613,067	--	1,813,567
CHEFA obligations issue expense, less amortization	321,666	--	--	--	--	--	--	321,666
	55,905,534	46,076	55,350	--	--	1,613,067	--	57,620,027
Property, plant and equipment:								
Land	287,549	--	--	--	--	--	--	287,549
Buildings and improvements	87,936,502	1,150,646	408,435	--	2,621,721	--	--	92,117,304
Equipment	174,931,365	5,945,100	689,803	1,134,076	1,917,412	334,279	--	184,952,035
Construction in progress	2,358,644	--	--	--	--	114,571	--	2,473,015
Accumulated depreciation	(222,405,856)	(4,952,624)	(734,266)	(1,101,825)	(1,391,945)	(108,943)	--	(230,695,459)
	43,108,204	2,143,122	363,972	32,251	3,147,188	339,707	--	49,134,444
<b>Total Assets</b>	<b>\$ 156,554,549</b>	<b>\$ 4,634,628</b>	<b>\$ 5,142,729</b>	<b>\$ 360,191</b>	<b>\$ 6,586,211</b>	<b>\$ 2,899,338</b>	<b>\$ (646,275)</b>	<b>\$ 175,531,371</b>

# THE WATERBURY HOSPITAL AND SUBSIDIARIES

## CONSOLIDATING BALANCE SHEET (CONTINUED)

**SEPTEMBER 30, 2012**

		Waterbury Imaging Center Limited Partnership	Access Rehab Centers, LLC	Imaging Partners, LLC	Alliance Medical Group, Inc.	Cardiology Associates of Greater Waterbury, LLC	Eliminations	Consolidated
<b>Liabilities and Net Assets</b>								
<b>Current Liabilities</b>								
Accounts payable and accrued expenses	\$	26,966,152	\$ 543,597	\$ 59,952	\$ 1,098,186	\$ 34,751	\$ (646,275)	\$ 28,420,641
Salaries, wages, payroll taxes and amounts withheld from employees		6,072,850	127,190		549,742	1,575,392		8,325,174
Due to third-party reimbursement agencies		601,271						601,271
Current portion of CHEFA obligations		451,444						451,444
Current portion of notes payable		461,461			204,915			666,376
Due to affiliates		3,551,101			(25,013)	(526,148)		2,999,940
<b>Total Current Liabilities</b>		<u>38,104,279</u>	<u>670,787</u>	<u>59,952</u>	<u>1,827,830</u>	<u>1,083,995</u>	<u>(646,275)</u>	<u>41,464,846</u>
<b>Other Noncurrent Liabilities</b>		21,417,424			435,643			21,853,067
<b>CHEFA Obligations - less current portion and discount</b>		<u>24,755,656</u>						<u>24,755,656</u>
<b>Notes Payable - less current portion</b>		<u>1,105,261</u>			<u>321,030</u>			<u>1,426,291</u>
<b>Net Assets</b>								
Unrestricted	18,516,310	2,733,024	2,906,762	255,203	4,001,708	1,815,343		30,228,350
Temporarily restricted	7,645,420							7,645,420
Permanently restricted	45,010,199							45,010,199
<b>Total Net Assets Excluding Noncontrolling Interests</b>		<u>71,171,929</u>	<u>2,906,762</u>	<u>255,203</u>	<u>4,001,708</u>	<u>1,815,343</u>		<u>82,883,969</u>
<b>Noncontrolling Interests</b>			1,537,326	45,036				3,147,542
<b>Total Net Assets</b>		<u>71,171,929</u>	<u>4,471,942</u>	<u>300,239</u>	<u>4,001,708</u>	<u>1,815,343</u>		<u>86,031,511</u>
	\$	<u>156,554,549</u>	<u>5,142,729</u>	<u>360,191</u>	<u>6,586,211</u>	<u>2,899,338</u>	<u>(646,275)</u>	<u>175,531,371</u>

THE WATERBURY HOSPITAL AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	The Waterbury Hospital	Greater Waterbury Imaging Center Limited Partnership	Access Rehab Centers, LLC	Imaging Partners, LLC	Alliance Medical Group, Inc.	Cardiology Associates of Greater Waterbury, LLC	Eliminations	Consolidated
<b>Unrestricted Revenues</b>								
Net revenues from services to patients	\$ 218,481,776	\$ 4,496,888	\$ 10,608,492	\$ 172,403	\$ 16,720,615	\$ 6,426,998	\$ (2,194,060)	\$ 234,713,112
Provision for bad debts	(10,783,760)	29,929	(21,273)	--	(384,485)	(207,080)	--	(11,366,671)
Net patient service revenue less provision for bad debts	207,698,016	4,526,817	10,587,217	172,403	16,336,130	6,219,918	(2,194,060)	245,346,441
Other operating revenues	3,615,057	--	1,182	6,347	4,425,680	1,644,871	(4,483,169)	5,209,968
Net assets released from restrictions	5,419,591	--	--	--	--	--	--	5,419,591
	216,732,664	4,526,817	10,588,399	178,750	20,761,810	7,864,789	(6,677,229)	253,976,000
<b>Operating Expenses</b>								
Salaries	84,495,149	694,748	6,034,037	--	16,932,997	8,519,069	--	116,676,000
Employee benefits	25,316,268	85,023	1,245,184	--	3,120,845	1,146,177	--	30,913,497
Supplies and other	94,673,089	1,926,379	2,353,046	97,435	6,696,550	1,178,486	(6,677,229)	100,247,756
Depreciation	7,674,744	298,106	103,183	11,235	658,908	75,386	--	8,821,562
Interest and amortization	1,011,579	--	--	--	37,776	--	--	1,049,355
	213,170,829	3,004,256	9,735,450	108,670	27,447,076	10,919,118	(6,677,229)	257,708,170
<b>Income (Loss) from Operations</b>	3,561,835	1,522,561	852,949	70,080	(6,685,266)	(3,054,329)	--	(3,732,170)
<b>Nonoperating Gains</b>								
Unrestricted gifts and bequests	217,275	--	--	--	--	--	--	217,275
Investment income	1,722,250	--	15,173	--	--	--	--	1,737,423
	1,939,525	--	15,173	--	--	--	--	1,954,698
<b>Excess (Deficiency) of Revenues Over Expenses Before Changes in Changes in Net Unrealized Gains on Investments</b>	5,501,360	1,522,561	868,122	70,080	(6,685,266)	(3,054,329)	--	(1,777,472)
<b>Changes in Net Unrealized Gains on Investments</b>	233,353	--	34,882	--	--	--	--	268,235
<b>Excess (Deficiency) of Revenues Over Expenses</b>	5,734,713	1,522,561	903,004	70,080	(6,685,266)	(3,054,329)	--	(1,509,237)
<b>Less Excess of Revenue over Expenses Attributable to Noncontrolling Interests</b>	--	--	--	--	--	--	--	--
<b>Excess (Deficiency) of Revenues Over Expenses Attributable to Controlling Interest</b>	\$ 5,734,713	\$ 1,522,561	\$ 903,004	\$ 70,080	\$ (6,685,266)	\$ (3,054,329)	\$ (874,685)	\$ (2,383,922)

# THE WATERBURY HOSPITAL AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	The Waterbury Hospital	Greater Waterbury Imaging Center Limited Partnership	Access Rehab Centers, LLC	Imaging Partners, LLC	Alliance Medical Group, Inc.	Cardiology Associates of Greater Waterbury, LLC	Eliminations	Consolidated
<b>Unrestricted Revenues</b>								
Net revenues from services to patients	\$ 230,780,700	\$ 4,933,735	\$ 10,281,358	\$ 549,908	\$ 19,513,656	\$ 6,556,710	\$ (3,303,524)	\$ 269,112,543
Provision for bad debts	(10,435,502)	16,456	(164,721)	--	(135,111)	(245,650)	--	(10,964,528)
Net patient service revenue less provision for bad debts	220,345,198	4,950,191	10,116,637	549,908	19,378,545	6,311,060	(3,503,524)	258,148,015
Other operating revenues	5,053,184	--	1,254	5,197	4,576,608	1,579,205	(5,430,757)	5,784,691
Net assets released from restrictions	5,609,005	--	--	--	--	--	--	5,609,005
	231,007,387	4,950,191	10,117,891	555,105	23,955,153	7,890,265	(8,934,281)	269,541,711
<b>Operating Expenses</b>								
Salaries	88,660,642	689,090	5,549,606	--	20,977,007	8,732,370	--	124,608,715
Employee benefits	29,181,525	86,757	1,187,110	--	3,897,155	1,127,369	--	35,479,916
Supplies and other	94,251,364	2,063,252	2,306,707	463,555	7,330,432	1,167,335	(8,934,281)	98,648,364
Depreciation	8,028,339	370,254	97,257	13,718	658,328	73,788	--	9,241,684
Interest and amortization	1,101,603	--	--	148	38,782	--	--	1,160,533
	221,223,473	3,209,353	9,140,680	477,421	32,921,704	11,100,862	(8,934,281)	269,139,212
<b>Income (Loss) from Operations</b>	9,783,914	1,740,838	977,211	77,684	(8,966,551)	(3,210,597)	--	402,499
<b>Nonoperating Gains</b>								
Unrestricted gifts and bequests	83,577	--	--	--	--	--	--	83,577
Investment income	1,594,603	--	13,005	--	--	--	--	1,607,608
	1,678,180	--	13,005	--	--	--	--	1,691,185
<b>Excess (Deficiency) of Revenues Over Expenses Before Changes in Net Unrealized Gain on Investments</b>	11,462,094	1,740,838	990,216	77,684	(8,966,551)	(3,210,597)	--	2,093,684
<b>Changes in Net Unrealized Gain on Investments</b>	357,661	--	34,882	--	--	--	--	392,543
<b>Excess (Deficiency) of Revenues Over Expenses</b>	11,819,755	1,740,838	1,025,098	77,684	(8,966,551)	(3,210,597)	--	2,486,227
<b>Less Excess of Revenue over Expenses Attributable to Noncontrolling Interests</b>	--	--	--	--	--	--	(997,139)	(997,139)
<b>Excess (Deficiency) of Revenues Over Expenses Attributable to Controlling Interest</b>	\$ 11,819,755	\$ 1,740,838	\$ 1,025,098	\$ 77,684	\$ (8,966,551)	\$ (3,210,597)	\$ (997,139)	\$ 1,489,088



Form **990-T**

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

OMB No. 1545-0047

**2012**

Department of the Treasury  
Internal Revenue Service

For calendar year 2012 or other tax year beginning **OCT 1, 2012** and ending **SEP 30, 2013**

Open to Public Inspection for 501(c)(3) Organizations Only

<p><b>A</b> <input type="checkbox"/> Check box if address changed</p> <p><b>B</b> Exempt under section  <input checked="" type="checkbox"/> 501(c)(3)  <input type="checkbox"/> 408(a) <input type="checkbox"/> 220(e)  <input type="checkbox"/> 408A <input type="checkbox"/> 530(a)  <input type="checkbox"/> 529(a)</p> <p><b>C</b> Book value of all assets at end of year <b>170955068.</b></p>	<p>Print or Type</p>	<p>Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.) <b>THE WATERBURY HOSPITAL</b></p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. <b>64 ROBBINS STREET</b></p> <p>City or town, state, and ZIP code <b>WATERBURY, CT 06708</b></p> <p><b>F</b> Group exemption number (see instructions) <span style="float:right">▶</span></p> <p><b>G</b> Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>	<p><b>D</b> Employer identification number (Employees' trust, see instructions.) <b>06-0665979</b></p> <p><b>E</b> Unrelated business activity codes (See instructions) <b>621500 811000</b></p>
--	----------------------	---	--

**H** Describe the organization's primary unrelated business activity. ▶ **SEE STATEMENT 1**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group?  Yes  No  
 If "Yes," enter the name and identifying number of the parent corporation. ▶ **SEE STATEMENT 3**

**J** The books are in care of ▶ **SCOTT BOWMAN** Telephone number ▶ **203-573-7333**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
<b>1 a</b> Gross receipts or sales	<b>2,408,171.</b>			
<b>b</b> Less returns and allowances	<b>1,821,966.</b>			
<b>c</b> Balance		<b>586,205.</b>		
<b>2</b> Cost of goods sold (Schedule A, line 7)				
<b>3</b> Gross profit. Subtract line 2 from line 1c		<b>586,205.</b>		<b>586,205.</b>
<b>4 a</b> Capital gain net income (attach Schedule D)				
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)				
<b>c</b> Capital loss deduction for trusts				
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)				
<b>6</b> Rent income (Schedule C)				
<b>7</b> Unrelated debt-financed income (Schedule E)				
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Sch. F)				
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)				
<b>10</b> Exploited exempt activity income (Schedule I)				
<b>11</b> Advertising income (Schedule J)				
<b>12</b> Other income (see instructions; attach statement)				
<b>13 Total.</b> Combine lines 3 through 12		<b>586,205.</b>		<b>586,205.</b>

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions) (except for contributions, deductions must be directly connected with the unrelated business income)				
<b>14</b> Compensation of officers, directors, and trustees (Schedule K)				
<b>15</b> Salaries and wages				<b>124,559.</b>
<b>16</b> Repairs and maintenance				
<b>17</b> Bad debts				
<b>18</b> Interest (attach statement)				
<b>19</b> Taxes and licenses				
<b>20</b> Charitable contributions (see instructions for limitation rules)				
<b>21</b> Depreciation (attach Form 4562)		<b>2,886.</b>		
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return				<b>2,886.</b>
<b>23</b> Depletion				
<b>24</b> Contributions to deferred compensation plans				
<b>25</b> Employee benefit programs				<b>37,320.</b>
<b>26</b> Excess exempt expenses (Schedule I)				
<b>27</b> Excess readership costs (Schedule J)				
<b>28</b> Other deductions (attach statement)	<b>SEE STATEMENT 2</b>			<b>448,334.</b>
<b>29 Total deductions.</b> Add lines 14 through 28				<b>613,099.</b>
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13				<b>-26,894.</b>
<b>31</b> Net operating loss deduction (limited to the amount on line 30)				
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30				<b>-26,894.</b>
<b>33</b> Specific deduction (generally \$1,000, but see instructions for exceptions)				<b>1,000.</b>
<b>34 Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32				<b>-26,894.</b>

**Part III Tax Computation**

35 Organizations taxable as corporations (see Instructions for tax computation).  
 Controlled group members (sections 1561 and 1563) check here  See Instructions and:  
 a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
 (1) \$ 50,000. (2) \$ 25,000. (3) \$ 9,925,000.  
 b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000) \$ \_\_\_\_\_  
 c Income tax on the amount on line 34 36c 0.

36 Trusts taxable at trust rates (see Instructions for tax computation). Income tax on the amount on line 34 from:  
 Tax rate schedule or  Schedule D (Form 1041) 36

37 Proxy tax (see Instructions) 37

38 Alternative minimum tax 38

39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.

**Part IV Tax and Payments**

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a

b Other credits (see Instructions) 40b

c General business credit. Attach Form 3800 40c

d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d

e Total credits. Add lines 40a through 40d 40e

41 Subtract line 40e from line 39 41 0.

42 Other taxes. Check if from:  Form 4255  Form 8611  Form 8697  Form 8866  Other (attach statement) 42

43 Total tax. Add lines 41 and 42 43 0.

44 a Payments: A 2011 overpayment credited to 2012 44a 21,435.  
 b 2012 estimated tax payments 44b 12,000.  
 c Tax deposited with Form 8868 44c  
 d Foreign organizations: Tax paid or withheld at source (see Instructions) 44d  
 e Backup withholding (see Instructions) 44e  
 f Credit for small employer health insurance premiums (Attach Form 8941) 44f  
 g Other credits and payments:  Form 2439  Other \_\_\_\_\_ Total 44g  
 Form 4136

45 Total payments. Add lines 44a through 44g 45 33,435.

46 Estimated tax penalty (see Instructions). Check if Form 2220 is attached  46

47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47

48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 33,435.

49 Enter the amount of line 48 you want Credited to 2013 estimated tax Refunded 49 33,435.

**Part V Statements Regarding Certain Activities and Other Information** (see Instructions)

1 At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here  Yes  No

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor of, a foreign trust? If "Yes," see Instructions for other forms the organization may have to file.  Yes  No

3 Enter the amount of tax-exempt interest received or accrued during the tax year  \$

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation  N/A

1 Inventory at beginning of year	1	6 Inventory at end of year	6
2 Purchases	2	7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7
3 Cost of labor	3		
4a Additional section 263A costs (att. statement)	4a		
b Other costs (attach statement)	4b		
5 Total. Add lines 1 through 4b	5		

Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?  Yes  No

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

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

Paid Preparer Use Only: Print/Type preparer's name: DOUGLAS FARRINGTON; Preparer's signature: [Signature]; Date: 8/12/14; Check  if self-employed; PTIN: P00370668; Firm's name: MARCUM LLP; Firm's EIN: 11-1986323; Firm's address: CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103; Phone no.: 860-549-8500

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(e) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**  
 (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1)			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Totals **0.**  
 Total dividends-received deductions included in column 8 **0.**

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Totals **0.**  
 Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). **0.**  
 Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). **0.**

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**  
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>		Enter here and on page 1, Part I, line 9, column (A). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**  
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b>		Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 26. 0.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>		0.	0.			0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b>		0.	0.			0.
<b>Totals, Part II (lines 1-5)</b>		Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.			Enter here and on page 1, Part II, line 27. 0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			0.

THE WATERBURY HOSPITAL

06-0665979

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FORM 990-T	DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY	STATEMENT 1
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NONPATIENT LABORATORY SERVICES AND IMAGING REPAIR & MAINTENANCE  
 TO FORM 990-T, PAGE 1

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FORM 990-T	OTHER DEDUCTIONS	STATEMENT 2
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DESCRIPTION	AMOUNT
SUPPLIES	286,043.
INDIRECT COSTS	162,291.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	448,334.

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FORM 990-T	PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER	STATEMENT 3
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CORPORATION'S NAME	IDENTIFYING NO
GREATER WATERBURY HEALTH NETWORK, INC.	22-2572044

## Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

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

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

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

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

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

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

Type or print	Name of exempt organization or other filer, see instructions. <b>THE WATERBURY HOSPITAL</b>	Employer identification number (EIN) or <b>06-0665979</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>64 ROBBINS STREET</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>WATERBURY, CT 06708</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 07

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

**SCOTT BOWMAN**

• The books are in the care of ▶ **64 ROBBINS STREET - WATERBURY, CT 06721**  
 Telephone No. ▶ **203-573-7333** FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2014**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year \_\_\_\_\_ or  
 ▶  tax year beginning **OCT 1, 2012**, and ending **SEP 30, 2013**

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	33,435.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 1-2013)

**Form CT-990T**  
**Connecticut Unrelated Business Income Tax Return**

2012

Complete this return in blue or black ink only.

Enter Income Year Beginning **OCTOBER 1**, 2012, and Ending **SEPTEMBER 30**, 2013

Taxpayer (Please type or print)	Organization name (please type or print) <b>THE WATERBURY HOSPITAL</b>	CT Tax Registration Number
	Address number and street PO Box <b>64 ROBBINS STREET</b>	DRS use only - - 20
	City or town State ZIP code <b>WATERBURY, CT 06708</b>	Federal Employer ID Number (FEIN) <b>06-0665979</b>

**Check and Complete All Applicable Boxes** If the organization is annualizing its income check here

Change of:  Mailing address  Closing month (Attach explanation.) Return status:  Amended return  Initial return  Final return

If final return:  Dissolved  Withdrawn  Merged/reorganized: Enter survivor's CT Tax Reg. Number. \_\_\_\_\_

Type of organization:  Corporation  Domestic trust  Foreign trust  Other: Explain \_\_\_\_\_

1. Date unrelated trade or business began in Connecticut: \_\_\_\_\_

2. Nature of unrelated trade or business income activity: **NONPATIENT LABORATORY SERVICES AND IMAGING**

3. Corporation only: Enter state of incorporation: \_\_\_\_\_ Date of organization: \_\_\_\_\_

Date qualified in Connecticut if not incorporated in Connecticut: \_\_\_\_\_

- Attach a Complete Copy of Form 990-T Including all Schedules as Filed With the Internal Revenue Service -

**Computation of Income**

1. Federal unrelated business taxable income from 2012 federal Form 990-T, Part II, Line 34	1	-26,894	00
2. Federal net operating loss deduction from 2012 federal Form 990-T, Part II, Line 31	2		00
3. Federal deduction for Connecticut tax on unrelated business taxable income	3		00
4. Total: Add Lines 1, 2, and 3	4	-26,894	00
5. Refund or credit for overpayment of Connecticut tax included in federal unrelated business taxable income	5		00
6. Unrelated business taxable income: Subtract Line 5 from Line 4	6	-26,894	00

**Computation of Tax**

1. Unrelated business taxable income from Line 6 above. If 100% Connecticut, enter also on Line 3	1	-26,894	00
2. Apportionment fraction from Schedule A, Line 5, page 2. Carry to six places	2		
3. Connecticut unrelated business taxable income: Line 1 or Line 1 multiplied by Line 2	3	-26,894	00
4. Operating loss carryover from Schedule B, Line 13 on page 2	4		00
5. Income subject to tax: Subtract Line 4 from Line 3	5	-26,894	00
6. Tax: Multiply Line 5 by 7.5% (.075)	6		00

**Computation of Amount Payable**

1. Tax: Include surtax if applicable. See instructions	1		00
2. Reserved for future use	2		
3. Total Tax: Enter the amount from Line 1	3		00
4. Tax credits from Form CT-1120K, Part III, Line 9. Do not exceed amount on Line 1	4		00
5. Balance of tax payable: Subtract Line 4 from Line 3. If zero or less, enter "0."	5	0	00
6a. Paid with application for extension from Form CT-990T EXT	6a		00
6b. Paid with estimates from Forms CT-990T ESA, ESB, ESC, & ESD	6b	4,000	00
6c. Overpayment from prior year	6c	7,451	00
6. Tax Payments: Enter the total of Lines 6a, 6b, and 6c	6	11,451	00
7. Balance of tax due (overpaid): Subtract Line 6 from Line 5	7	-11,451	00
8. Add Penalty (8a) Interest (8b) CT-1120K interest (8c)	8		00
9. Amount to be credited to 2013 estimated tax (9a) Refunded (9b)	9	11,451	00

For faster refund, use Direct Deposit by completing Lines 9c, 9d, and 9e.

9c. Checking  Savings  9d. Routing number \_\_\_\_\_

9e. Account number \_\_\_\_\_ 9f. Will this refund go to a bank account outside the U.S.?  Yes  No

10. Balance due with this return: Add Line 7 and Line 8

Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) or [www.ct.gov/TSC](http://www.ct.gov/TSC) to pay electronically. Taxpayer Service Center

Mailing to: Dept. of Revenue Services, State of Connecticut, PO Box 5014, Hartford CT 06102-5014

Make check payable to: Commissioner of Revenue Services

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Signature of officer or fiduciary	Date	May DRS contact the preparer shown below about this return? See instructions.
	Title	Telephone number (203) 573-6000	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Keep a copy of this return for your records.	Officer's email address	Date 8/12/14	Preparer's SSN or PTIN P00370668
	Paid preparer's signature	FEIN 11-1986323	Telephone number 860-549-8500

**Schedule A - Unrelated Business Income Apportionment:** See instructions.

Complete this schedule if the taxpayer's unrelated trade or business is conducted at a regular place of business outside Connecticut.

Factor	Item	Column A Connecticut	Column B Everywhere	Column C Divide Column A by Column B. Carry to six places
Property  (Average value)	1. (a) Inventories	00	00	
	(b) Tangible property	00	00	
	(c) Real property	00	00	
	(d) Capitalized rent	00	00	
	<b>1. Total</b>	00	00	
Receipts	2. (a) Sales of tangibles	00	00	
	(b) Services	00	00	
	(c) Rentals	00	00	
	(d) Other	00	00	
	<b>2. Total</b>	00	00	
Wages, salaries, and other compensation	<b>3. Total</b>	00	00	
	<b>4. Total:</b> Add Lines 1, 2, and 3 in Column C.			
	<b>5.</b> Apportionment fraction: Divide Line 4 by number of factors used. Enter here; on Schedule C, Line 4; and also on front page, Computation of Tax, Line 2.			

**Schedule B - Connecticut Apportioned Operating Loss Carryover**

1. 2000 Connecticut net operating loss available for use in 2012	1.	00
2. 2001 Connecticut net operating loss available for use in 2012	2.	00
3. 2002 Connecticut net operating loss available for use in 2012	3.	00
4. 2003 Connecticut net operating loss available for use in 2012	4.	00
5. 2004 Connecticut net operating loss available for use in 2012	5.	00
6. 2005 Connecticut net operating loss available for use in 2012	6.	00
7. 2006 Connecticut net operating loss available for use in 2012	7.	00
8. 2007 Connecticut net operating loss available for use in 2012	8.	00
9. 2008 Connecticut net operating loss available for use in 2012	9.	00
10. 2009 Connecticut net operating loss available for use in 2012	10.	00
11. 2010 Connecticut net operating loss available for use in 2012	11.	00
12. 2011 Connecticut net operating loss available for use in 2012	12.	00
<b>13. Total:</b> Add Lines 1 through 12. Enter here and on Computation of Tax, Line 4.	13.	00

**Schedule C - Computation of Net Operating Loss Carryforward**

1. Enter amount from Computation of Income, Line 6, if less than zero	1.	-26,894	00
2. Add back specific deduction from 2012 federal Form 990-T, Part II, Line 33	2.	1,000	00
3. Subtotal: Add Line 1 and Line 2	3.	-25,894	00
4. Apportionment fraction from Schedule A, Line 5	4.		
5. 2012 Connecticut net operating loss available for carryforward: Line 3 or Line 3 multiplied by Line 4	5.	-25,894	00

Form CT-990T Page 2 (Rev. 01/13)



Department of Revenue Services  
 State of Connecticut  
 PO Box 5014  
 Hartford CT 06102-5014  
 (Rev. 01/13)

**Form CT-990T EXT**  
 Application for Extension of Time to File  
 Unrelated Business Income Tax Return  
 See instructions. Complete this return in blue or black ink only.

**2012**

Enter income year beginning OCT 1, 2012, and ending SEP 30, 2013

Taxpayer (Please type or print)	Organization name <b>THE WATERBURY HOSPITAL</b>	CT Tax Registration Number
	Address Number and street PO Box <b>64 ROBBINS STREET</b>	DRS use only - -20
	City or town State ZIP code <b>WATERBURY, CT 06708</b>	Federal Employer ID Number (FEIN) <b>06-0665979</b>

**Request for six-month extension of time to file Form CT-990T only**

Enter above the beginning and ending dates of the organization's income year, Connecticut Tax Registration Number, and FEIN.  
 Check type of organization:  Corporation  Domestic trust  Foreign trust  Other  
 An application for an extension to file Form CT-990T, with payment of tax tentatively believed to be due, must be submitted whether or not an application for federal extension has been approved.

I request a six-month extension of time to file Form CT-990T, Connecticut Unrelated Business Income Tax Return, for calendar year 2012, or until 08/15/14 for fiscal year ending 09/30/13.  
 A federal extension will be requested on federal Form 8888, Application for Extension of Time to File an Exempt Organization Return, for calendar year 2012, or fiscal year beginning OCTOBER 1, 2012, and ending SEPTEMBER 30, 2013.  Yes  No

If No, the reason for the Connecticut extension is \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Notification will be sent only if extension request is denied*

Tentative Return		1.	2.	3.	4.	5.
Computation	1. Tentative amount of tax due for this income year, including surtax if applicable. See Instr. ...					00
	2. Reserved for future use					
	3. Total amount of tax due for this income year: Enter amount from Line 1					00
	4a. Tax credits	4a				00
	4b. Payments of estimated tax	4b		4,000		00
4c. Overpayment from prior year	4c		7,451		00	
4. Total tax credit and payments: Add Lines 4a, 4b, and 4c					11,451	00
5. Balance due with this return: Subtract Line 4 from Line 3						00

Make check payable to Commissioner of Revenue Services. Write the organization's Connecticut Tax Registration Number and "2012 Form CT-990T EXT" on the check and attach it to the return.

Mail this return to: Department of Revenue Services  
 State of Connecticut  
 PO Box 5014  
 Hartford CT 06102-5014

Visit the DRS [www.ct.gov/DRS](http://www.ct.gov/DRS)  
**TSC**  
 Taxpayer Service Center (TSC) Taxpayer Service Center  
 at [www.ct.gov/TSC](http://www.ct.gov/TSC) to pay this return electronically.

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Signature of preparer or fiduciary <i>[Signature]</i>	TITLE CPA	Date 2/10/14	Telephone number (203) 573-6000
Paid preparer's signature <i>[Signature]</i>	TITLE CPA	Date 2/10/14	Preparer's SSN or PTIN P00370668
Firm's name and address MARCUM LLP CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103			FEIN 11-1986323 Telephone number 860-549-8500

1019  
 241911  
 01-18-13

Form **990-T**

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

OMB No. 1545-0047

**2012**

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury  
Internal Revenue Service

For calendar year 2012 or other tax year beginning **OCT 1, 2012** and ending **SEP 30, 2013**

<b>A</b> <input type="checkbox"/> Check box if address changed	<b>Print or Type</b>	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.)	<b>D</b> Employer identification number (Employees' trust, see instructions.)
<b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(C)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)		THE WATERBURY HOSPITAL	06-0665979
		Number, street, and room or suite no. If a P.O. box, see instructions. 64 ROBBINS STREET	<b>E</b> Unrelated business activity codes (See instructions)
		City or town, state, and ZIP code WATERBURY, CT 06708	621500 811000
<b>C</b> Book value of all assets at end of year 170955068.	<b>F</b> Group exemption number (see instructions) _____		
	<b>G</b> Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

**H** Describe the organization's primary unrelated business activity. **SEE STATEMENT 1**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation. **SEE STATEMENT 3**

**J** The books are in care of **SCOTT BOWMAN** Telephone number **203-573-7333**

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1a</b> Gross receipts or sales	2,408,171.			
<b>b</b> Less returns and allowances	1,821,966.			
<b>c</b> Balance		586,205.		
<b>2</b> Cost of goods sold (Schedule A, line 7)				
<b>3</b> Gross profit. Subtract line 2 from line 1c		586,205.		586,205.
<b>4a</b> Capital gain net income (attach Schedule D)				
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)				
<b>c</b> Capital loss deduction for trusts				
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)				
<b>6</b> Rent income (Schedule C)				
<b>7</b> Unrelated debt-financed income (Schedule E)				
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Sch. F)				
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)				
<b>10</b> Exploited exempt activity income (Schedule I)				
<b>11</b> Advertising income (Schedule J)				
<b>12</b> Other income (see instructions; attach statement)				
<b>13 Total.</b> Combine lines 3 through 12		586,205.		586,205.

**Part II Deductions Not Taken Elsewhere** (see instructions for limitations on deductions)  
(except for contributions, deductions must be directly connected with the unrelated business income)

<b>14</b> Compensation of officers, directors, and trustees (Schedule K)		<b>14</b>	
<b>15</b> Salaries and wages		<b>15</b>	124,559.
<b>16</b> Repairs and maintenance		<b>16</b>	
<b>17</b> Bad debts		<b>17</b>	
<b>18</b> Interest (attach statement)		<b>18</b>	
<b>19</b> Taxes and licenses		<b>19</b>	
<b>20</b> Charitable contributions (see instructions for limitation rules)		<b>20</b>	
<b>21</b> Depreciation (attach Form 4562)	2,886.	<b>21</b>	
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return		<b>22a</b>	2,886.
<b>23</b> Depletion		<b>23</b>	
<b>24</b> Contributions to deferred compensation plans		<b>24</b>	
<b>25</b> Employee benefit programs		<b>25</b>	37,320.
<b>26</b> Excess exempt expenses (Schedule I)		<b>26</b>	
<b>27</b> Excess readership costs (Schedule J)		<b>27</b>	
<b>28</b> Other deductions (attach statement) <b>SEE STATEMENT 2</b>		<b>28</b>	448,334.
<b>29 Total deductions.</b> Add lines 14 through 28		<b>29</b>	613,099.
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		<b>30</b>	-26,894.
<b>31</b> Net operating loss deduction (limited to the amount on line 30)		<b>31</b>	
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		<b>32</b>	-26,894.
<b>33</b> Specific deduction (generally \$1,000, but see instructions for exceptions)		<b>33</b>	1,000.
<b>34 Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		<b>34</b>	-26,894.

Part III Tax Computation

35 Organizations taxable as corporations (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here [X] See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ 50,000. (2) \$ 25,000. (3) \$ 9,925,000. b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ (2) Additional 3% tax (not more than \$100,000) \$ c Income tax on the amount on line 34 35c 0. 36 Trusts taxable at trust rates (see instructions for tax computation). Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) 36 37 Proxy tax (see instructions) 37 38 Alternative minimum tax 38 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a 40b Other credits (see instructions) 40b 40c General business credit. Attach Form 3800 40c 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d 40e Total credits. Add lines 40a through 40d 40e 41 Subtract line 40e from line 39 41 0. 42 Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8897 [ ] Form 8866 [ ] Other (attach statement) 42 43 Total tax. Add lines 41 and 42 43 0. 44a Payments: A 2011 overpayment credited to 2012 44a 21,435. 44b 2012 estimated tax payments 44b 12,000. 44c Tax deposited with Form 8868 44c 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44d 44e Backup withholding (see instructions) 44e 44f Credit for small employer health insurance premiums (Attach Form 8941) 44f 44g Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total 44g 45 Total payments. Add lines 44a through 44g 45 33,435. 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached [ ] 46 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 33,435. 49 Enter the amount of line 48 you want: Credited to 2013 estimated tax 49 33,435. Refunded

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here [ ] X 2 During the tax year, did the organization receive a distribution from, or was it the grantor or, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file. [ ] X 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year 1 2 Purchases 2 3 Cost of labor 3 4a Additional section 263A costs (att. statement) 4a 4b Other costs (attach statement) 4b 5 Total. Add lines 1 through 4b 5 6 Inventory at end of year 6 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer Date Title May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [ ] No

Paid Preparer Use Only Print/Type preparer's name Preparer's signature Date Check [ ] if PTIN self-employed P00370668 Firm's name MARCUM LLP Firm's EIN 11-1986323 Firm's address CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103 Phone no. 860-549-8500

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instructions)

1. Description of property		
(1)		
(2)		
(3)		
(4)		
2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.
(e) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) .....		(b) Total deductions. Enter here and on page 1, Part I, line 8, column (B) .....
		0.

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1)			
(2)			
(3)			
(4)			
4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 5)
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Totals .....		Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
		0.	0.
Total dividends-received deductions included in column 8 .....		0.	

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
Totals .....			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).	
			0.	0.	

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**  
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**  
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b>	0.	0.				0.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>	0.	0.				0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b>	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			0.



## Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

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

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

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

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

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

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

Type or print	Name of exempt organization or other filer, see instructions. <b>THE WATERBURY HOSPITAL</b>	Employer identification number (EIN) or <b>06-0665979</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>64 ROBBINS STREET</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>WATERBURY, CT 06708</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 07

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6089	11
Form 990-T (trust other than above)	06	Form 8870	12

**SCOTT BOWMAN**

• The books are in the care of ▶ **64 ROBBINS STREET - WATERBURY, CT 06721**  
Telephone No. ▶ **203-573-7333** FAX No. ▶ \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2014**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year \_\_\_\_\_ or  
▶  tax year beginning **OCT 1, 2012**, and ending **SEP 30, 2013**.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	33,435.
c <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 1-2013)

**Exhibit 2: July 2014 Financial Statistics**



Total  
GWHN

Monthly Financial Measurement/Indicators

YTD 7/31/14

A. Operating Performance

Operating Margin -3.03%  
Non-Operating Margin -1.81%  
Total Margin -1.64%  
Bad Debt as % Gross Revenue 0.16%

B. Liquidity

Current Ratio 1.68  
Days Cash on Hand 61.83  
Days in Net Accounts Receivables 49.34  
Average Payment Period 45.59

C. Leverage and Capital Structure

Long-term Debt to Equity 0.7431  
Long-term Debt to Capitalization 0.4263  
Unrestricted Cash to Debt 1.0410  
Times Interest Earned Ratio N/A  
Debt Service Coverage Ratio 1.56  
Equity Financing Ratio 2.38

D. Additional Statistics

Income from Operations 1,025,260  
Revenue Over/(Under) Expense (3,637,969)  
Patient Cash Collected 207,488,356  
Cash and Cash Equivalents 28,151,297  
Net Working Capital 23,732,718  
Unrestricted Assets 35,190,459  
Credit Ratings (S&P, FITCH and Moody's) Not Applicable

Total  
GWHN

Monthly Financial Measurement/Indicators

MTD 7/31/14

A. Operating Performance

Operating Margin -4.04%  
Non-Operating Margin -3.17%  
Total Margin -3.72%  
Bad Debt as % Gross Revenue -2.80%

B. Liquidity

Current Ratio 1.68  
Days Cash on Hand 61.83  
Days in Net Accounts Receivable 49.34  
Average Payment Period 45.59

C. Leverage and Capital Structure

Long-term Debt to Equity 0.7431  
Long-term Debt to Capitalization 0.4263  
Unrestricted Cash to Debt 1.0410  
Times Interest Earned Ratio N/A  
Debt Service Coverage Ratio 1.56  
Equity Financing Ratio 2.38

D. Additional Statistics

Income from Operations (178,926)  
Revenue Over/(Under) Expense (868,438)  
Patient Cash Collected 20,238,488  
Cash and Cash Equivalents 28,151,297  
Net Working Capital 23,732,718  
Unrestricted Assets 35,190,459  
Credit Ratings (S&P, FITCH and Moody's) Not Applicable

Waterbury Hospital

Monthly Financial Measurement/Indicators

YTD 7/31/14

**A. Operating Performance**

Operating Margin	-0.06%
Non-Operating Margin	1.40%
Total Margin	1.43%
Bad Debt as % Gross Revenue	0.09%

**B. Liquidity**

Current Ratio	1.73
Days Cash on Hand	59.77
Days in Net Accounts Receivables	50.26
Average Payment Period	45.69

**C. Leverage and Capital Structure**

Long-term Debt to Equity	1.9083
Long-term Debt to Capitalization	0.6562
Unrestricted Cash to Debt	0.7582
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	1.34
Equity Financing Ratio	5.81

**D. Additional Statistics**

Income from Operations	6,756,462
Revenue Over/(Under) Expense	2,588,543
Patient Cash Collected	173,216,936
Cash and Cash Equivalents	20,457,074
Net Working Capital	22,842,265
Unrestricted Assets	13,704,068
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Waterbury Hospital

Monthly Financial Measurement/Indicators

MTD 7/31/14

**A. Operating Performance**

Operating Margin -1.23%  
 Non-Operating Margin -0.22%  
 Total Margin -0.19%  
 Bad Debt as % Gross Revenue -3.18%

**B. Liquidity**

Current Ratio 1.73  
 Days Cash on Hand 59.77  
 Days in Net Accounts Receivables 50.26  
 Average Payment Period 45.69

**C. Leverage and Capital Structure**

Long-term Debt to Equity 1.9083  
 Long-term Debt to Capitalization 0.6562  
 Unrestricted Cash to Debt 0.7582  
 Times Interest Earned Ratio N/A  
 Debt Service Coverage Ratio 1.34  
 Equity Financing Ratio 5.81

**D. Additional Statistics**

Income from Operations 447,817  
 Revenue Over/(Under) Expense (35,827)  
 Patient Cash Collected 16,953,790  
 Cash and Cash Equivalents 20,457,074  
 Net Working Capital 22,842,265  
 Unrestricted Assets 13,704,068  
 Credit Ratings (S&P, FITCH and Moody's) Not Applicable

**Exhibit 3: July 2013 Financial Statistics**

Total  
GWHN

**Monthly Financial Measurement/Indicators**

	YTD 7/31/13
<b>A. Operating Performance</b>	
Operating Margin	-0.88%
Non-Operating Margin	-0.14%
Total Margin	-0.15%
Bad Debt as % Gross Revenue	0.73%
<b>B. Liquidity</b>	
Current Ratio	1.94
Days Cash on Hand	48.00
Days in Net Accounts Receivable	45.03
Average Payment Period	36.22
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	0.6868
Long-term Debt to Capitalization	0.4072
Unrestricted Cash to Debt	0.7721
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.67
Equity Financing Ratio	1.93
<b>D. Additional Statistics</b>	
Income from Operations	6,572,929
Revenue Over/(Under) Expense	(345,684)
Patient Cash Collected	205,174,216
Cash and Cash Equivalents	22,612,508
Net Working Capital	26,909,185
Unrestricted Assets	41,040,421
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Total  
GWHN

**Monthly Financial Measurement/Indicators**

**A. Operating Performance** MTD 7/31/13

Operating Margin -0.26%  
Non-Operating Margin 0.28%  
Total Margin 1.16%  
Bad Debt as % Gross Revenue -1.98%

**B. Liquidity**

Current Ratio 1.94  
Days Cash on Hand 48.00  
Days in Net Accounts Receivables 45.03  
Average Payment Period 36.22

**C. Leverage and Capital Structure**

Long-term Debt to Equity 0.6868  
Long-term Debt to Capitalization 0.4072  
Unrestricted Cash to Debt 0.7721  
Times Interest Earned Ratio N/A  
Debt Service Coverage Ratio 4.67  
Equity Financing Ratio 1.93

**D. Additional Statistics**

Income from Operations 787,056  
Revenue Over/(Under) Expense 258,371  
Patient Cash Collected 18,689,312  
Cash and Cash Equivalents 22,612,508  
Net Working Capital 26,909,185  
Unrestricted Assets 41,040,421  
Credit Ratings (S&P, FITCH and Moody's) Not Applicable

**Waterbury Hospital**

**Monthly Financial Measurement/Indicators**

**YTD 7/31/13**

**A. Operating Performance**

Operating Margin	1.86%
Non-Operating Margin	2.73%
Total Margin	2.81%
Bad Debt as % Gross Revenue	0.72%

**B. Liquidity**

Current Ratio	1.97
Days Cash on Hand	46.48
Days in Net Accounts Receivable	47.45
Average Payment Period	36.18

**C. Leverage and Capital Structure**

Long-term Debt to Equity	1.5694
Long-term Debt to Capitalization	0.6108
Unrestricted Cash to Debt	0.5608
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.56
Equity Financing Ratio	4.17

**D. Additional Statistics**

Income from Operations	10,890,452
Revenue Over/(Under) Expense	5,168,720
Patient Cash Collected	172,258,254
Cash and Cash Equivalents	16,227,006
Net Working Capital	23,683,445
Unrestricted Assets	17,924,917
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable



Waterbury Hospital

Monthly Financial Measurement/Indicators

MTD 7/31/13

**A. Operating Performance**

Operating Margin 2.58%  
 Non-Operating Margin 3.17%  
 Total Margin 3.19%  
 Bad Debt as % Gross Revenue -2.26%

**B. Liquidity**

Current Ratio 1.97  
 Days Cash on Hand 46.48  
 Days in Net Accounts Receivables 47.45  
 Average Payment Period 36.18

**C. Leverage and Capital Structure**

Long-term Debt to Equity 1.5694  
 Long-term Debt to Capitalization 0.6108  
 Unrestricted Cash to Debt 0.5608  
 Times Interest Earned Ratio N/A  
 Debt Service Coverage Ratio 4.56  
 Equity Financing Ratio 4.17

**D. Additional Statistics**

Income from Operations 1,205,579  
 Revenue Over/(Under) Expense 577,497  
 Patient Cash Collected 15,364,569  
 Cash and Cash Equivalents 22,612,508  
 Net Working Capital 23,683,445  
 Unrestricted Assets 17,924,917  
 Credit Ratings (S&P, FITCH and Moody's) Not Applicable

**Exhibit 4: August 2014 Financial Statistics**

Total  
GWHN

**Monthly Financial Measurement/Indicators**

	YTD 8/31/14
<b>A. Operating Performance</b>	
Operating Margin	-3.41%
Non-Operating Margin	-2.19%
Total Margin	-1.94%
Bad Debt as % Gross Revenue	0.21%
<b>B. Liquidity</b>	
Current Ratio	1.72
Days Cash on Hand	56.72
Days in Net Accounts Receivable	49.34
Average Payment Period	41.23
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	0.7707
Long-term Debt to Capitalization	0.4353
Unrestricted Cash to Debt	0.8984
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	1.20
Equity Financing Ratio	2.40
<b>D. Additional Statistics</b>	
Income from Operations	205,628
Revenue Over/(Under) Expense	(4,741,875)
Patient Cash Collected	227,579,603
Cash and Cash Equivalents	24,214,495
Net Working Capital	23,029,479
Unrestricted Assets	33,840,370
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Total  
GWHN

**Monthly Financial Measurement/Indicators**

**A. Operating Performance** MTD 8/31/14

Operating Margin -7.37%  
Non-Operating Margin -6.06%  
Total Margin -5.11%  
Bad Debt as % Gross Revenue 0.79%

**B. Liquidity**

Current Ratio 1.72  
Days Cash on Hand 56.72  
Days in Net Accounts Receivable 49.34  
Average Payment Period 41.23

**C. Leverage and Capital Structure**

Long-term Debt to Equity 0.7707  
Long-term Debt to Capitalization 0.4353  
Unrestricted Cash to Debt 0.8984  
Times Interest Earned Ratio N/A  
Debt Service Coverage Ratio 1.20  
Equity Financing Ratio 2.40

**D. Additional Statistics**

Income from Operations (818,633)  
Revenue Over/(Under) Expense (1,102,906)  
Patient Cash Collected 20,091,444  
Cash and Cash Equivalents 24,214,495  
Net Working Capital 23,029,479  
Unrestricted Assets 33,840,370  
Credit Ratings (S&P, FITCH and Moody's) Not Applicable

**Waterbury Hospital**

**Monthly Financial Measurement/Indicators**

	YTD 8/31/14
<b>A. Operating Performance</b>	
Operating Margin	-0.40%
Non-Operating Margin	1.06%
Total Margin	1.10%
Bad Debt as % Gross Revenue	0.15%
<b>B. Liquidity</b>	
Current Ratio	1.84
Days Cash on Hand	54.40
Days in Net Accounts Receivables	53.16
Average Payment Period	41.18
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	2.0337
Long-term Debt to Capitalization	0.6704
Unrestricted Cash to Debt	0.6156
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	0.99
Equity Financing Ratio	5.95
<b>D. Additional Statistics</b>	
Income from Operations	6,760,813
Revenue Over/(Under) Expense	2,171,848
Patient Cash Collected	189,608,151
Cash and Cash Equivalents	16,563,273
Net Working Capital	22,941,913
Unrestricted Assets	12,825,022
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

**Waterbury Hospital**

**Monthly Financial Measurement/Indicators**

**MTD 8/31/14**

**A. Operating Performance**

Operating Margin	-3.87%
Non-Operating Margin	-2.41%
Total Margin	-2.36%
Bad Debt as % Gross Revenue	0.77%

**B. Liquidity**

Current Ratio	1.84
Days Cash on Hand	54.40
Days in Net Accounts Receivables	53.16
Average Payment Period	41.18

**C. Leverage and Capital Structure**

Long-term Debt to Equity	2.0337
Long-term Debt to Capitalization	0.6704
Unrestricted Cash to Debt	0.6156
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	0.99
Equity Financing Ratio	5.95

**D. Additional Statistics**

Income from Operations	4,351
Revenue Over/(Under) Expense	(416,695)
Patient Cash Collected	16,391,215
Cash and Cash Equivalents	16,563,273
Net Working Capital	22,941,913
Unrestricted Assets	12,825,022
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

**Exhibit 5: August 2013 Financial Statistics**

Total  
GWHN

**Monthly Financial Measurement/Indicators**

<b>A. Operating Performance</b>	<b>MTD 8/31/13</b>
Operating Margin	1.55%
Non-Operating Margin	2.63%
Total Margin	0.65%
Bad Debt as % Gross Revenue	1.24%
<b>B. Liquidity</b>	
Current Ratio	1.97
Days Cash on Hand	47.63
Days in Net Accounts Receivable	47.26
Average Payment Period	36.43
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	0.7038
Long-term Debt to Capitalization	0.4131
Unrestricted Cash to Debt	0.7677
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.46
Equity Financing Ratio	1.98
<b>D. Additional Statistics</b>	
Income from Operations	1,208,088
Revenue Over/(Under) Expense	147,331
Patient Cash Collected	20,965,992
Cash and Cash Equivalents	22,420,568
Net Working Capital	27,013,650
Unrestricted Assets	39,932,496
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable



**Waterbury Hospital**

**Monthly Financial Measurement/Indicators**

<b>A. Operating Performance</b>	<b>MTD 8/31/13</b>
Operating Margin	0.61%
Non-Operating Margin	1.90%
Total Margin	1.89%
Bad Debt as % Gross Revenue	1.34%
<b>B. Liquidity</b>	
Current Ratio	2.01
Days Cash on Hand	45.96
Days in Net Accounts Receivables	51.76
Average Payment Period	36.34
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	1.6400
Long-term Debt to Capitalization	0.6212
Unrestricted Cash to Debt	0.5346
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.31
Equity Financing Ratio	4.33
<b>D. Additional Statistics</b>	
Income from Operations	857,585
Revenue Over/(Under) Expense	337,133
Patient Cash Collected	17,656,721
Cash and Cash Equivalents	22,420,568
Net Working Capital	23,798,376
Unrestricted Assets	17,112,531
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Total  
GWHN

**Monthly Financial Measurement/Indicators**

	YTD 8/31/13
<b>A. Operating Performance</b>	
Operating Margin	-0.66%
Non-Operating Margin	0.11%
Total Margin	-0.08%
Bad Debt as % Gross Revenue	0.77%
<b>B. Liquidity</b>	
Current Ratio	1.97
Days Cash on Hand	47.63
Days in Net Accounts Receivable	47.26
Average Payment Period	36.43
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	0.7038
Long-term Debt to Capitalization	0.4131
Unrestricted Cash to Debt	0.7677
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.46
Equity Financing Ratio	1.98
<b>D. Additional Statistics</b>	
Income from Operations	7,770,533
Revenue Over/(Under) Expense	(208,839)
Patient Cash Collected	226,369,744
Cash and Cash Equivalents	22,420,568
Net Working Capital	27,013,650
Unrestricted Assets	39,932,496
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

**Waterbury Hospital**

**Monthly Financial Measurement/Indicators**

	YTD 8/31/13
<b>A. Operating Performance</b>	
Operating Margin	1.75%
Non-Operating Margin	2.65%
Total Margin	2.73%
Bad Debt as % Gross Revenue	0.78%
<b>B. Liquidity</b>	
Current Ratio	2.01
Days Cash on Hand	45.96
Days in Net Accounts Receivables	51.76
Average Payment Period	36.34
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	1.6400
Long-term Debt to Capitalization	0.6212
Unrestricted Cash to Debt	0.5346
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	4.31
Equity Financing Ratio	4.33
<b>D. Additional Statistics</b>	
Income from Operations	11,748,038
Revenue Over/(Under) Expense	5,505,853
Patient Cash Collected	189,914,975
Cash and Cash Equivalents	15,432,719
Net Working Capital	23,798,376
Unrestricted Assets	17,112,531
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

**Exhibit 6: September 2013 Financial Statistics**

**Total  
GWHN**

Monthly Financial Measurement/Indicators

	YTD 9/30/13
<b>A. Operating Performance</b>	
Operating Margin	-1.43%
Non-Operating Margin	-0.67%
Total Margin	-0.61%
Bad Debt as % Gross Revenue	1.21%
<b>B. Liquidity</b>	
Current Ratio	1.69
Days Cash on Hand	60.38
Days in Net Accounts Receivable	43.81
Average Payment Period	44.88
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	0.6491
Long-term Debt to Capitalization	0.3936
Unrestricted Cash to Debt	1.1017
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	3.31
Equity Financing Ratio	1.98
<b>D. Additional Statistics</b>	
Income from Operations	6,160,096
Revenue Over/(Under) Expense	(1,613,937)
Patient Cash Collected	245,898,302
Cash and Cash Equivalents	30,883,542
Net Working Capital	24,459,680
Unrestricted Assets	41,390,653
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Total  
GWHN

Monthly Financial Measurement/Indicators

MTD 9/30/13

A. Operating Performance

Operating Margin -5.91%  
Non-Operating Margin -5.20%  
Total Margin -3.09%  
Bad Debt as % Gross Revenue 6.15%

B. Liquidity

Current Ratio 1.69  
Days Cash on Hand 60.38  
Days in Net Accounts Receivable 43.81  
Average Payment Period 44.88

C. Leverage and Capital Structure

Long-term Debt to Equity 0.6491  
Long-term Debt to Capitalization 0.3936  
Unrestricted Cash to Debt 1.1017  
Times Interest Earned Ratio N/A  
Debt Service Coverage Ratio 3.31  
Equity Financing Ratio 1.98

D. Additional Statistics

Income from Operations (519,393)  
Revenue Over/(Under) Expense (568,421)  
Patient Cash Collected 19,528,558  
Cash and Cash Equivalents 30,883,542  
Net Working Capital 24,459,680  
Unrestricted Assets 41,390,653  
Credit Ratings (S&P, FITCH and Moody's) Not Applicable

**Waterbury Hospital**

**Monthly Financial Measurement/Indicators**

**YTD 9/30/13**

**A. Operating Performance**

Operating Margin	1.65%
Non-Operating Margin	2.55%
Total Margin	2.65%
Bad Debt as % Gross Revenue	1.26%

**B. Liquidity**

Current Ratio	1.68
Days Cash on Hand	59.25
Days in Net Accounts Receivables	49.84
Average Payment Period	48.36

**C. Leverage and Capital Structure**

Long-term Debt to Equity	1.4375
Long-term Debt to Capitalization	0.5897
Unrestricted Cash to Debt	0.8542
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	3.28
Equity Financing Ratio	4.14

**D. Additional Statistics**

Income from Operations	12,267,556
Revenue Over/(Under) Expense	5,754,120
Patient Cash Collected	206,650,198
Cash and Cash Equivalents	23,670,621
Net Working Capital	21,084,589
Unrestricted Assets	18,667,399
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable

Waterbury Hospital

Monthly Financial Measurement/Indicators

A. Operating Performance	MTD 9/30/13
Operating Margin	0.32%
Non-Operating Margin	1.09%
Total Margin	1.66%
Bad Debt as % Gross Revenue	6.72%
<b>B. Liquidity</b>	
Current Ratio	1.68
Days Cash on Hand	59.25
Days in Net Accounts Receivables	49.84
Average Payment Period	48.36
<b>C. Leverage and Capital Structure</b>	
Long-term Debt to Equity	1.4375
Long-term Debt to Capitalization	0.5897
Unrestricted Cash to Debt	0.8542
Times Interest Earned Ratio	N/A
Debt Service Coverage Ratio	3.28
Equity Financing Ratio	4.14
<b>D. Additional Statistics</b>	
Income from Operations	519,515
Revenue Over/(Under) Expense	248,255
Patient Cash Collected	16,735,223
Cash and Cash Equivalents	30,883,542
Net Working Capital	21,084,589
Unrestricted Assets	18,667,399
Credit Ratings (S&P, FITCH and Moody's)	Not Applicable