

MARCUM
ACCOUNTANTS & ADVISORS

AUGUST 13, 2013

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

DEAR BARBARA:

ENCLOSED ARE THE ORGANIZATION'S 2011 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, 2013.

FORM 990-T RETURN:

FORM 990-T HAS AN OVERPAYMENT OF \$21,435. THE ENTIRE OVERPAYMENT HAS BEEN APPLIED TO THE ESTIMATED TAX PAYMENTS.

NO AMOUNT IS DUE ON FORM 990-T.

PLEASE SIGN AND MAIL ON OR BEFORE AUGUST 15, 2013.

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,



MARCUMGROUP
MEMBER

2013.

THE OVERPAYMENT IN THE AMOUNT OF \$7,451 HAS BEEN APPLIED TO THE DECLARATION OF ESTIMATED TAX.

NO PAYMENT IS REQUIRED.

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)

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

Open to Public Inspection

A For the **2011** calendar year, or tax year beginning **OCT 1, 2011** and ending **SEP 30, 2012**

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	C Name of organization THE WATERBURY HOSPITAL	D Employer identification number 06-0665979
	Doing Business As	E Telephone number (203) 573-6000
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 64 ROBBINS STREET	G Gross receipts \$ 259,953,142.
	City or town, state or country, and ZIP + 4 WATERBURY, CT 06708	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.WATERBURYHOSPITAL.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1951 M State of legal domicile: CT

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: WATERBURY HOSPITAL'S MISSION IS TO PROVIDE COMPASSIONATE HIGH QUALITY HEALTH CARE SERVICES THROUGH A		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	16
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	2240
	6 Total number of volunteers (estimate if necessary)	6	188
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	3,277,398.
b Net unrelated business taxable income from Form 990-T, line 34	7b	12,029.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	5,432,131.	5,262,330.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	231,768,719.	237,337,410.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,389,996.	2,785,392.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,501,666.	8,133,085.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	246,092,512.	253,518,217.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	135,820,931.	128,197,698.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 304,464.	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	110,180,428.	115,020,471.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	246,001,359.	243,218,169.	
19 Revenue less expenses. Subtract line 18 from line 12	91,153.	10,300,048.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	165,252,085.	175,531,371.
	22 Net assets or fund balances. Subtract line 21 from line 20	89,880,352.	92,647,402.
		75,371,733.	82,883,969.

Part II Signature Block

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

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

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 and section 4947(a)(1) trusts 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 \$ 202,930,849. including grants of \$) (Revenue \$ 245,315,199.) 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 202,930,849.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Main form area containing questions 1a through 14b with input fields and Yes/No columns.

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

Table with 3 columns: Question, Yes, No. Rows include: 1a (16), 1b (11), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b (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.
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 06721

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 (describe hours for related organizations in Schedule O)	(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	X		X			248,336.	0.	8,843.	
(2) CARL D. CONTADINI CHAIRMAN	0.30	X		X			0.	0.	0.	
(3) JOHN A. KELLY, JR. VICE CHAIRMAN	0.30	X		X			0.	0.	0.	
(4) ANDREW K. SKIPP SECRETARY	0.20	X		X			0.	0.	0.	
(5) CARL B. SHERTER, MD CHIEF OF STAFF	0.30	X					78,000.	0.	0.	
(6) O.J. BIZZOZERO, JR., MD DIRECTOR	0.50	X					0.	0.	0.	
(7) HENRY BORKOWSKI, MD DIRECTOR / CAGW - CARDIOLOGIST	40.30	X					667,026.	0.	29,945.	
(8) RONALD J. D'ANDREA, MD DIRECTOR	0.20	X					0.	0.	0.	
(9) STEVEN L. EISEN, MD DIRECTOR	0.10	X					0.	306,349.	6,650.	
(10) JAMES H. GATLING, PH.D DIRECTOR	0.40	X					0.	0.	0.	
(11) FREDERICK L. LUEDKE DIRECTOR	0.50	X					0.	0.	0.	
(12) PATRICIA MCKINLEY DIRECTOR	0.40	X					0.	0.	0.	
(13) JOHN A. MICHAELS DIRECTOR	0.50	X					0.	0.	0.	
(14) DAVID J. PIZZUTO, MD DIRECTOR / VP MEDICAL SERVICES	20.00	X		X			72,120.	0.	0.	
(15) WILLIAM J. PIZZUTO, PH.D DIRECTOR	0.90	X					0.	0.	0.	
(16) AJ WASSERSTEIN DIRECTOR	0.40	X					0.	0.	0.	
(17) SANDRA IADAROLA VP PATIENT CARE/CHIEF NURSING OFFICE	40.00			X			194,426.	0.	15,506.	

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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) DIANE WOOLLEY VP HUMAN RESOURCES	40.00			X				153,280.	0.	21,933.
(19) MICHAEL CEMENO CHIEF INFORMATION OFFICER	40.00			X				89,576.	0.	4,382.
(20) PETER PORRELLO CHIEF MEDICAL INFORMATION OFFICER	40.00				X			239,449.	0.	24,438.
(21) THOMAS REINHARDT MEDICAL DIRECTOR BEHAVIORAL HEALTH	40.00				X			212,003.	0.	19,600.
(22) DONALD EDWARDSON MEDICAL DIRECTOR INPATIENT BH	40.00				X			208,409.	0.	13,326.
(23) KINSON LEE PSYCHIATRIST	40.00				X			200,376.	0.	24,217.
(24) SREEDEVI NAMPOOTHIRI PSYCHIATRIST	40.00				X			197,322.	0.	24,913.
(25) JOHN H. TOBIN FORMER PRESIDENT	0.00						X	1,262,080.	0.	5,581.
(26) COLLEEN SCOTT FORMER CFO	0.00						X	314,620.	0.	33,814.
1b Sub-total								4,137,023.	306,349.	233,148.
c Total from continuation sheets to Part VII, Section A								631,087.	0.	49,367.
d Total (add lines 1b and 1c)								4,768,110.	306,349.	282,515.

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

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- 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
- 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
- 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

	Yes	No
3	X	
4	X	
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	2,267,495.
CERNER CORPORATION, 2800 ROCKCREEK PARKWAY, KANSAS CITY, MO 64117	INFORMATION TECHNOLOGY	1,392,269.
ACCESS REHAB CENTERS LLC 22 TOMPKINS STREET, WATERBURY, CT 06708	REHAB THERAPY SERVICES	1,276,925.
LEADERS FOR TODAY LLC 50 RESNIK ROAD, PLYMOUTH, MA 02360	CONTRACTED EXECUTIVES	1,226,101.
GREATER WATERBURY IMAGING CENTER 64 ROBBINS STREET, WATERBURY, CT 06708	IMAGING SERVICES	1,117,900.

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

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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	(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) MARY K. MULSTON FORMER VP HUMAN RESOURCES	0.00						X	205,221.	0.	8,971.
(28) MARY B. PRYBYLO FORMER VP PATIENT CARE SERVICES	0.00						X	252,552.	0.	21,672.
(29) STEVEN E. SCHNEIDER FORMER VP MEDICAL SERVICES	0.00						X	173,314.	0.	18,724.
Total to Part VII, Section A, line 1c								631,087.		49,367.

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns					
	b	Membership dues					
	c	Fundraising events	256,331.				
	d	Related organizations					
	e	Government grants (contributions)	4,733,897.				
	f	All other contributions, gifts, grants, and similar amounts not included above	272,102.				
	g	Noncash contributions included in lines 1a-1f: \$	17,000.				
	h	Total. Add lines 1a-1f	5,262,330.				
	Program Service Revenue	2 a	NET PATIENT SERVICE RE	Business Code 624100	227526138.	227526138.	
b		CAW - NET PATIENT SERV	621110	6,556,710.	6,556,710.		
c		LAB SERVICE REVENUE	621500	3,109,245.		3109245.	
d		IMAGE REPAIRS & MAINT	541900	145,317.		145,317.	
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f		237337410.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,638,562.		2638562.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real 429,366.				
		b	Less: rental expenses	0.			
		c	Rental income or (loss)	429,366.			
		d	Net rental income or (loss)		429,366.	429,366.	
	7 a	Gross amount from sales of assets other than inventory	(i) Securities 6411877.	(ii) Other 16,883.			
		b	Less: cost or other basis and sales expenses	6281930.	0.		
		c	Gain or (loss)	129,947.	16,883.		
		d	Net gain or (loss)		146,830.		146,830.
	8 a	Gross income from fundraising events (not including \$ 256,331. of contributions reported on line 1c). See Part IV, line 18	a	65,310.			
		b	Less: direct expenses	b	152,995.		
		c	Net income or (loss) from fundraising events		-87,685.		-87,685.
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
b		Less: direct expenses	b				
c		Net income or (loss) from gaming activities					
10 a	Gross sales of inventory, less returns and allowances	a					
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue			Business Code				
11 a	MEANINGFUL USE INCOME	900099	3,392,498.	3,392,498.			
	b	PARTNERSHIPS	900099	1,844,066.	1,844,066.		
	c	CAW - OTHER INCOME	621110	1,579,205.	1,579,205.		
	d	All other revenue	900099	975,635.	732,653.	22,836.	
	e	Total. Add lines 11a-11d		7,791,404.			
12	Total revenue. See instructions.		253518217.	242060636.	3277398.	2917853.	

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) but are not required to complete columns (B), (C), and (D).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	8,495,433.	6,896,837.	1,598,596.	
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	89,773,579.	82,484,934.	7,143,067.	145,578.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	3,949,078.	3,590,885.	351,849.	6,344.
9 Other employee benefits	18,050,422.	16,407,508.	1,613,914.	29,000.
10 Payroll taxes	7,929,186.	7,195,688.	721,089.	12,409.
11 Fees for services (non-employees):				
a Management				
b Legal	1,086,636.	27,481.	1,059,155.	
c Accounting	247,543.		247,543.	
d Lobbying	103,132.		103,132.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	367,820.		367,820.	
g Other	43,608,062.	32,308,091.	11,268,661.	31,310.
12 Advertising and promotion	550,378.	81,723.	465,625.	3,030.
13 Office expenses	10,899,981.	9,119,647.	1,756,114.	24,220.
14 Information technology				
15 Royalties				
16 Occupancy	4,578,088.	1,239,627.	3,338,461.	
17 Travel	180,373.	83,301.	93,866.	3,206.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	270,581.	244,237.	26,344.	
20 Interest	1,101,603.		1,101,603.	
21 Payments to affiliates	279,270.		279,270.	
22 Depreciation, depletion, and amortization	8,102,127.		8,102,127.	
23 Insurance	6,407,547.	6,407,547.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL/SURGICAL SUPPLI	25,846,371.	25,846,281.	90.	
b BAD DEBT	10,681,151.	10,681,151.		
c DUES AND SUBSCRIPTIONS	373,681.	103,329.	269,199.	1,153.
d FOOD	55,918.	22,742.	31,157.	2,019.
e All other expenses	280,209.	189,840.	44,174.	46,195.
25 Total functional expenses. Add lines 1 through 24e	243,218,169.	202,930,849.	39,982,856.	304,464.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	445,086.	1	363,707.	
	2 Savings and temporary cash investments	10,336,179.	2	23,422,100.	
	3 Pledges and grants receivable, net	3,816,321.	3	2,553,347.	
	4 Accounts receivable, net	23,027,509.	4	26,534,083.	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use	3,109,790.	8	3,105,602.	
	9 Prepaid expenses and deferred charges	1,449,521.	9	1,109,204.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 265,514,060.			
	b Less: accumulated depreciation	10b 222,405,856.	42,450,842.	10c 43,108,204.	
	11 Investments - publicly traded securities	10,050,122.	11	11,355,420.	
	12 Investments - other securities. See Part IV, line 11	57,334,007.	12	61,841,260.	
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets	200,500.	14	200,500.	
	15 Other assets. See Part IV, line 11	13,032,208.	15	1,937,944.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	165,252,085.	16	175,531,371.		
Liabilities	17 Accounts payable and accrued expenses	34,927,900.	17	32,392,727.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities	25,630,879.	20	25,207,100.	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties		23		
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	29,321,573.	25	35,047,575.	
	26 Total liabilities. Add lines 17 through 25	89,880,352.	26	92,647,402.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	28,763,004.	27	30,228,350.	
	28 Temporarily restricted net assets	6,477,454.	28	7,645,420.	
	29 Permanently restricted net assets	40,131,275.	29	45,010,199.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
33 Total net assets or fund balances	75,371,733.	33	82,883,969.		
34 Total liabilities and net assets/fund balances	165,252,085.	34	175,531,371.		

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	253,518,217.
2	Total expenses (must equal Part IX, column (A), line 25)	2	243,218,169.
3	Revenue less expenses. Subtract line 2 from line 1	3	10,300,048.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	75,371,733.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-2,787,812.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	82,883,969.

Part XII Financial Statements and Reporting

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

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

Form 990 (2011)

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

2011

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 - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2011. 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 10% -facts-and-circumstances test - 2010. 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"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

(Complete only if you checked the box on line 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2011. 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 - 2010. 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 B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2011

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) (2011)

Name of organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	CARMODY & TORRANCE LLP 50 LEAVENWORTH STREET WATERBURY, CT 06721	\$ 35,525.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	CLY-DEL MANUFACTURING CO. 151 SHARON ROAD WATERBURY, CT 06721	\$ 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	COCA-COLA REFRESHMENTS 80 RADO DRIVE NAUGATUCK, CT 06770	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	CONNECTICARE, INC. 175 SCOTT SWAMP ROAD FARMINGTON, CT 06034	\$ 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	HARTNETT FOUNDATION 385 SOUTH STREET MIDDLEBURY, CT 06762	\$ 12,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	THE HAROLD LEEVER REGIONAL CANCER CENTER 1075 CHASE PARKWAY WATERBURY, CT 06708	\$ 9,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	THE OUTSOURCE GROUP 90 NATIONAL DRIVE GLASTONBURY, CT 06033	\$ 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	WATERBURY HOSPITAL AUXILIARY, INC. 64 ROBBINS STREET WATERBURY, CT 06708	\$ 48,629.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	CAIN BROTHERS 360 MADISON AVENUE NEW YORK, NY 10017	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	LHP HOSPITAL GROUP, INC. 2800 N. DALLAS PARKWAY PLANO, TX 75093	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	NEUROSURGERY, ORTHOPAEDICS & SPINE SPECIALISTS, P.C. 500 CHASE PARKWAY WATERBURY, CT 06708	\$ 9,450.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	G. BRADFORD PALMER 95 SKIDWAY ISLAND PARK RD SAVANNAH, GA 31411	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	MITCHELL QUAIN 1 BRISTOL ROAD MIDDLEBURY, CT 06762	\$ 5,061.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14	SODEXO 20 YORK STREET NEW HAVEN, CT 06504	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15	WATERBURY ANESTHESIOLOGY ASSOCIATES, P.C. 140 GRANDVIEW AVENUE WATERBURY, CT 06708	\$ 5,350.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16	BRADFORD PORTRAITS 2651 IRVINE AVENUE COSTA MESA, CA 92627	\$ 8,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17	ONYX II JEWELERS 683 MAIN STREET WATERTOWN, CT 06795	\$ 9,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
16	<u>PORTRAITS</u> <hr/> <hr/> <hr/> <hr/>	\$ <u>8,000.</u>	<u>11/29/11</u>
17	<u>JEWELRY</u> <hr/> <hr/> <hr/> <hr/>	\$ <u>9,000.</u>	<u>11/29/11</u>
	<hr/> <hr/> <hr/> <hr/>	\$ _____	_____
	<hr/> <hr/> <hr/> <hr/>	\$ _____	_____
	<hr/> <hr/> <hr/> <hr/>	\$ _____	_____
	<hr/> <hr/> <hr/> <hr/>	\$ _____	_____

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

2011

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

▶ **See separate instructions.**

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 THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political 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) 2011
LHA

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..	X		
c Media advertisements?	X		
d Mailings to members, legislators, or the public?	X		
e Publications, or published or broadcast statements?	X		
f Grants to other organizations for lobbying purposes?	X		73,544.
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	X		
i Other activities?	X		29,588.
j Total. Add lines 1c through 1i			103,132.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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; 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

2011

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 XIV, 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 XIV, 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 XIV.
- 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 XIV 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 XIV.

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	48,442,875.	51,457,624.	49,308,865.	50,479,712.	
b Contributions			20.	10,560.	
c Net investment earnings, gains, and losses	6,884,672.	-2,784,813.	2,729,359.	-512,662.	
d Grants or scholarships					
e Other expenditures for facilities and programs	536,162.	229,936.	580,620.	668,745.	
f Administrative expenses					
g End of year balance	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 5.43 %
- b Permanent endowment 82.15 %
- c Temporarily restricted endowment 12.42 %

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:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)	X	
3a(ii)		X
3b		

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

4 Describe in Part XIV 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		84,587,473.	67,702,986.	16,884,487.
c Leasehold improvements		539,905.	432,135.	107,770.
d Equipment		174,609,868.	151,561,382.	23,048,486.
e Other		5,489,265.	2,709,353.	2,779,912.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				43,108,204.

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	42,218,163.	END-OF-YEAR MARKET VALUE
(C) GREATER WATERBURY IMAGING		
(D) CENTER	4,634,628.	END-OF-YEAR MARKET VALUE
(E) ACCESS REHAB CENTERS	5,142,729.	END-OF-YEAR MARKET VALUE
(F) IMAGING PARTNERS	360,191.	END-OF-YEAR MARKET VALUE
(G) ALLIANCE MEDICAL GROUP	6,586,211.	END-OF-YEAR MARKET VALUE
(H) CARDIOLOGY ASSOCIATES OF		
(I) GREATER WATERBURY	2,899,338.	END-OF-YEAR MARKET VALUE
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶	61,841,260.	

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)		
Total. (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)	
Total. (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	4,763,515.
(4) RESERVE FOR WORKER'S	
(5) COMP/MALPRACTICE LIAB. LOSS	8,932,434.
(6) NONCONTROLLING INTEREST	3,147,542.
(7) DEFERRED LIAB. ON GIFT ANNUITY	210,785.
(8) ASSET RETIREMENT OBLIGATION	2,785,468.
(9) CAPITAL LEASE LIABILITY	1,566,722.
(10) ACCRUED PENSION LIABILITY	5,906,712.
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	35,047,575.

FIN 48 (ASC 740) Footnote. In Part XIV, 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).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	253,518,217.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	243,218,169.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	10,300,048.
4	Net unrealized gains (losses) on investments	4	1,483,696.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-4,271,508.
9	Total adjustments (net). Add lines 4 through 8	9	-2,787,812.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	7,512,236.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	283,891,969.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	1,483,696.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	31,128,045.
e	Add lines 2a through 2d	2e	32,611,741.
3	Subtract line 2e from line 1	3	251,280,228.
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	367,820.
b	Other (Describe in Part XIV.)	4b	1,870,169.
c	Add lines 4a and 4b	4c	2,237,989.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	253,518,217.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	280,103,740.
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 XIV.)	2d	37,253,391.
e	Add lines 2a through 2d	2e	37,253,391.
3	Subtract line 2e from line 1	3	242,850,349.
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	367,820.
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	367,820.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	243,218,169.

Part XIV 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, line 8; Part XII, lines 2d and 4b; and Part XIII, 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 XIV 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, 2012, 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 2009.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

INCREASE IN FAIR VALUE OF FUNDS HELD IN TRUST BY OTHERS	4,878,924.
ALLIANCE SUBSIDY	-8,966,551.
PENSION LIABILITY ADJUSTMENT	366,769.
INTEREST RATE SWAP ADJUSTMENT	-524,547.
INCOME FROM WATERBURY GASTROENTEROLGY	-26,103.
TOTAL TO SCHEDULE D, PART XI, LINE 8	-4,271,508.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

INCOME FROM CONSOLIDATED AFFILIATE	30,975,050.
FUNDRAISING EXPENSE	152,995.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	31,128,045.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

INVESTMENT INCOME FROM PARTNERSHIP	1,844,066.
WATERBURY GASTROENTEROLOGY INCOME	26,103.

Part XIV Supplemental Information (continued)

TOTAL TO SCHEDULE D, PART XII, LINE 4B 1,870,169.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

EXPENSE OF CONSOLIDATED AFFILIATE 37,100,396.

FUNDRAISING EXPENSE 152,995.

TOTAL TO SCHEDULE D, PART XIII, LINE 2D 37,253,391.

Multiple horizontal lines for supplemental information.

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

2011

**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			
Total				▶		

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

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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
		GALA	GOLF TOURNAMENT	1	(add col. (a) through col. (c))	
		(event type)	(event type)	(total number)		
Revenue	1	Gross receipts	177,355.	103,910.	40,376.	321,641.
	2	Less: Charitable contributions	136,795.	92,390.	27,146.	256,331.
	3	Gross income (line 1 minus line 2)	40,560.	11,520.	13,230.	65,310.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs	36,920.	22,051.	12,789.	71,760.
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	56,692.	11,261.	13,282.	81,235.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				(152,995)
	11	Net income summary. Combine line 3, column (d), and line 10				-87,685.

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))
		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).

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>250</u> %		
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization did not use FPG to determine 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, to determine eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?		<input checked="" type="checkbox"/>
b If "Yes," did the organization make it available to the public?		

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

7 Financial Assistance and Certain Other Community Benefits at Cost	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			364,593.	47,086.	317,507.	.13%
b Medicaid (from Worksheet 3, column a)		37,886	39283191.	25597194.	13685997.	5.63%
c Costs of other means-tested government programs (from Worksheet 3, column b)		8,021	15534479.	6233618.	9300861.	3.82%
d Total Financial Assistance and Means-Tested Government Programs		45,907	55182263.	31877898.	23304365.	9.58%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	66	23,653	14516356.	899,112.	13617244.	5.60%
f Health professions education (from Worksheet 5)	39	3,012	20315335.	7388705.	12926630.	5.31%
g Subsidized health services (from Worksheet 6)	32	9,039	14413506.	10870072.	3543434.	1.46%
h Research (from Worksheet 7)	6	134	101,490.	0.	101,490.	.04%
i Cash and in-kind contributions for community benefit (from Worksheet 8)	6	64,981	702,414.	197,000.	505,414.	.21%
j Total. Other Benefits	149	100,819	50049101.	19354889.	30694212.	12.62%
k Total. Add lines 7d and 7j	149	146,726	105231364	51232787.	53998577.	22.20%

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support		210	19,959.	0.	19,959.	.01%
4 Environmental improvements						
5 Leadership development and training for community members		487	604,823.	6,090.	598,733.	.25%
6 Coalition building		286	33,825.		33,825.	.01%
7 Community health improvement advocacy						
8 Workforce development		26	38,849.		38,849.	.02%
9 Other		0	43,116.		43,116.	.02%
10 Total		1,009	740,572.	6,090.	734,482.	.31%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X
2 Enter the amount of the organization's bad debt expense	2	2,468,672.
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3	364,593.
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	71,088,818.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	75,312,807.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-4,223,989.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

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

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

Name and address

1 THE WATERBURY HOSPITAL
64 ROBBINS STREET
WATERBURY, CT 06708

Table with 8 columns: Licensed hospital, General medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, and Other (describe). Row 1 contains 'X' marks in the first four columns.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of Hospital Facility: THE WATERBURY HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8		
If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input 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 type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 _____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? 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		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5 Did the hospital facility make its Needs Assessment widely available to the public?		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit 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 Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in its community		
h <input 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)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
9 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>200</u> %		
If "No," explain in Part VI the criteria the hospital facility used.		

Part V Facility Information (continued) THE WATERBURY HOSPITAL

	Yes	No
10 Used FPG to determine eligibility for providing <i>discounted care</i> ? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	
11 Explained the basis for calculating amounts charged to patients? 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 checked="" type="checkbox"/> Insurance status e <input checked="" 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)	X	
12 Explained the method for applying for financial assistance?	X	
13 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply): 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)	X	

Billing and Collections

14 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	
15 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)		
16 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? 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)		X
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply): a <input type="checkbox"/> Notified patients of the financial assistance policy on admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information (continued) THE WATERBURY HOSPITAL

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
	a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
	b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
	c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
	d <input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and 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?		X
	If "Yes," explain in Part VI.		
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?		X
	If "Yes," explain in Part VI.		

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; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 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.

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 STUDENTS IN WATERBURY SO THEY CAN MATRICULATE AND COMPETE NATIONALLY FOR

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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 2012, WATERBURY HOSPITAL CONTINUED TO PROVIDE 383 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 2012, 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 AT WATERBURY'S NORTH END MIDDLE SCHOOL AND WEST SIDE MIDDLE SCHOOL 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. EACH SPRING, APPROXIMATELY 100 SEVENTH GRADERS FROM WATERBURY TAKE PART IN A DAY-LONG PEACH TOUR AT WATERBURY HOSPITAL, DURING WHICH THEY VISIT AT LEAST SIX HOSPITAL DEPARTMENTS AND COMPLETE HANDS-ON LEARNING ACTIVITIES WITH HOSPITAL STAFF. ANNUALLY, WATERBURY HOSPITAL ALSO OFFERS ITS PEACH SPRING BREAK EXPLORATION CAMP, THIS YEAR 38 MIDDLE SCHOOL STUDENTS FROM WATERBURY TOOK PART IN: SHADOWING AND HANDS-ON LEARNING ACTIVITIES AT THE HOSPITAL; CPR CERTIFICATION; AND EDUCATIONAL SESSIONS AT BRIDGEPORT'S DISCOVERY MUSEUM.

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- PARENT LEADERSHIP TRAINING INSTITUTE (PLTI) - IN 2012, TWENTY FOUR INDIVIDUALS FROM GREATER WATERBURY SUCCESSFULLY COMPLETED WATERBURY'S PLTI, A 20-WEEK CURRICULUM TEACHING LEADERSHIP AND ADVOCACY SKILLS. WATERBURY HOSPITAL HAS HOSTED THE WATERBURY PLTI SINCE 2000, AND THE PROGRAM HAS TRAINED AND GRADUATED OVER 175 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 2012 INCLUDE: A "HIGH SCHOOL DRIVING EDUCATION" PROGRAM (A CITY-WIDE INITIATIVE TO INTRODUCE SAFE DRIVING TECHNIQUES IN HIGH SCHOOLS) AND "THE C.H.I.P. FORUM" (CHILDREN HAVING INVOLVED PARENTS - A SERIES OF WORKSHOPS TO UNDERLINE THE IMPORTANCE OF GIVING ENCOURAGEMENT AND SUPPORT TO OUR CHILDREN SO THEY CAN SUCCEED IN LIFE).

- PARENTS SUPPORTING EDUCATIONAL EXCELLENCE (PSEE) - IN 2012, TWENTY-ONE 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 2012, 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 AND 8 LOCAL RESTAURANTS/BUSINESSES. STUDENTS COMPLETED THE FOLLOWING MODULES:

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- 21.5 HOURS OF HOMEWORK AND STUDY SKILLS SESSIONS COMPLETED (LED BY STUDENT LEADERS), 15.5 HOURS OF MATH (PRE- ALGEBRA, GEOMETRY, ALGEBRA II AND CALCULUS) REVIEW SESSIONS; 26 HOURS OF SAT WRITING AND VOCABULARY; 13.5 HOURS OF READING FAHRENHEIT 45; 14 HOURS OF PHOTOGRAPHY TO COMPILE A PHOTO BOOK; 2 HOURS OF RESUME WRITING AND JOB APPLICATION; 15 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 YALE 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 HEALTHCARE CAREER SEARCHES

- 3 HOURS OF COLLEGE ADMISSIONS PRESENTATIONS COMPLETED BY UCONN

WATERBURY & YALE ROTC

- 1 HOUR OF INDIVIDUAL ACADEMIC ADVISING

- 2 HOURS OF TEAM BUILDING ACTIVITIES

- 2 HOURS OF HEALTH TOPICS PRESENTATIONS COMPLETED, INCLUDING HIV 101 AND HEALTHCARE JEOPARDY.

SUPPORT GROUPS - DURING 2012, 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.

PART III, LINE 4: 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 CHARGES 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 \$4,223,989 WAS DERIVED FROM THE 2012 MEDICARE COST REPORT USING AN AHA APPROVED FORM FOR SCHEDULE H WORKSHEET B PPS AND IPF HOSPITALS AND \$12,484,057 FROM THE HEALTH PROFESSIONS EDUCATION CALCULATION FOR A TOTAL OF \$16,708,046. 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 \$24,784,117 (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

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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.

THE WATERBURY HOSPITAL:

PART V, SECTION B, LINE 19D: 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.

IN THE FALL OF 2012, WATERBURY HOSPITAL BEGAN WORKING ON ITS COMMUNITY HEALTH NEEDS ASSESSMENT IN COLLABORATION WITH ST. MARY'S HOSPITAL, THE WATERBURY HEALTH DEPARTMENT, CONNECTICUT COMMUNITY FOUNDATION, STAYWELL HEALTH CENTER (FQHC), AND THE UNITED WAY OF GREATER WATERBURY. A STEERING COMMITTEE WAS FORMED, FUNDING WAS SECURED, AND AN RFP WAS ISSUED, RESULTING IN THE SUBMISSION OF THREE PROPOSALS. THE PROPOSALS WERE REVIEWED BY THE COMMITTEE AND HOLLERAN CONSULTING GROUP WAS SELECTED.

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UNDER THEIR GUIDANCE A WORK PLAN WAS ESTABLISHED, FORMAL MEETINGS WERE SCHEDULED, AND BASELINE SECONDARY DATA WAS COLLECTED. THE THREE-YEAR PLAN WILL BE ROLLED OUT TO THE PUBLIC IN SEPTEMBER 2013.

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, & U.S.

	WATERBURY	CT	U.S.
MEDIAN HOUSEHOLD INCOME:	\$41,499	\$69,243	\$52,762

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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%
% 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

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(MEDICALLY UNDERSERVED AREA) AND HPSA (HEALTH PROFESSIONAL SHORTAGE AREA) FOR PRIMARY CARE, MENTAL HEALTH, AND DENTAL CARE.

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 2012, 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 2012, THE WATERBURY HEALTH ACCESS PROGRAM HAD OVER 3,700 ACTIVE CLIENTS. ADDITIONALLY, WATERBURY HOSPITAL PROVIDED \$418,806 WORTH OF DONATED SERVICES TO WHAP PATIENTS.

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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 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 2012, THE BE WELL

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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. DURING FY 2012, THE HEART CENTER'S PROGRAMS SERVED OVER 3,280 RESIDENTS FROM THE GREATER WATERBURY AREA.

FAMILY BIRTHING CENTER - PROVIDING A CHILD-CENTERED FOCUS, WATERBURY HOSPITAL'S FAMILY BIRTHING CENTER OFFERS EXPECTANT PARENTS A VARIETY OF CLASSES TO PREPARE THEM FOR THEIR BABY'S ARRIVAL. BETWEEN BREAST FEEDING, CHILDBIRTH, AND INFANT CARE CLASSES, OUR FAMILY BIRTHING CENTER PROVIDED VITAL INSTRUCTION TO OVER 120 PARENTS LAST YEAR.

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 2012, OVER 400 AREA RESIDENTS ATTENDED THE EVENT.

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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.

YALE PRIMARY CARE RESEARCH DAY - THROUGH COLLABORATION WITH ST. MARY'S HOSPITAL IN WATERBURY, CT, WATERBURY HOSPITAL HOSTED ITS ANNUAL YALE PRIMARY CARE RESEARCH DAY. DURING THE DAY, PHYSICIANS AND MEDICAL STUDENTS PRESENT RESEARCH PROJECTS TO THE PHYSICIAN COMMUNITY. HIGH SCHOOL STUDENTS ARE ALSO ENCOURAGED TO PARTICIPATE IN THE ACTIVITIES.

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, ALL WITH EXPERTISE IN THE MANAGEMENT OF PATIENTS WITH HIV/AIDS. IN FY 2012, WHIC SERVED AROUND 500 PEOPLE LIVING WITH HIV/AIDS (PLWHA).

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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. 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;

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- 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 2012, 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. 215 RESIDENTS PARTICIPATED IN THE EVENT.

FOR THE PAST 12 YEARS, THE WHIC HAS PARTNERED WITH YALE UNIVERSITY'S PROJECT TRANSITIONS, A PROGRAM THAT INTEGRATES SUBSTANCE ABUSE TREATMENT AND CONTINGENCY MANAGEMENT INTO A COMPREHENSIVE JAIL RELEASE PROGRAM FOR PLWHA. THROUGH THIS PARTNERSHIP, YALE FUNDED A SUBSTANCE ABUSE COUNSELOR AND MEDICAL CASE MANAGER, BOTH OF WHOM ARE SPANISH SPEAKING AND LOCATED ON-SITE AT THE WHIC. THIS PROGRAM CONCLUDED IN AUGUST 2012.

IN SEPTEMBER 2012, IN PARTNERSHIP WITH YALE UNIVERSITY, WATERBURY HOSPITAL BEGAN A CLINICAL TRIAL ENTITLED, "PROJECT NEW HOPE," TO TEST WHETHER EXTENDED-RELEASE NALTREXONE IS A VIABLE OPTION FOR IMPROVING

Part VI Supplemental Information

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.

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 TWO PEER ADVOCATES PARTICIPATED IN THE WATERBURY PARENT LEADERSHIP TRAINING INSTITUTE, COMPLETING COMMUNITY PROJECTS ON "BAN

Part VI Supplemental Information

THE BOX" - TO RAISE AWARENESS TO THE NEEDS OF EX-FELONS WHO HAVE BEEN REHABILITATED AND GIVEN APPROPRIATE RESTITUTION TO SOCIETY, TO BE ABLE TO REGAIN MEANINGFUL EMPLOYMENT IN ORDER TO SUSTAIN THEMSELVES AND LIVE PRODUCTIVE LIVES; AND "MARKETING THE WATERBURY HOSPITAL PHOTOGRAPHY GROUP," - A CAMPAIGN TO RAISE AWARENESS AND INCREASE MEMBERSHIP OF THE WATERBURY HOSPITAL PHOTOGRAPHY GROUP, RESPECTIVELY. THE LATTER CAMPAIGN WAS SUCCESSFUL IN MORE THAN DOUBLING THE MEMBERSHIP OF THE PHOTOGRAPHY GROUP, ENLISTING PARTICIPANTS FROM THE CHASE DIABETES CLINIC AND THE EVERGREEN 50 CLUB. A THIRD PEER ADVOCATE COMPLETED THE WATERBURY PARENTS SUPPORTING EDUCATIONAL EXCELLENCE PROGRAM AND SUBSEQUENTLY APPLIED HIS LEARNING TO ESTABLISH A MUSIC APPRECIATION CLASS FOR ELEMENTARY AND MIDDLE SCHOOL-AGE STUDENTS AT GRACE BAPTIST CHURCH IN WATERBURY.

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 TO BOSTON, (3) DONATING FRAMED PHOTOGRAPHS TO THE HOSPITAL'S ANNUAL FUNDRAISING GALA, (4) PRODUCING HOLIDAY GREETING CARDS FOR THE ID CLINIC, (5) CREATING TEAM PORTRAITS AT THE HOSPITAL'S FUNDRAISING GOLF TOURNAMENT, AND (6) CONSTRUCTING PHOTOGRAPHY EXHIBITS AT THE HOSPITAL, BARNES & NOBLE BOOKSTORE, AND SILAS BRONSON LIBRARY IN WATERBURY.

Part VI Supplemental Information

PART VI, LINE 6: N/A

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

CT

**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

2011

Open to Public Inspection

Name of the organization

THE WATERBURY HOSPITAL

Employer identification number

06-0665979

Part I Questions Regarding Compensation

	Yes	No								
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input checked="" type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
<p>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>	X									
<p>2 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>	X									
<p>3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Compensation committee</td> <td><input checked="" type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input checked="" type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract	<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract									
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<p>4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c 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>	X									
	X									
		X								
<p>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</p>										
<p>5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes" to line 5a or 5b, describe in Part III.</p>	5a	X								
	5b	X								
<p>6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>	6a	X								
	6b	X								
<p>7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</p>	7	X								
<p>8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</p>	8	X								
<p>9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9									

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

Schedule J (Form 990) 2011

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		(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	(i)	248,336.	0.	0.	0.	8,843.	257,179.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 HENRY BORKOWSKI, MD	(i)	667,026.	0.	0.	19,875.	10,070.	696,971.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 STEVEN L. EISEN, MD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	306,349.	0.	0.	4,500.	2,150.	312,999.	0.
4 SANDRA IADAROLA	(i)	194,426.	0.	0.	5,845.	9,661.	209,932.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 DIANE WOOLLEY	(i)	153,280.	0.	0.	4,769.	17,164.	175,213.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 PETER PORRELLO	(i)	239,449.	0.	0.	7,276.	17,162.	263,887.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 THOMAS REINHARDT	(i)	212,003.	0.	0.	6,491.	13,109.	231,603.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 DONALD EDWARDSON	(i)	208,409.	0.	0.	6,305.	7,021.	221,735.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 KINSON LEE	(i)	200,376.	0.	0.	12,342.	11,875.	224,593.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 SREEDEVI NAMPOOTHIRI	(i)	197,322.	0.	0.	11,995.	12,918.	222,235.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 JOHN H. TOBIN	(i)	57,179.	0.	1,204,901.	3,433.	2,148.	1,267,661.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 COLLEEN SCOTT	(i)	152,011.	0.	162,609.	14,700.	19,114.	348,434.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 MARY K. MULSTON	(i)	136,821.	0.	68,400.	6,116.	2,855.	214,192.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 MARY B. PRYBYLO	(i)	118,962.	0.	133,590.	7,350.	14,322.	274,224.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 STEVEN E. SCHNEIDER	(i)	173,314.	0.	0.	10,449.	8,275.	192,038.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16	(i)							
	(ii)							

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 SERP CONTRIBUTION: \$75,000

COLLEEN SCOTT SEVERANCE PAY: \$173,003

MARY K. MULSTON SEVERANCE PAY: \$165,600

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.**

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
A	CONNECTICUT HEALTH & EDUCATIONAL FACILITIES	06-0806186	NONEAVAIL	12/22/10	25918000.	REFINANCE/RETIRE EXISTING BONDS &		X	X			X
B												
C												
D												

Part II Proceeds									
	A		B		C		D		
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	7,234,492.								
11 Other spent proceeds	17,638,304.								
12 Other unspent proceeds	641,508.								
13 Year of substantial completion	2013								
	Yes	No	Yes	No	Yes	No	Yes	No	
14 Were the bonds issued as part of a current refunding issue?		X							
15 Were the bonds issued as part of an advance refunding issue?		X							
16 Has the final allocation of proceeds been made?	X								
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X								

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X							
2 Is the bond issue a variable rate issue?	X							
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X							
b Name of provider	RBS CITIZEN'S N.A.							
c Term of hedge	10.0000000							
d Was the hedge superintergrated?		X						
e Was the hedge terminated?		X						
4a 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?								
5 Were any gross proceeds invested beyond an available temporary period?		X						
6 Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Check the box if 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 Yes No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

SEE PART VI SUPPLEMENTAL EXPLANATION SHEET

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

2011

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) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on 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, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) 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 and type 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.	WATERBURY H		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: WATERBURY HOSPITAL PAID DR. SHERTER A TOTAL OF \$75,000 FOR A CHIEF OF STAFF STIPEND.

(E) SHARING OF ORGANIZATION REVENUES? = NO

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

2011

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 2012 BY CATEGORY:

A. COMMUNITY HEALTH IMPROVEMENT SERVICES & COMMUNITY BENEFIT OPERATIONS

BENEFIT: \$12,882,762

PERSONS SERVED: 22,644

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

B. HEALTH PROFESSIONS EDUCATION

BENEFIT: \$20,197,202

PERSONS SERVED: 3,012

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

D. RESEARCH

BENEFIT: \$101,490

PERSONS SERVED: 134

- CLINICAL RESEARCH

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

- COMMUNITY HEALTH RESEARCH

E. FINANCIAL AND IN-KIND CONTRIBUTIONS

BENEFIT: \$505,414

PERSONS SERVED: 64,981

- CASH DONATIONS

- IN-KIND DONATIONS

F. COMMUNITY BUILDING ACTIVITIES

BENEFIT: \$734,482

PERSONS SERVED: 1,009

- COMMUNITY SUPPORT

- ENVIRONMENTAL IMPROVEMENTS

- LEADERSHIP DEVELOPMENT/TRAINING COMMUNITY MEMBERS/ YOUTH PIPELINE

- COALITION BUILDING

- OTHER

G. COMMUNITY BENEFIT OPERATIONS

BENEFIT: \$296,955

PERSONS SERVED: N/A

- DEDICATED STAFF

SUBTOTAL FOR COMMUNITY BENEFITS: \$34,718,305

SUBTOTAL FOR PERSONS SERVED: 91,780

TRADITIONAL CHARITY CARE COSTS

- FREE CARE: \$364,593

- BAD DEBT: \$2,468,672

Name of the organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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- UNPAID MEDICAID COSTS: \$13,685,997

- UNPAID MEDICARE COSTS: \$4,223,989

SUBTOTAL FOR CHARITY CARE COSTS BENEFIT: \$20,743,251

TOTAL BENEFIT - FY 2012: \$55,461,556

CATEGORY A: COMMUNITY HEALTH IMPROVEMENT SERVICES

TOTAL BENEFIT: \$12,882,762

TOTAL PERSONS SERVED: 22,644

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 2012, 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

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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 2012, THE WATERBURY HEALTH ACCESS PROGRAM HAD OVER 3,700 ACTIVE CLIENTS. ADDITIONALLY, WATERBURY HOSPITAL PROVIDED \$418,806 WORTH OF DONATED SERVICES TO WHAP 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

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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 2012, 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. DURING FY 2012, THE HEART CENTER'S PROGRAMS SERVED OVER 3,280 RESIDENTS FROM THE GREATER WATERBURY AREA.

FAMILY BIRTHING CENTER - PROVIDING A CHILD-CENTERED FOCUS, WATERBURY

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HOSPITAL'S FAMILY BIRTHING CENTER OFFERS EXPECTANT PARENTS A VARIETY OF CLASSES TO PREPARE THEM FOR THEIR BABY'S ARRIVAL. BETWEEN BREAST FEEDING, CHILDBIRTH, AND INFANT CARE CLASSES, OUR FAMILY BIRTHING CENTER PROVIDED VITAL INSTRUCTION TO OVER 120 PERSONS LAST YEAR.

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 2012, OVER 400 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.

YALE PRIMARY CARE RESEARCH DAY - THROUGH COLLABORATION WITH ST. MARY'S HOSPITAL IN WATERBURY, CT, WATERBURY HOSPITAL HOSTED ITS ANNUAL YALE PRIMARY CARE RESEARCH DAY. DURING THE DAY, PHYSICIANS AND MEDICAL STUDENTS PRESENT RESEARCH PROJECTS TO THE PHYSICIAN COMMUNITY. HIGH SCHOOL STUDENTS ARE ALSO ENCOURAGED TO PARTICIPATE IN THE ACTIVITIES.

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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, ALL WITH EXPERTISE IN THE MANAGEMENT OF PATIENTS WITH HIV/AIDS. IN FY 2012, 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.

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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 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 2012, 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. 215 RESIDENTS PARTICIPATED IN THE EVENT.

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FOR THE PAST 12 YEARS, THE WHIC HAS PARTNERED WITH YALE UNIVERSITY'S PROJECT TRANSITIONS, A PROGRAM THAT INTEGRATES SUBSTANCE ABUSE TREATMENT AND CONTINGENCY MANAGEMENT INTO A COMPREHENSIVE JAIL RELEASE PROGRAM FOR PLWHA. THROUGH THIS PARTNERSHIP, YALE FUNDED A SUBSTANCE ABUSE COUNSELOR AND MEDICAL CASE MANAGER, BOTH OF WHOM ARE SPANISH SPEAKING AND LOCATED ON-SITE AT THE WHIC. THIS PROGRAM CONCLUDED IN AUGUST 2012.

IN SEPTEMBER 2012, IN PARTNERSHIP WITH YALE UNIVERSITY, WATERBURY HOSPITAL BEGAN 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.

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. PATIENTS IN THE EMERGENCY DEPARTMENT NOW HAVE TO OPT OUT OF TESTING. 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 DEPARTMENT OF PUBLIC HEALTH NO LONGER 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,

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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 TWO PEER ADVOCATES PARTICIPATED IN THE WATERBURY PARENT LEADERSHIP TRAINING INSTITUTE, COMPLETING COMMUNITY PROJECTS ON "BAN THE BOX" - TO RAISE AWARENESS TO THE NEEDS OF EX-FELONS WHO HAVE BEEN REHABILITATED AND GIVEN APPROPRIATE RESTITUTION TO SOCIETY, TO BE ABLE TO REGAIN MEANINGFUL EMPLOYMENT IN ORDER TO SUSTAIN THEMSELVES AND LIVE PRODUCTIVE LIVES; AND "MARKETING THE WATERBURY HOSPITAL PHOTOGRAPHY GROUP," - A CAMPAIGN TO RAISE AWARENESS AND INCREASE MEMBERSHIP OF THE WATERBURY HOSPITAL PHOTOGRAPHY GROUP, RESPECTIVELY. THE LATTER CAMPAIGN WAS SUCCESSFUL IN MORE THAN DOUBLING THE MEMBERSHIP OF THE PHOTOGRAPHY GROUP, ENLISTING PARTICIPANTS FROM THE CHASE DIABETES CLINIC AND THE EVERGREEN 50 CLUB. A THIRD PEER ADVOCATE COMPLETED THE WATERBURY PARENTS SUPPORTING EDUCATIONAL EXCELLENCE PROGRAM AND SUBSEQUENTLY APPLIED HIS LEARNING TO ESTABLISH A MUSIC APPRECIATION CLASS FOR ELEMENTARY AND MIDDLE SCHOOL-AGE STUDENTS AT GRACE BAPTIST CHURCH IN WATERBURY.

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

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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 TO BOSTON, (3) DONATING FRAMED PHOTOGRAPHS TO THE HOSPITAL'S ANNUAL FUNDRAISING GALA, (4) PRODUCING HOLIDAY GREETING CARDS FOR THE ID CLINIC, (5) CREATING TEAM PORTRAITS AT THE HOSPITAL'S FUNDRAISING GOLF TOURNAMENT, AND (6) CONSTRUCTING PHOTOGRAPHY EXHIBITS AT THE HOSPITAL, BARNES & NOBLE BOOKSTORE, AND SILAS BRONSON LIBRARY IN WATERBURY.

CATEGORY B: HEALTH PROFESSIONS EDUCATION

TOTAL BENEFIT: \$20,197,202

TOTAL PERSONS SERVED: 3,012

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 2012, STUDENTS COMPLETED CLINICAL ROTATIONS, INTERNSHIPS, AND SHADOWING EXPERIENCES AT WATERBURY HOSPITAL.

KEY PROGRAMS:

YALE PRIMARY CARE INTERNAL MEDICINE RESIDENCY PROGRAM -

DURING 2012, OUR YALE PRIMARY CARE INTERNAL MEDICINE RESIDENT ACTIVITIES INCLUDED:

- PARTICIPATION IN RESEARCH DAYS AT YALE AND WATERBURY/ST. MARY'S

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HOSPITALS;

- ACP REGIONAL AND NATIONAL MEETINGS;
- THE ANNUAL HEALTH FAIR HELD AT THE WATERBURY YMCA;
- 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: \$101,490

TOTAL PERSON SERVED: 134

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DURING 2012, WATERBURY HOSPITAL PARTICIPATED IN SEVERAL CLINICAL TRIALS THAT BENEFITED RESIDENTS IN GREATER WATERBURY. THESE TRIALS INCLUDED: THE COMPUTED TOMOGRAPHY LASER MAMMOGRAPHY STUDY, WHICH EXAMINED PATIENTS WITH HETEROGENEOUSLY DENSE BREAST TISSUE; 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 YUKOV ULTRASOUND METHOD FOR NON-INVASIVE MALIGNANT TUMOR DETERMINATION STUDY; AND THE NEW HOPE STUDY, THAT ENROLLED OPIOID DEPENDENT, RELEASED, HIV POSITIVE PERSONS WHO WERE TRANSITIONING FROM JAIL BACK TO THE COMMUNITY.

CATEGORY E: FINANCIAL & IN-KIND CONTRIBUTIONS

TOTAL BENEFIT: \$505,414

TOTAL PERSONS SERVED: 64,981

WATERBURY HOSPITAL CONTINUES TO PROVIDE FINANCIAL AND IN-KIND CONTRIBUTIONS TO MEMBERS OF OUR COMMUNITY. FROM UNITED WAY DONATIONS FROM HOSPITAL EMPLOYEES TO PARKING VOUCHERS FOR PATIENTS, WATERBURY HOSPITAL PROVIDED \$505,414.00 WORTH OF FINANCIAL AND IN-KIND SUPPORT DURING 2012. LOCAL AGENCIES RECEIVING DONATIONS INCLUDED:

- EASTER SEALS
- HOMELESS CONNECT
- MATTATUCK MUSEUM
- PALACE THEATER
- UNITED WAY OF GREATER WATERBURY

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- VNA HEALTH AT HOME
- WATERBURY SYMPHONY ORCHESTRA
- WATERBURY REGIONAL CHAMBER

CATEGORY F: COMMUNITY BUILDING ACTIVITIES

TOTAL BENEFIT: \$734,482

TOTAL PERSONS SERVED: 1,009

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 POST-SECONDARY EDUCATION PROGRAMS IN PREPARATION FOR HEALTH CAREERS".

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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 2012, WATERBURY HOSPITAL CONTINUED TO PROVIDE 383 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 2012, 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 AT WATERBURY'S NORTH END MIDDLE SCHOOL AND WEST SIDE MIDDLE SCHOOL 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. EACH SPRING, APPROXIMATELY 100 SEVENTH GRADERS FROM WATERBURY TAKE PART IN A DAY-LONG PEACH TOUR AT WATERBURY HOSPITAL, DURING WHICH THEY VISIT AT LEAST SIX HOSPITAL DEPARTMENTS AND COMPLETE HANDS-ON LEARNING ACTIVITIES WITH HOSPITAL STAFF. ANNUALLY, WATERBURY HOSPITAL ALSO OFFERS ITS PEACH SPRING BREAK EXPLORATION CAMP, THIS YEAR 38 MIDDLE SCHOOL STUDENTS FROM WATERBURY TOOK PART IN: SHADOWING AND HANDS-ON LEARNING ACTIVITIES AT THE HOSPITAL; CPR CERTIFICATION; AND EDUCATIONAL SESSIONS AT BRIDGEPORT'S DISCOVERY MUSEUM.

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- PARENT LEADERSHIP TRAINING INSTITUTE (PLTI) - IN 2012, TWENTY FOUR INDIVIDUALS FROM GREATER WATERBURY SUCCESSFULLY COMPLETED WATERBURY'S PLTI, A 20-WEEK CURRICULUM TEACHING LEADERSHIP AND ADVOCACY SKILLS. WATERBURY HOSPITAL HAS HOSTED THE WATERBURY PLTI SINCE 2000, AND THE PROGRAM HAS TRAINED AND GRADUATED OVER 175 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 2012 INCLUDE: A "HIGH SCHOOL DRIVING EDUCATION" PROGRAM (A CITY-WIDE INITIATIVE TO INTRODUCE SAFE DRIVING TECHNIQUES IN HIGH SCHOOLS) AND "THE C.H.I.P. FORUM" (CHILDREN HAVING INVOLVED PARENTS - A SERIES OF WORKSHOPS TO UNDERLINE THE IMPORTANCE OF GIVING ENCOURAGEMENT AND SUPPORT TO OUR CHILDREN SO THEY CAN SUCCEED IN LIFE).

- PARENTS SUPPORTING EDUCATIONAL EXCELLENCE (PSEE) - IN 2012, TWENTY-ONE 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 2012, 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 AND 8 LOCAL RESTAURANTS/BUSINESSES.

Name of the organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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STUDENTS COMPLETED THE FOLLOWING MODULES:

- 21.5 HOURS OF HOMEWORK AND STUDY SKILLS SESSIONS COMPLETED (LED BY STUDENT LEADERS), 15.5 HOURS OF MATH (PRE- ALGEBRA, GEOMETRY, ALGEBRA II AND CALCULUS) REVIEW SESSIONS; 26 HOURS OF SAT WRITING AND VOCABULARY; 13.5 HOURS OF READING FAHRENHEIT 45; 14 HOURS OF PHOTOGRAPHY TO COMPILE A PHOTO BOOK; 2 HOURS OF RESUME WRITING AND JOB APPLICATION; 15 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 YALE 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 HEALTHCARE CAREER SEARCHES

- 3 HOURS OF COLLEGE ADMISSIONS PRESENTATIONS COMPLETED BY UCONN

WATERBURY & YALE ROTC

- 1 HOUR OF INDIVIDUAL ACADEMIC ADVISING

- 2 HOURS OF TEAM BUILDING ACTIVITIES

- 2 HOURS OF HEALTH TOPICS PRESENTATIONS COMPLETED, INCLUDING HIV 101 AND HEALTHCARE JEOPARDY.

SUPPORT GROUPS - DURING 2012, 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

Name of the organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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- ALCOHOLICS ANONYMOUS, SERVES OVER 4,000 PEOPLE ANNUALLY, MEETS WEEKLY THROUGHOUT THE YEAR, AND IS COORDINATED BY OUR BEHAVIORAL HEALTH 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 BOARD 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

Name of the organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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PURVIEW OF THE BOARD OF TRUSTEES. THERE IS A COMPENSATION COMMITTEE AND THEY ALWAYS USE THE SERVICES OF AN INDEPENDENT COMPENSATION CONSULTANT WHO 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 VII, SECTION A:

AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS:

DARLENE STROMSTAD - 17.00 HRS.

CARL D. CONTADINI - 0.30 HRS.

JOHN A. KELLY, JR. - 0.30 HRS.

ANDREW K. SKIPP - 0.20 HRS.

CARL B. SHERTER, MD - 0.30 HRS.

O.J. BIZZOZERO, JR., MD - 0.50 HRS.

HENRY BORKOWSKI, MD - 0.30 HRS.

RONALD D'ANDREA, MD - 0.20 HRS.

STEVEN L. EISEN, MD - 40.10 HRS.

JAMES H. GATLING, PH.D - 0.40 HRS.

FREDERICK L. LUEDKE - 0.50 HRS.

PATRICIA MCKINLEY - 0.40 HRS.

JOHN A. MICHAELS - 0.50 HRS.

DAVID J. PIZZUTO, MD - 6.00 HRS.

WILLIAM J. PIZZUTO, PH.D - 0.90 HRS.

AJ WASSERSTEIN - 0.40 HRS.

SANDRA IADAROLA - 5.30 HRS.

Name of the organization THE WATERBURY HOSPITAL	Employer identification number 06-0665979
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DIANE WOOLLEY - 5.00 HRS.

MICHAEL CEMENO - 5.00 HRS.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS:	1,483,696.
INCREASE IN FAIR VALUE OF FUNDS HELD IN TRUST BY OTHERS	4,878,924.
ALLIANCE SUBSIDY	-8,966,551.
PENSION LIABILITY ADJUSTMENT	366,769.
INTEREST RATE SWAP ADJUSTMENT	-524,547.
INCOME FROM WATERBURY GASTROENTEROLGY	-26,103.
TOTAL TO FORM 990, PART XI, LINE 5	-2,787,812.

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.

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

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

(a) Name, address, and EIN 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	-3,210,597.	2,899,338.	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	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	

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) Disproportion- ate 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	671,584.	2,895,531.		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	1,074,799.	2,638,403.		X	N/A		X	63.64%
IMAGING PARTNERS, LLC - 06-1617047, 134 GRANDVIEW AVENUE, WATERBURY, CT 06708	IMAGING SERVICES	CT	THE WATERBURY HOSPITAL	RELATED	124,099.	264,740.		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	26,103.	42,017.		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

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, 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
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Sale of assets to related organization(s)		X
g Purchase of assets from related organization(s)		X
h Exchange of assets with related organization(s)		X
i Lease of facilities, equipment, or other assets to related organization(s)	X	
j Lease of facilities, equipment, or other assets from related organization(s)	X	
k Performance of services or membership or fundraising solicitations for related organization(s)	X	
l Performance of services or membership or fundraising solicitations by related organization(s)	X	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
n Sharing of paid employees with related organization(s)		X
o Reimbursement paid to related organization(s) for expenses		X
p Reimbursement paid by related organization(s) for expenses		X
q Other transfer of cash or property to related organization(s)	X	
r 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-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ACCESS REHAB CENTERS, LLC	A	69,673.	
(2) ACCESS REHAB CENTERS, LLC	L	1,233,374.	
(3) ALLIANCE MEDICAL GROUP	A	24,288.	
(4) GREATER WATERBURY IMAGING CENTER, LLP	A	109,408.	
(5) GREATER WATERBURY IMAGING CENTER, LLP	L	1,046,900.	
(6) ALLIANCE MEDICAL GROUP	B	316,766.	

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
(7) ALLIANCE MEDICAL GROUP	Q	8,974,582.	
(8)			
(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 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

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

Multiple horizontal lines 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 THE WATERBURY HOSPITAL	Employer identification number (EIN) or <input checked="" type="checkbox"/> 06-0665979
	Number, street, and room or suite no. If a P.O. box, see instructions. 64 ROBBINS STREET	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WATERBURY, CT 06708	

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	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	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 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.

4 I request an additional 3-month extension of time until **AUGUST 15, 2013**

5 For calendar year _____, or other tax year beginning **OCT 1, 2011**, and ending **SEP 30, 2012**

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.

8a 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.	8a	\$	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 and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification must be completed for Part II only.

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

Signature Title **VP MEDICAL SERVICES** Date

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

For calendar year 2011, or fiscal year beginning OCT 1, 2011, and ending SEP 30, 2012

2011

Department of the Treasury
Internal Revenue Service

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

Name of exempt organization

Employer identification number

THE WATERBURY HOSPITAL

06-0665979

Name and title of officer

**DAVID J. PIZZUTO, MD
VP MEDICAL SERVICES**

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>253518217</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 2011 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 2011 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 2011 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.

06418706103
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 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**

THE WATERBURY HOSPITAL AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

SEPTEMBER 30, 2012 AND 2011

THE WATERBURY HOSPITAL AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Waterbury Hospital

We have audited the accompanying consolidated balance sheets of The Waterbury Hospital (the Hospital) as of September 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Waterbury Hospital as of September 30, 2012 and 2011, and the consolidated results of their operations and changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Hospital has restated its 2011 financial statements during the current year to include the inventory of certain departments that previously had been excluded and to correct the overstatement of accounts receivable. Our opinion is not modified with respect to these matters.

Marcum LLP

Hartford, CT
January 28, 2013

THE WATERBURY HOSPITAL AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2012 AND 2011

	2012	2011 (Restated)
Assets		
Current Assets		
Cash and cash equivalents	\$ 28,119,173	\$ 15,410,669
Short-term investments	448,318	401,931
Patient accounts receivable, less allowance (\$17,046,000 in 2012 and \$15,096,000 in 2011)	31,771,976	29,030,710
Grants and other receivables	2,977,504	4,228,499
Inventories of supplies	3,305,079	3,258,762
Prepaid insurance and other expenses	1,493,512	1,747,158
Due from third-party reimbursement agencies	--	2,858,086
Due from affiliates	--	3,848,949
Total Current Assets	68,115,562	60,784,764
Other Assets		
Funds held in escrow by agreement with the State of Connecticut Health and Educational Facilities Authority (CHEFA) and trustee: Construction fund	661,338	3,958,301
	661,338	3,958,301
Funds held in trust by others	42,218,163	37,339,264
Long-term investments	10,001,712	8,760,627
Board-designated endowment funds	2,974,503	2,615,009
Other receivables	290,416	3,240
Goodwill	1,813,567	1,813,567
CHEFA obligations issue expense, less amortization	321,666	360,656
	57,620,027	50,892,363
Property, plant and equipment:		
Land	287,549	287,549
Buildings and improvements	92,117,304	88,987,893
Equipment	184,952,035	180,860,538
Construction in progress (estimated additional cost to complete: 2012 - \$970,000)	2,473,015	3,023,126
	279,829,903	273,159,106
Less accumulated depreciation	(230,695,459)	(223,542,449)
	49,134,444	49,616,657
	\$ 175,531,371	\$ 165,252,085

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

THE WATERBURY HOSPITAL AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)

SEPTEMBER 30, 2012 AND 2011

	2012	2011 (Restated)
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 28,420,641	\$ 29,080,389
Salaries, wages, payroll taxes and amounts withheld from employees	8,325,174	10,097,040
Due to third-party reimbursement agencies	601,271	--
Current portion of CHEFA obligations	451,444	423,779
Current portion of notes payable	666,376	584,216
Due to affiliates	2,999,940	--
Total Current Liabilities	41,464,846	40,185,424
Other Noncurrent Liabilities	21,853,067	19,806,617
CHEFA Obligations - less current portion and discount	24,755,656	25,207,100
Notes Payable - less current portion	1,426,291	1,499,034
Net Assets		
Unrestricted	30,228,350	28,763,004
Temporarily restricted	7,645,420	6,477,454
Permanently restricted	45,010,199	40,131,275
Total Net Assets Excluding Noncontrolling Interests	82,883,969	75,371,733
Noncontrolling Interests	3,147,542	3,182,177
Total Net Assets	86,031,511	78,553,910
	\$ 175,531,371	\$ 165,252,085

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, 2012 AND 2011

	2012	2011 (Restated)
Unrestricted Revenues		
Net revenues from services to patients	\$ 269,112,543	\$ 265,862,860
Other operating revenues	5,784,691	3,690,631
Net assets released from restrictions	<u>5,609,005</u>	<u>5,919,545</u>
	<u>280,506,239</u>	<u>275,473,036</u>
Operating Expenses		
Salaries	124,608,715	134,272,520
Employee benefits	35,479,916	35,381,121
Supplies and other	98,648,364	90,852,318
Bad debts	10,964,528	13,868,167
Depreciation	9,241,684	9,313,313
Operations improvement	--	285,998
Interest and amortization	<u>1,160,533</u>	<u>1,202,403</u>
	<u>280,103,740</u>	<u>285,175,840</u>
Income (Loss) from Operations	402,499	(9,702,804)
Nonoperating Gains (Losses)		
Unreimbursed start-up costs	--	(202,579)
Unrestricted gifts and bequests	83,577	276,737
Investment income	1,607,608	1,682,054
Loss on extinguishment of debt	<u>--</u>	<u>(1,082,212)</u>
	<u>1,691,185</u>	<u>674,000</u>
Excess (Deficiency) of Revenues over Expenses Before Changes in Net Unrealized Gains (Losses) on Investments	2,093,684	(9,028,804)
Changes in Net Unrealized Gains (Losses) on Investments	<u>392,543</u>	<u>(529,738)</u>
Excess (Deficiency) of Revenues over Expenses	2,486,227	(9,558,542)
Less Excess of Revenues over Expenses Attributable to Noncontrolling Interests	<u>(997,139)</u>	<u>(1,111,268)</u>
Excess (Deficiency) of Revenues Over Expenses Attributable to Controlling Interest	<u>1,489,088</u>	<u>(10,669,810)</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, 2012 AND 2011

	2012	2011 (Restated)
Unrestricted Net Assets, Controlling Interest		
Excess (deficiency) of revenues over expenses	\$ 1,489,088	\$ (10,669,810)
Net assets released from restrictions used for purchase of property and equipment	134,036	1,207,613
Interest rate swap adjustment	(524,547)	(2,414,415)
Pension liability adjustments	366,769	(1,816,446)
Increase (Decrease) in Unrestricted Net Assets, Controlling Interest	1,465,346	(13,693,058)
Unrestricted Net Assets, Noncontrolling Interest		
Excess of revenues over expenses	997,139	1,111,268
Distributions and other	(1,031,774)	(859,144)
(Decrease) Increase in Unrestricted Net Assets, Noncontrolling Interest	(34,635)	252,124
Temporarily Restricted Net Assets		
Gifts and bequests	444,830	446,319
Income from investments	476,299	481,072
Net realized and unrealized gains (losses) on investments	1,255,981	(347,727)
Grants	4,733,897	4,709,075
Net assets released from restrictions	(5,743,041)	(7,127,158)
Increase (Decrease) in Temporarily Restricted Net Assets	1,167,966	(1,838,419)
Permanently Restricted Net Assets		
Increase (decrease) in fair value of funds held in trust by others	4,878,924	(2,221,826)
Increase (Decrease) in Permanently Restricted Net Assets	4,878,924	(2,221,826)
Increase (Decrease) in Net Assets	7,477,601	(17,501,179)
Net Assets - Beginning	78,553,910	96,055,089
Net Assets - End	\$ 86,031,511	\$ 78,553,910

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, 2012 AND 2011

	2012	2011 (Restated)
Operating Activities and Nonoperating Revenues		
Change in net assets	\$ 7,477,601	\$ (17,501,179)
Adjustments to reconcile change in net assets to net cash provided by operating activities and nonoperating revenues:		
Provision for bad debts	10,964,528	13,868,167
Depreciation and amortization	9,349,683	9,437,478
Loss on extinguishment of debt	--	1,082,212
Pension liability adjustments	(366,769)	1,816,446
Distributions to noncontrolling interests	1,031,774	859,144
Net realized and unrealized (gains) and losses and change in fair value of funds held in trust by others	(6,527,448)	3,099,291
Restricted gifts, bequests and income from investments	(921,129)	(927,391)
Change in market value of interest rate swap	524,547	2,414,415
	<u>21,532,787</u>	<u>14,148,583</u>
Changes in operating working capital other than cash and cash equivalents:		
Other assets required for current liabilities	--	582,693
Patient accounts receivable, net	(13,705,794)	(16,213,439)
Grants and other receivables	1,406,813	(738,772)
Inventories of supplies	(46,317)	(46,402)
Prepaid insurance and other expenses	253,646	(370,378)
Accounts payable and accrued expenses	(815,566)	8,354,803
Salaries, wages, payroll taxes and amounts withheld from employees	(1,771,866)	892,098
Due to third-party reimbursement agencies	3,459,357	(3,088,396)
Increase in other noncurrent liabilities	1,819,663	908,338
	<u>(9,400,064)</u>	<u>(9,719,455)</u>
Net Cash Provided by Operating Activities and Nonoperating Revenues	<u>12,132,723</u>	<u>4,429,128</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, 2012 AND 2011

	2012	2011
		(Restated)
Cash Flows from Investing Activities		
Purchases of investments	\$ (4,884,095)	\$ (5,672,215)
Sales of investments	4,885,678	6,063,449
Due from affiliates	6,848,889	1,667,541
Other assets	3,009,787	(4,409,404)
Additions to property, plant and equipment	<u>(8,759,471)</u>	<u>(15,639,575)</u>
Net Cash Provided by (Used in) Investing Activities	<u>1,100,788</u>	<u>(17,990,204)</u>
Cash Flows from Financing Activities		
Restricted gifts, bequests and income from investments	921,129	927,391
Distributions to noncontrolling interests	(1,031,774)	(859,144)
Proceeds from issuance of debt	616,571	27,373,773
Principal payments on debt obligations	<u>(1,030,933)</u>	<u>(19,877,123)</u>
Net Cash (Used in) Provided by Financing Activities	<u>(525,007)</u>	<u>7,564,897</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,708,504	(5,996,179)
Cash and Cash Equivalents - Beginning	<u>15,410,669</u>	<u>21,406,848</u>
Cash and Cash Equivalents - End	<u>\$ 28,119,173</u>	<u>\$ 15,410,669</u>

Supplemental Cash Flow Information

Cash paid during the year for interest on borrowings was \$1,319,213 and \$1,197,462 for the years ended September 30, 2012 and 2011, 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, 2012 AND 2011

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). 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 August 17, 2011, the Network executed a nonbinding letter of intent to enter into a joint venture known as Southwest Connecticut Health System, LLC, being formed by a subsidiary of LHP Hospital Group, Inc. and Saint Mary's Health System, Inc. which anticipated combining the two health systems in Waterbury, Connecticut and constructing a replacement hospital. This agreement was terminated on August 31, 2012.

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.

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 WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION

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.

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.

REGULATORY MATTERS

The Hospital is required to file annual operating information with the State of Connecticut Office of Health Care Access (OHCA).

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

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 and 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.

PROMISES TO GIVE

Unconditional promises to give 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 statements of operations and changes in net assets.

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.

ACCOUNTS RECEIVABLE

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

The amount of the allowance for uncollectible 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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

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 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 excess (deficiency) of revenues over expenses unless the income or loss is restricted by donor or law.

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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

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. Application of these pronouncements affects the Hospital with respect to required future asbestos remediation.

Conditional asset retirement obligations of \$2,785,468 and \$2,716,459 as of September 30, 2012 and 2011, respectively, are recorded in other noncurrent liabilities. During 2012 and 2011, 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.

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 2012 and 2011.

NONOPERATING GAINS (LOSSES)

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating gains (losses) 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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

Start up costs of \$202,579 related to investments in medical practices are included with other nonoperating expenses in the consolidated statements of operations and changes in net assets for the year ended September 30, 2011, as these costs did not meet the criteria for capitalization and were considered nonoperating due to the fact that the expenses related to investing activities rather than providing health care services.

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES

The statements of operations and changes in net assets include the excess (deficiency) of revenues over expenses as the performance indicator. Changes in unrestricted net assets which are excluded from the excess (deficiency) 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.

Operations improvement expenses represent consulting and other costs incurred by the Hospital in 2011 to improve the revenue cycle, increase cash flows, and improve the Hospital's overall financial performance. These costs did not recur in 2012.

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, 2012, 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 2009.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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 \$400,000 per claim. The Hospital maintains a letter of credit with a bank in support of its self-insured workers' compensation program. This letter of credit limit was \$3.5 million at September 30, 2012 and 2011. Management records its best estimate of losses as they occur. The accrued workers' compensation self-insurance liabilities of \$9,871,633 and \$7,763,172 at September 30, 2012 and 2011, 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 \$2,104,554 and \$2,174,777 at September 30, 2012 and 2011, 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, 2012 and 2011.

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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

RETIREMENT BENEFIT PLANS

The Hospital maintains a defined benefit pension plan for eligible individuals. Reference is made to Note 9.

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, 2012 financial statements, in addition to the funded status of its defined benefit pension plan.

NEW ACCOUNTING PRONOUNCEMENTS

PRESENTATION OF INSURANCE CLAIMS AND RELATED INSURANCE RECOVERIES

Effective October 1, 2011 and retrospectively for all periods presented, the Hospital adopted the provisions of ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which further clarifies that health care entities should not net insurance recoveries against the related claim liabilities. In connection with the Hospital's adoption of ASU 2010-24, the Hospital recorded increases of \$1,761,666 to grants and other receivables and accounts payable and accrued expenses in the accompanying consolidated balance sheet as of September 30, 2011. The increase as of September 30, 2011 represents the Hospital's workers' compensation claims covered by insurance for losses in excess of the deductible under the Hospital's insurance policy.

The adoption of ASU 2010-24 had no impact on net assets or the excess (deficiency) of revenues over expenses.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

MEASURING CHARITY CARE FOR DISCLOSURE

Self-pay revenues are derived primarily from patients who do not have any form of health care coverage. The revenues associated with self-pay patients are generally reported at the Hospital's gross charges. 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, 2012 and 2011, the Hospital estimates that its costs of care provided under its charity care programs approximated \$369,888 and \$806,987, respectively.

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 uncollectible accounts as it is the Hospital's policy not to pursue collection of amounts related to these patients.

Previously, the Hospital reported its estimates of services provided under its charity care program based on gross charges. In connection with the Hospital's adoption of ASU 2010-23, *Measuring Charity Care for Disclosure*, amounts previously reported for care provided under its charity care programs have been restated to reflect the Hospital's estimates of its direct and indirect costs of providing these services. This change had no impact on the Hospital's results of operations.

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 health care entities to present the bad debt expense 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 will be adopted during the fiscal year ending September 30, 2013. The Hospital is evaluating the effect of the pronouncement on its financial statements.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

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 incentive payments after it adopted certified EHR technology. Incentive payments totaling \$3,392,498 for the year ended September 30, 2012, 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.

PRIOR PERIOD ADJUSTMENTS

During 2012, the Hospital determined that inventory of certain departments, previously believed to be immaterial, should be recorded. In order for the financial statements to be comparative, the Hospital recorded a \$2,400,000 increase to the inventory balance previously recorded in the September 30, 2011 balance sheet.

During 2012, the Hospital also determined that patient accounts receivable was overstated by \$5,160,000 as of September 30, 2010 and bad debt expense was understated by \$2,210,000 for the year ended September 30, 2011, primarily resulting from patient accounts receivable balances due from workers' compensation insurance companies and self-pay patients.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

Corrections of these errors have been reflected in the accompanying consolidated financial statements as follows:

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets Excluding Noncontrolling Interests
Previously reported net assets excluding noncontrolling interests at September 30, 2010	\$ 45,216,062	\$ 8,315,873	\$ 42,353,101	\$ 95,885,036
Adjustment to decrease accounts receivable	(5,160,000)	--	--	(5,160,000)
Adjustment to increase inventory	<u>2,400,000</u>	<u>--</u>	<u>--</u>	<u>2,400,000</u>
Restated net assets excluding noncontrolling interests at September 30, 2010	<u>42,456,062</u>	<u>8,315,873</u>	<u>42,353,101</u>	<u>93,125,036</u>
Previously reported decrease in net assets, controlling interest, for the year ended September 30, 2011	(11,483,058)	(1,838,419)	(2,221,826)	(15,543,303)
Adjustment to increase 2011 bad debt expense	<u>(2,210,000)</u>	<u>--</u>	<u>--</u>	<u>(2,210,000)</u>
Restated decrease in net assets, controlling interest, for the year ended September 30, 2011	<u>(13,693,058)</u>	<u>(1,838,419)</u>	<u>(2,221,826)</u>	<u>(17,753,303)</u>
Restated net assets excluding noncontrolling interests at September 30, 2011	<u>\$ 28,763,004</u>	<u>\$ 6,477,454</u>	<u>\$ 40,131,275</u>	<u>\$ 75,371,733</u>

The following summarizes the effect of the error corrections on the September 30, 2011 consolidated balance sheet:

	Previously Reported	Restated
Patient accounts receivable, net of allowance	\$ 36,400,710	\$ 29,030,710
Inventories of supplies	858,762	3,258,762

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 2 – REVENUES FROM SERVICES TO PATIENTS AND CHARITY CARE

The following table summarizes net revenues from services to patients:

	2012	2011
Gross revenues from services to patients	<u>\$ 966,591,489</u>	<u>\$ 897,402,505</u>
Deductions (additions)		
Allowances	698,910,302	634,142,056
Regulatory	<u>(1,431,356)</u>	<u>(2,602,411)</u>
	<u>697,478,946</u>	<u>631,539,645</u>
Net revenues from services to patients	<u>\$ 269,112,543</u>	<u>\$ 265,862,860</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 the State of Connecticut Disproportionate Share program in 2012 and 2011 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, 2012 and 2011, the Hospital recorded approximately \$2,066,000 and \$3,900,000, respectively, as an 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 2012 and 2011, approximately 43% and 45%, respectively, of net revenue from services to patients was received under the Medicare program, 11% and 14%, respectively, under the state Medicaid program, and 41% and 35%, respectively, from contracts with other third-parties.

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 fiscal year 2013. Based on estimates provided by the State, these reductions will reduce net patient service revenue by approximately \$1,300,000 during the year ending September 30, 2013.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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

The significant concentrations of net accounts receivable for services to patients include 47% from Medicare, 13% from Medicaid, 25% from commercial insurance carriers and 15% from others at September 30, 2012 (42%, 16%, 27% and 15%, respectively, in 2011).

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 2006 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.

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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Escrow funds for long-term debt:				
Cash and money market funds	\$ 661,338	\$ 661,338	\$ 3,958,301	\$ 3,958,301
	<u>\$ 661,338</u>	<u>\$ 661,338</u>	<u>\$ 3,958,301</u>	<u>\$ 3,958,301</u>
Investments of funds held in trust by others	<u>\$ 35,730,956</u>	<u>\$ 42,218,163</u>	<u>\$ 35,350,210</u>	<u>\$ 37,339,264</u>
Long-term investments and Board-designated funds:				
Certificates of deposit and money market funds	\$ 854,843	\$ 854,843	\$ 679,841	\$ 679,841
Marketable equity securities	73,305	116,299	23,464	72,852
U.S. Government obligations	108,451	169,163	108,451	168,683
Corporate bonds	3,386,725	3,548,495	3,217,875	3,147,411
Mutual funds	<u>7,626,076</u>	<u>7,904,439</u>	<u>7,968,107</u>	<u>6,984,013</u>
	<u>\$ 12,049,400</u>	<u>\$ 12,593,239</u>	<u>\$ 11,997,738</u>	<u>\$ 11,052,800</u>

The Hospital had long-term investments in partnerships and joint ventures that were recorded at cost of \$382,976 and \$322,836 as of September 30, 2012 and 2011, respectively, as it was not practicable to estimate fair value.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 3 – INVESTMENTS (CONTINUED)

Unrestricted investment income, including income on funds held in trust by others, and gains and (losses) are comprised of the following for the years ended September 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Income		
Investment income	\$ 1,607,608	\$ 1,682,054
Changes in net unrealized gains (losses) on investments	<u>392,543</u>	<u>(529,738)</u>
	<u>\$ 2,000,151</u>	<u>\$ 1,152,316</u>

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, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Interest charged to operations	<u>\$ 929,633</u>	<u>\$ 945,210</u>
Investment income credited to other operating revenues	<u>\$ 233</u>	<u>\$ 26,989</u>

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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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, 2012, for all assets and liabilities which are measured at fair value on a recurring basis in the financial statements:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 31,686,030	\$ --	\$ --	\$ 31,686,030
Common stock-Insurance	64,739	--	--	64,739
Mutual funds:				
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
Fixed income securities:				
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
Total investments at fair value	<u>\$ 69,132,481</u>	<u>\$ 14,907,750</u>	<u>\$ --</u>	<u>\$ 84,040,231</u>
Liabilities:				
Interest rate swap	<u>\$ --</u>	<u>\$ 2,938,962</u>	<u>\$ --</u>	<u>\$ 2,938,962</u>

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes fair value measurements, by level, at September 30, 2011, for all assets and liabilities which are measured at fair value on a recurring basis in the financial statements:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 21,581,247	\$ --	\$ --	\$ 21,581,247
Common stock-Insurance	72,852	--	--	72,852
Mutual funds:				
U.S. large cap	18,394,401	--	--	18,394,401
U.S. mid cap	2,815,051	--	--	2,815,051
U.S. small cap	1,771,662	--	--	1,771,662
International developed	3,671,285	--	--	3,671,285
Emerging markets	1,841,832	--	--	1,841,832
Bonds	451,851	--	--	451,851
Fixed income securities:				
Investment grade taxable	2,720,140	10,381,908	--	13,102,048
International developed bonds	5,829	638,299	--	644,128
Global high yield taxable	237,905	1,794,477	--	2,032,382
U.S. Government obligations	168,683	--	--	168,683
Mortgage backed securities	--	863,883	--	863,883
Real estate investment trusts	598,921	137,515	--	736,436
Other	15,224	--	--	15,224
Total investments at fair value	<u>\$ 54,346,883</u>	<u>\$ 13,816,082</u>	<u>\$ --</u>	<u>\$ 68,162,965</u>
Liabilities:				
Interest rate swap	<u>\$ --</u>	<u>\$ 2,414,415</u>	<u>\$ --</u>	<u>\$ 2,414,415</u>

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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, 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>--</u>	<u>--</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>

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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>

ENDOWMENT NET ASSET COMPOSITION BY TYPE OF FUND AS OF SEPTEMBER 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ --	\$ 5,696,591	\$ 40,131,275	\$ 45,827,866
Board-designated endowment funds	<u>2,615,009</u>	<u>--</u>	<u>--</u>	<u>2,615,009</u>
	<u>\$ 2,615,009</u>	<u>\$ 5,696,591</u>	<u>\$ 40,131,275</u>	<u>\$ 48,442,875</u>

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 5 – RESTRICTED ENDOWMENTS (CONTINUED)

CHANGES IN ENDOWMENT NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning balance	\$ 2,787,502	\$ 6,317,021	\$ 42,353,101	\$ 51,457,624
Investment return				
Investment income (loss)	70,866	(175,906)	--	(105,040)
Net depreciation (realized and unrealized)	<u>(119,892)</u>	<u>(338,055)</u>	<u>(2,221,826)</u>	<u>(2,679,773)</u>
Total investment return	(49,026)	(513,961)	(2,221,826)	(2,784,813)
Appropriation of endowment assets for expenditure	<u>(123,467)</u>	<u>(106,469)</u>	--	<u>(229,936)</u>
Endowment net assets, ending balance	<u>\$ 2,615,009</u>	<u>\$ 5,696,591</u>	<u>\$ 40,131,275</u>	<u>\$ 48,442,875</u>

NOTE 6 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at September 30, 2012 and 2011, 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, 2012 and 2011 of \$42,218,163 and \$37,339,264, respectively. Income of \$1,759,075 and \$1,742,185 earned on these assets for the years ended September 30, 2012 and 2011, respectively, is included in investment income.

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

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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

During 2011, 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 \$4,733,897, \$625,195, and \$249,913, respectively in 2012 and \$4,709,075, \$695,241, and \$515,229, respectively in 2011. In addition, \$134,036 and \$1,207,613 were released for the purchase of property and equipment in 2012 and 2011, respectively.

NOTE 7 - DEBT

SERIES C AND D BOND FINANCING

On December 1, 1999, the Hospital entered into Series C financing arrangements with CHEFA under a Master Indenture for the financing of, among other things, renovations, equipment purchases or replacements, and the defeasance of the Series B Bonds. To finance the above, CHEFA sold \$27,140,000 of Series C revenue bonds with interest at a net average annual rate of approximately 5.48%.

Under the terms of the financing arrangements between the Hospital and CHEFA, the proceeds of the revenue bonds were loaned to the Hospital. Pursuant to the loan agreement, the Hospital was obligated to provide amounts which will be sufficient to enable CHEFA to pay the principal of and interest on the proceeds of the Series C Bonds.

Concurrently with the issuance and delivery of the Series C Bonds, the Hospital and U.S. Bank NA, as Trustee, entered into the Master Indenture and Supplemental Master Indenture Number 1 pursuant to which the Hospital was obligated to pay the amount due under the loan agreement with CHEFA. The Master Indenture and Supplemental Master Indenture provided for, among other things, the establishment and maintenance of a Debt Service Reserve Fund and a pledge of the gross receipts, as defined, of the Hospital, restriction on the incurrence of certain indebtedness of the Hospital and provided for covenants regarding the Hospital's debt service coverage ratios, minimum levels of cash on hand, the ratio of long term debt to total capitalization, sale and lease of assets and other covenants similar in financings of this type.

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 (2.19% at September 30, 2012). 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 WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 7 – DEBT (CONTINUED)

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, 2012 and 2011, the notional value of outstanding interest rate swap was \$25,207,100 and \$25,630,879, 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, 2012 and 2011, the fair value of interest rate swap was in a liability position of \$2,938,962 and \$2,414,415, respectively.

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, 2012:

2013	\$	451,444
2014		472,136
2015		493,776
2016		516,408
2017		540,080
Aggregate thereafter		<u>22,733,256</u>
	\$	<u>25,207,100</u>

Access has a \$250,000 line of credit with a bank. There were no borrowings under this line of credit at September 30, 2012 and 2011.

The Hospital had a \$3.5 million letter of credit with a bank available at September 30, 2012 and September 30, 2011 to support its self-insured workers' compensation program that is collateralized by certain investments held by the bank. As of September 30, 2012 and 2011, there were no borrowings on this letter of credit.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 7 – DEBT (CONTINUED)

Imaging Partners, LLC entered into a master equipment lease during 2006. The lease calls for unequal periodic payments through October 2011 and is secured by the equipment. The balance of the capital lease liability was \$0 at September 30, 2012 and \$20,318 at September 30, 2011.

AMG has a capital lease for equipment that calls for monthly payments of \$1,485 through April 2013 and is secured by the equipment. The balance of the capital lease liability was \$10,054 at September 30, 2012 and \$25,987 at September 30, 2011.

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 \$9,037 at September 30, 2012 and \$14,365 at September 30, 2011.

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 \$9,445 at September 30, 2012 and \$12,724 at September 30, 2011.

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 \$13,095 at September 30, 2012 and \$17,140 at September 30, 2011.

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 \$835,685 at September 30, 2012 and \$1,048,436 at September 30, 2011.

The Hospital entered into a capital lease for equipment during 2011. The lease calls for equal monthly payments of \$14,031 through July 2013 and is secured by the equipment. The balance of the capital lease liability was \$137,403 at September 30, 2012 and \$295,505 at September 30, 2011.

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 \$307,277 at September 30, 2012 and \$427,917 at September 30, 2011.

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 \$177,038 at September 30, 2012 and \$220,858 at September 30, 2011.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 7 – DEBT (CONTINUED)

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 \$593,633 at September 30, 2012.

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, 2012:

2013	\$	666,376
2014		633,406
2015		395,685
2016		273,670
2017		<u>123,530</u>
	\$	<u>2,092,667</u>

The fair value of the debt, using the discounted cash flow analyses, was approximately \$29,240,000 at September 30, 2012 and \$27,700,000 at September 30, 2011.

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, 2012 and 2011 was \$4,586,155 and \$4,199,924, respectively. The minimum rental commitments under all noncancellable operating leases with initial or remaining terms of more than one year are as follows:

2013	\$	4,069,370
2014		4,016,077
2015		3,302,125
2016		3,172,341
2017		2,459,221
Thereafter		<u>1,748,046</u>
	\$	<u>18,767,180</u>

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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.

Following is a summary of the Plan's funded status using the measurement dates of September 30, 2012 and 2011 and amounts recognized in the Hospital's consolidated financial statements.

	2012	2011
Change in benefit obligation		
Benefit obligation beginning of year	\$ (37,373,483)	\$ (37,725,464)
Service cost	(1,220,226)	(1,212,075)
Interest cost	(1,798,078)	(1,740,830)
Actuarial (loss) gain	(443,054)	311,362
Benefits paid	2,946,016	2,993,524
Benefit obligation, end of year	\$ (37,888,825)	\$ (37,373,483)
Change in plan assets		
Fair value of plan assets, beginning of year	\$ 26,540,513	\$ 28,672,719
Actual return on plan assets	2,716,897	79,583
Employer contributions	2,531,719	781,735
Benefits paid	(2,946,016)	(2,993,524)
Fair value of plan assets, end of year	\$ 28,843,113	\$ 26,540,513
Funded status	\$ (9,045,712)	\$ (10,832,970)
Accrued pension liability	\$ (9,045,712)	\$ (10,832,970)

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)

Components of net periodic pension cost

Service cost	\$ 1,220,226	\$ 1,212,075
Interest cost	1,798,078	1,740,830
Expected return on plan assets	(2,566,157)	(2,674,199)
Amortization of actuarial loss	623,556	431,281
Amortization of prior service cost	<u>35,527</u>	<u>35,527</u>
Net periodic pension cost	<u>\$ 1,111,230</u>	<u>\$ 745,514</u>
Accumulated benefit obligation	<u>\$ 36,832,025</u>	<u>\$ 35,847,835</u>

Included in unrestricted net assets are the following amounts that have not yet been recognized in net periodic cost:

	<u>2012</u>	<u>2011</u>
Unrecognized prior service cost	\$ (191,986)	\$ (227,513)
Unrecognized actuarial losses	<u>(15,640,839)</u>	<u>(15,972,081)</u>
Benefit obligation, end of year	<u>\$ (15,832,825)</u>	<u>\$ (16,199,594)</u>

Changes in benefit obligations recognized in unrestricted net assets include:

	<u>2012</u>	<u>2011</u>
Current year actuarial losses	\$ (292,314)	\$ (2,283,254)
Amortization of prior service cost	35,527	35,527
Amortization of net loss	<u>623,556</u>	<u>431,281</u>
	<u>\$ 366,769</u>	<u>\$ (1,816,446)</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, 2013 are \$35,527 and \$918,715, respectively.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)

ASSUMPTIONS

The weighted-average assumptions used to determine benefit obligations at September 30 are as follows:

	2012	2011
Discount rate	3.17%	5.07%
Expected return on plan assets	8.00%	8.00%
Rate of compensation increase	2% for 4 year select period, 3% ultimate	2% for 5 year select period, 3% ultimate

The weighted-average assumptions used to determine net periodic benefit cost for years ended September 30 are as follows:

	2012	2011
Discount rate	5.07%	4.83%
Expected return on plan assets	8.00%	8.00%
Rate of compensation increase	2.00% for 5 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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)

INVESTMENT POLICY

The Plan's weighted-average asset allocation at September 30, 2012 and 2011, by asset category are as follows:

Asset Category	Plan Assets at September 30		Asset Allocation Policy	
	2012	2011	Target	Range
Equity securities	44%	40%	45%	40% -50%
Debt securities	33%	36%	35%	25% -45%
Multi-strategy hedge fund of funds	20%	21%	20%	15% -25%
Cash and cash equivalents	3%	3%		

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 \$1,800,000 in contributions to the Plan in 2013.

ESTIMATED FUTURE BENEFIT PAYMENTS

The following benefit payments which reflect expected future service are expected to be paid as follows:

2013	\$ 3,139,000
2014	3,103,000
2015	2,827,000
2016	3,171,000
2017	3,046,000
2018-2022	<u>13,327,000</u>
	<u>\$ 28,613,000</u>

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)

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 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.

	Level 1	Level 2	Level 3	Total
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	47,581	--	--	47,581
	<u>\$ 6,325,388</u>	<u>\$ 3,210,511</u>	<u>\$ 19,307,214</u>	<u>\$ 28,843,113</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, 2011.

	Level 1	Level 2	Level 3	Total
Equities	\$ 1,222,719	\$ --	\$ --	\$ 1,222,719
Commingled funds and private equity	--	--	17,038,042	17,038,042
U.S. Government obligations	3,807,059	--	--	3,807,059
Corporate bonds	--	3,804,741	--	3,804,741
Distribution receivable	610,079	--	--	610,079
Interest and dividends	57,873	--	--	57,873
	<u>\$ 5,697,730</u>	<u>\$ 3,804,741</u>	<u>\$ 17,038,042</u>	<u>\$ 26,540,513</u>

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 9 – EMPLOYEE BENEFIT PLANS (CONTINUED)

The following is a reconciliation of Level 3 assets, collective investments and common trust funds, for which significant unobservable inputs were used to determine fair value:

	2012	2011
Balance as of September 30,	\$ 17,038,042	\$ 12,956,286
Change in unrealized appreciation (depreciation)	2,362,257	(1,081,776)
Purchases	7,446,351	18,117,388
Sales	<u>(7,539,436)</u>	<u>(12,953,856)</u>
Balance as of September 30,	<u>\$ 19,307,214</u>	<u>\$ 17,038,042</u>

OTHER BENEFIT PLANS

The Hospital also makes contributions for substantially all union employees to pension plans sponsored by the union. Contributions are based on a percentage of each participant's total salary. The Hospital is exploring the costs to withdraw from the union pension plans in the event that the Hospital enters into a joint venture (Refer to Note 14). Management does not have an estimate of such costs, however, the maximum cost would not exceed 20 years of the annual premium amounts.

Total pension expense charged to operations for the Plan and the union pension plans during the years ended September 30, 2012 and 2011 was \$3,876,970 and \$3,917,189, respectively.

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, 2012 and 2011, liabilities of \$152,244 and \$76,031, respectively, have been reflected in the consolidated balance sheets.

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, 2012 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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 11 – CONTINGENCIES

The Hospital is a party to various lawsuits incidental to its business. Management believes that the lawsuits will not have a material adverse effect on its financial position.

NOTE 12 – DUE (TO) FROM AFFILIATES

The amounts due (to) from affiliates of \$(2,999,940) and \$3,848,949 at September 30, 2012 and 2011, respectively, represent receivables from and (payables) to affiliates that do not eliminate in consolidation. These balances are comprised of the following:

	2012	2011
Greater Waterbury Health Network, Inc.	\$ (2,828,764)	\$ 4,020,125
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
	<u>\$ (2,999,940)</u>	<u>\$ 3,848,949</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:

	2012	2011
Health care services	\$ 213,787,979	\$ 208,141,309
General and administrative	66,059,047	76,707,776
Fundraising	256,714	326,755
	<u>\$ 280,103,740</u>	<u>\$ 285,175,840</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, 2012 through January 28, 2013, 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.

THE WATERBURY HOSPITAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

NOTE 14 – SUBSEQUENT EVENTS (CONTINUED)

On October 29, 2012, the Network entered into a nonbinding letter of intent with Vanguard Health Systems, Inc. (Vanguard) to form a joint venture with a subsidiary of Vanguard. This joint venture would own and operate most of the assets of the Network. The obligations of the parties to close the transaction will be subject to the negotiation of definitive agreements, the receipt of all required regulatory approvals, licenses and permissions, the lack of a material adverse change to the condition or results of operations of the Network, the solvency of the parties and other customary closing obligations.

**INDEPENDENT AUDITORS' REPORT
ON OTHER FINANCIAL INFORMATION**

Board of Trustees
The Waterbury Hospital

Our report on our audits of the basic consolidated financial statements of The Waterbury Hospital as of and for the years ended September 30, 2012 and 2011 appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The following consolidating information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Marcum LLP

Hartford, CT
January 28, 2013

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
Assets								
Current Assets								
Cash and cash equivalents	\$ 22,930,963	\$ 1,688,371	\$ 2,353,527	\$ 279,212	\$ 664,318	\$ 202,782	\$ --	\$ 28,119,173
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
Total Current Assets	56,879,473	2,445,430	4,723,407	327,940	3,439,023	946,564	(646,275)	68,115,562
Other Assets								
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	--	--	--	--	114,371	--	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
	\$ 156,554,549	\$ 4,634,628	\$ 5,142,729	\$ 360,191	\$ 6,586,211	\$ 2,899,338	\$ (646,275)	\$ 175,531,371

THE WATERBURY HOSPITAL AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET (CONTINUED)

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
Liabilities and Net Assets								
Current Liabilities								
Accounts payable and accrued expenses	\$ 26,966,152	\$ 364,278	\$ 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
Total Current Liabilities	38,104,279	364,278	670,787	59,952	1,827,830	1,083,995	(646,275)	41,464,846
Other Noncurrent Liabilities	21,417,424	--	--	--	435,643	--	--	21,853,067
CHEFA Obligations - less current portion and discount	24,755,656	--	--	--	--	--	--	24,755,656
Notes Payable - less current portion	1,105,261	--	--	--	321,030	--	--	1,426,291
Net Assets								
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
Total Net Assets Excluding Noncontrolling Interests	71,171,929	2,733,024	2,906,762	255,203	4,001,708	1,815,343	--	82,883,969
Noncontrolling Interests	--	1,537,326	1,565,180	45,036	--	--	--	3,147,542
Total Net Assets	71,171,929	4,270,350	4,471,942	300,239	4,001,708	1,815,343	--	86,031,511
	\$ 156,554,549	\$ 4,634,628	\$ 5,142,729	\$ 360,191	\$ 6,586,211	\$ 2,899,338	\$ (646,275)	\$ 175,531,371

THE WATERBURY HOSPITAL AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET

SEPTEMBER 30, 2011 (RESTATED)

	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
Assets								
Current Assets								
Cash and cash equivalents	\$ 10,101,423	\$ 2,261,550	\$ 1,381,166	\$ 150,640	\$ 1,266,286	\$ 249,604	\$ --	\$ 15,410,669
Short-term investments	--	--	401,931	--	--	--	--	401,931
Patient accounts receivable, net	23,622,121	877,050	1,699,666	134,089	2,888,957	403,439	(594,612)	29,030,710
Grants and other receivables	4,009,154	--	--	--	257,729	154,449	(192,833)	4,228,499
Inventories of supplies	3,109,790	--	--	--	148,972	--	--	3,258,762
Prepaid insurance and other expenses	1,449,521	--	56,694	4,550	115,906	120,487	--	1,747,158
Due from third-party reimbursement agencies	2,858,086	--	--	--	--	--	--	2,858,086
Due from affiliates	5,247,541	--	--	--	(1,771,409)	372,817	--	3,848,949
Total Current Assets	50,397,636	3,138,600	3,539,457	289,279	2,906,441	1,300,796	(787,445)	60,784,764
Funds held in escrow by agreement with the State of Connecticut Health and Educational Facilities Authority (CHEFA) and trustee:								
Construction fund	3,958,301	--	--	--	--	--	--	3,958,301
Funds held in trust by others	37,339,264	--	--	--	--	--	--	37,339,264
Long-term investments	8,719,340	41,287	--	--	--	--	--	8,760,627
Board-designated endowment funds	2,615,009	--	--	--	--	--	--	2,615,009
Other receivables	3,240	--	--	--	--	--	--	3,240
Goodwill	200,500	--	--	--	--	1,613,067	--	1,813,567
CHEFA obligations issue expense, less amortization	360,656	--	--	--	--	--	--	360,656
	49,238,009	41,287	--	--	--	1,613,067	--	50,892,363
Property, plant and equipment:								
Land	287,549	--	--	--	--	--	--	287,549
Buildings and improvements	84,975,468	939,114	451,590	--	2,621,721	--	--	88,987,893
Equipment	168,608,541	8,318,347	676,462	1,134,076	1,793,693	329,419	--	180,860,538
Construction in progress	2,883,755	--	--	--	25,000	114,371	--	3,023,126
Accumulated depreciation	(214,304,472)	(6,691,757)	(638,404)	(1,088,107)	(783,562)	(36,147)	--	(223,542,449)
	42,450,841	2,565,704	489,648	45,969	3,656,852	407,643	--	49,616,657
	\$ 146,044,787	\$ 5,745,591	\$ 4,029,105	\$ 335,248	\$ 6,563,293	\$ 3,321,506	\$ (787,445)	\$ 165,252,085

THE WATERBURY HOSPITAL AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2011 (RESTATED)

	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
Liabilities and Net Assets								
Current Liabilities								
Accounts payable and accrued expenses	\$ 28,442,732	\$ 350,041	\$ 462,510	\$ 92,375	\$ 460,438	\$ 59,738	\$ (787,445)	\$ 29,080,389
Salaries, wages, payroll taxes and amounts withheld from employees	7,272,613	--	119,751	--	1,258,251	1,446,425	--	10,097,040
Current portion of CHEFA obligations	423,779	--	--	--	--	--	--	423,779
Current portion of notes payable	370,853	--	--	20,318	193,045	--	--	584,216
Total Current Liabilities	<u>36,509,977</u>	<u>350,041</u>	<u>582,261</u>	<u>112,693</u>	<u>1,911,734</u>	<u>1,506,163</u>	<u>(787,445)</u>	<u>40,185,424</u>
Other Noncurrent Liabilities	<u>19,365,945</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>440,672</u>	<u>--</u>	<u>--</u>	<u>19,806,617</u>
CHEFA Obligations - less current portion and discount	<u>25,207,100</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,207,100</u>
Notes Payable - less current portion	<u>973,089</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>525,945</u>	<u>--</u>	<u>--</u>	<u>1,499,034</u>
Net Assets								
Unrestricted	17,379,947	3,453,152	2,240,448	189,172	3,684,942	1,815,343	--	28,763,004
Temporarily restricted	6,477,454	--	--	--	--	--	--	6,477,454
Permanently restricted	40,131,275	--	--	--	--	--	--	40,131,275
Total Net Assets Excluding Noncontrolling Interests	<u>63,988,676</u>	<u>3,453,152</u>	<u>2,240,448</u>	<u>189,172</u>	<u>3,684,942</u>	<u>1,815,343</u>	<u>--</u>	<u>75,371,733</u>
Noncontrolling Interests	<u>--</u>	<u>1,942,398</u>	<u>1,206,396</u>	<u>33,383</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,182,177</u>
Total Net Assets	<u>63,988,676</u>	<u>5,395,550</u>	<u>3,446,844</u>	<u>222,555</u>	<u>3,684,942</u>	<u>1,815,343</u>	<u>--</u>	<u>78,553,910</u>
	<u>\$ 146,044,787</u>	<u>\$ 5,745,591</u>	<u>\$ 4,029,105</u>	<u>\$ 335,248</u>	<u>\$ 6,563,293</u>	<u>\$ 3,321,506</u>	<u>\$ (787,445)</u>	<u>\$ 165,252,085</u>

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
Unrestricted Revenues								
Net revenues from services to patients	\$ 230,780,700	\$ 4,933,735	\$ 10,281,358	\$ 549,908	\$ 19,513,656	\$ 6,556,710	\$ (3,503,524)	\$ 269,112,543
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
	<u>241,442,889</u>	<u>4,933,735</u>	<u>10,282,612</u>	<u>555,105</u>	<u>24,090,264</u>	<u>8,135,915</u>	<u>(8,934,281)</u>	<u>280,506,239</u>
Operating Expenses								
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
Bad debts	10,435,502	(16,456)	164,721	--	135,111	245,650	--	10,964,528
Depreciation	8,028,339	370,254	97,257	13,718	658,328	73,788	--	9,241,684
Interest and amortization	1,101,603	--	--	148	58,782	--	--	1,160,533
	<u>231,658,975</u>	<u>3,192,897</u>	<u>9,305,401</u>	<u>477,421</u>	<u>33,056,815</u>	<u>11,346,512</u>	<u>(8,934,281)</u>	<u>280,103,740</u>
Income (Loss) from Operations	<u>9,783,914</u>	<u>1,740,838</u>	<u>977,211</u>	<u>77,684</u>	<u>(8,966,551)</u>	<u>(3,210,597)</u>	<u>--</u>	<u>402,499</u>
Nonoperating Gains (Losses)								
Unrestricted gifts and bequests	83,577	--	--	--	--	--	--	83,577
Investment income	1,594,603	--	13,005	--	--	--	--	1,607,608
	<u>1,678,180</u>	<u>--</u>	<u>13,005</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,691,185</u>
Excess (Deficiency) of Revenues Over Expenses Before Changes in								
Net Unrealized Gains on Investments	11,462,094	1,740,838	990,216	77,684	(8,966,551)	(3,210,597)	--	2,093,684
Changes in Net Unrealized Gains on Investments	<u>357,661</u>	<u>--</u>	<u>34,882</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>392,543</u>
Excess (Deficiency) of Revenues Over Expenses	<u>11,819,755</u>	<u>1,740,838</u>	<u>1,025,098</u>	<u>77,684</u>	<u>(8,966,551)</u>	<u>(3,210,597)</u>	<u>--</u>	<u>2,486,227</u>
Less Excess of Revenue over Expenses Attributable to Noncontrolling Interests	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(997,139)</u>	<u>(997,139)</u>
Excess (Deficiency) of Revenues Over Expenses	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(997,139)</u>	<u>(997,139)</u>
Attributable to Controlling Interest	<u>\$ 11,819,755</u>	<u>\$ 1,740,838</u>	<u>\$ 1,025,098</u>	<u>\$ 77,684</u>	<u>\$ (8,966,551)</u>	<u>\$ (3,210,597)</u>	<u>\$ (997,139)</u>	<u>\$ 1,489,088</u>

THE WATERBURY HOSPITAL AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (RESTATED)

	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
Unrestricted Revenues								
Net revenues from services to patients	\$ 227,759,506	\$ 5,372,114	\$ 9,841,590	\$ 617,265	\$ 20,731,882	\$ 4,009,213	\$ (2,468,710)	\$ 265,862,860
Other operating revenues	2,698,433	3,145	1,536	25,231	4,603,080	944,669	(4,585,463)	3,690,631
Net assets released from restrictions	5,919,545	--	--	--	--	--	--	5,919,545
	<u>236,377,484</u>	<u>5,375,259</u>	<u>9,843,126</u>	<u>642,496</u>	<u>25,334,962</u>	<u>4,953,882</u>	<u>(7,054,173)</u>	<u>275,473,036</u>
Operating Expenses								
Salaries	99,160,311	660,064	5,416,451	--	23,808,078	5,227,616	--	134,272,520
Employee benefits	30,355,478	110,377	1,136,223	--	3,122,358	656,685	--	35,381,121
Supplies and other	85,881,091	1,984,823	2,198,699	406,796	6,617,697	817,385	(7,054,173)	90,852,318
Bad debts	13,122,386	(28,740)	132,860	--	435,004	206,657	--	13,868,167
Depreciation	7,993,796	442,510	103,212	129,283	607,768	36,744	--	9,313,313
Operations improvement	285,998	--	--	--	--	--	--	285,998
Interest and amortization	1,113,937	--	--	12,949	75,517	--	--	1,202,403
	<u>237,912,997</u>	<u>3,169,034</u>	<u>8,987,445</u>	<u>549,028</u>	<u>34,666,422</u>	<u>6,945,087</u>	<u>(7,054,173)</u>	<u>285,175,840</u>
Income (Loss) from Operations	<u>(1,535,513)</u>	<u>2,206,225</u>	<u>855,681</u>	<u>93,468</u>	<u>(9,331,460)</u>	<u>(1,991,205)</u>	<u>--</u>	<u>(9,702,804)</u>
Nonoperating Gains (Losses)								
Unreimbursed start-up costs	(202,579)	--	--	--	--	--	--	(202,579)
Unrestricted gifts and bequests	276,737	--	--	--	--	--	--	276,737
Investment income	1,670,892	--	11,162	--	--	--	--	1,682,054
Loss on extinguishment of debt	(1,082,212)	--	--	--	--	--	--	(1,082,212)
	<u>662,838</u>	<u>--</u>	<u>11,162</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>674,000</u>
Excess (Deficiency) of Revenues Over Expenses Before Changes in								
Net Unrealized Losses on Investments	(872,675)	2,206,225	866,843	93,468	(9,331,460)	(1,991,205)	--	(9,028,804)
Changes in Net Unrealized Losses on Investments	<u>(528,630)</u>	<u>--</u>	<u>(1,108)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(529,738)</u>
Excess (Deficiency) of Revenues Over Expenses	<u>(1,401,305)</u>	<u>2,206,225</u>	<u>865,735</u>	<u>93,468</u>	<u>(9,331,460)</u>	<u>(1,991,205)</u>	<u>--</u>	<u>(9,558,542)</u>
Less Excess of Revenue over Expenses Attributable to Noncontrolling Interests	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,111,268)</u>	<u>(1,111,268)</u>
Excess (Deficiency) of Revenues Over Expenses								
Attributable to Controlling Interest	<u>\$ (1,401,305)</u>	<u>\$ 2,206,225</u>	<u>\$ 865,735</u>	<u>\$ 93,468</u>	<u>\$ (9,331,460)</u>	<u>\$ (1,991,205)</u>	<u>\$ (1,111,268)</u>	<u>\$ (10,669,810)</u>

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011 or other tax year beginning **OCT 1, 2011**, and ending **SEP 30, 2012**

Open to Public Inspection for
501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed		Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) THE WATERBURY HOSPITAL	D Employer identification number (Employees' trust, see instructions.) 06-0665979
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)	Print or Type Number, street, and room or suite no. If a P.O. box, see instructions. 64 ROBBINS STREET City or town, state, and ZIP code WATERBURY, CT 06708	E Unrelated business activity codes (See instructions.) 621500 812300	
C Book value of all assets at end of year 175531371.	F Group exemption number (See instructions.) ▶ G 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**

		(A) Income	(B) Expenses	(C) Net
Part I Unrelated Trade or Business Income				
1 a Gross receipts or sales		3,277,398.		
b Less returns and allowances		2,460,146.		
2 Cost of goods sold (Schedule A, line 7)	1c	817,252.		
3 Gross profit. Subtract line 2 from line 1c	2			
4 a Capital gain net income (attach Schedule D)	3	817,252.		817,252.
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4a			
c Capital loss deduction for trusts	4b			
5 Income (loss) from partnerships and S corporations (attach statement)	4c			
6 Rent income (Schedule C)	5			
7 Unrelated debt-financed income (Schedule E)	6			
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	7			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	8			
10 Exploited exempt activity income (Schedule I)	9			
11 Advertising income (Schedule J)	10			
12 Other income (See instructions; attach schedule.)	11			
13 Total. Combine lines 3 through 12	12	817,252.		817,252.
13	13			

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.)

14 Compensation of officers, directors, and trustees (Schedule K)				
15 Salaries and wages	14			190,600.
16 Repairs and maintenance	15			
17 Bad debts	16			
18 Interest (attach schedule)	17			
19 Taxes and licenses	18			
20 Charitable contributions (See instructions for limitation rules.)	19			
21 Depreciation (attach Form 4562)	20			
22 Less depreciation claimed on Schedule A and elsewhere on return	21	4,608.		
23 Depletion	22a			4,608.
24 Contributions to deferred compensation plans	23			
25 Employee benefit programs	24			62,733.
26 Excess exempt expenses (Schedule I)	25			
27 Excess readership costs (Schedule J)	26			
28 Other deductions (attach schedule)	27			
29 Total deductions. Add lines 14 through 28	28			546,282.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	29			804,223.
31 Net operating loss deduction (limited to the amount on line 30)	30			13,029.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	31			
33 Specific deduction (Generally \$1,000, but see instructions for exceptions.)	32			13,029.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	33			1,000.
	34			12,029.

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 1,804. 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 1,804.

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 1,804. 42 Other taxes. Check if from: [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach schedule) 42 43 Total tax. Add lines 41 and 42 43 1,804. 44a Payments: A 2010 overpayment credited to 2011 44a 253. 44b 2011 estimated tax payments 44b 23,000. 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 23,253. 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached [] 46 14. 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 21,435. 49 Enter the amount of line 48 you want: Credited to 2012 estimated tax 21,435. Refunded 49 0.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2011 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 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. 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 4a b Other costs (attach schedule) 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 self-employed PTIN DOUGLAS FARRINGTON [Signature] 6/13/13 P00370668 Firm's name [] MARCUM LLP Firm's EIN [] 11-1986323 CITY PLACE II 185 ASYLUM STREET Firm's address [] 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 schedule)
(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.

(c) **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 schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	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.	0.
Total dividends-received deductions included in column 8			0.	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.

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 schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		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)						
Totals		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)						
Totals (carry to Part II, line (5))		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)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)		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)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 1

NONPATIENT LABORATORY SERVICES AND LAUNDRY SERVICES

TO FORM 990-T, PAGE 1

FORM 990-T OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
SUPPLIES	333,399.
INDIRECT COSTS	212,883.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	546,282.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 3

CORPORATION'S NAME	IDENTIFYING NO
GREATER WATERBURY HEALTH NETWORK, INC.	22-2572044

FORM 990-T

TAX COMPUTATION

STATEMENT 4

1.	TAXABLE INCOME	12,029	
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT .	12,029	
3.	LINE 1 LESS LINE 2	0	
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT .	0	
5.	LINE 3 LESS LINE 4	0	
6.	INCOME SUBJECT TO 34% TAX RATE	0	
7.	INCOME SUBJECT TO 35% TAX RATE	0	
8.	15 PERCENT OF LINE 2	1,804	
9.	25 PERCENT OF LINE 4	0	
10.	34 PERCENT OF LINE 6	0	
11.	35 PERCENT OF LINE 7	0	
12.	ADDITIONAL 5% SURTAX.	0	
13.	ADDITIONAL 3% SURTAX	0	
14.	TOTAL OF LINES 8 THROUGH 13 TO FORM 990-T, PAGE 2, LINE 35C		<u>1,804</u>

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 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. THE WATERBURY HOSPITAL	Employer identification number (EIN) or <input checked="" type="checkbox"/> 06-0665979
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. 64 ROBBINS STREET	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WATERBURY, CT 06708	

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	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	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, 2013**, 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, 2011**, and ending **SEP 30, 2012**.

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	\$	23,253.
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	\$	23,253.
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. 1-2012)

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

FORM **990-T**

2011

Name THE WATERBURY HOSPITAL	Employer identification number 06-0665979
---------------------------------------	---

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)		1	1,804.
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c Credit for federal tax paid on fuels (see instructions)	2c		
d Total. Add lines 2a through 2c		2d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty		3	1,804.
4 Enter the tax shown on the corporation's 2010 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5		4	22,532.
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	1,804.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	g	01/15/12	03/15/12	06/15/12	09/15/12
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10	451.	451.	451.	451.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	253.			23,000.
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12				
13 Add lines 11 and 12	13				23,000.
14 Add amounts on lines 16 and 17 of the preceding column	14		198.	649.	1,100.
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	253.	0.	0.	21,900.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		198.	649.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	198.	451.	451.	
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)				
20 Number of days from due date of installment on line 9 to the date shown on line 19				
21 Number of days on line 20 after 4/15/2011 and before 7/1/2011				
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 4\%}{365}$	\$	\$	\$	\$
23 Number of days on line 20 after 06/30/2011 and before 10/1/2011				
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 4\%}{365}$	\$	\$	\$	\$
25 Number of days on line 20 after 9/30/2011 and before 1/1/2012				
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 3\%}{365}$	\$	\$	\$	\$
27 Number of days on line 20 after 12/31/2011 and before 4/1/2012	SEE ATTACHED WORKSHEET			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 3\%}{366}$	\$	\$	\$	\$
29 Number of days on line 20 after 3/31/2012 and before 7/1/2012				
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{366}$	\$	\$	\$	\$
31 Number of days on line 20 after 6/30/2012 and before 10/01/2012				
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{366}$	\$	\$	\$	\$
33 Number of days on line 20 after 9/30/2012 and before 1/1/2013				
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{366}$	\$	\$	\$	\$
35 Number of days on line 20 after 12/31/2012 and before 2/16/2013				
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	\$	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	\$	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns			\$	14.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Form CT-990T

2011

Connecticut Unrelated Business Income Tax Return

Enter Income Year Beginning **▶ OCTOBER 1**, 2011, and Ending **▶ SEPTEMBER 30, 2012**

DRS Use Only	Organization name (please type or print) THE WATERBURY HOSPITAL	CT Tax Registration Number
	Audited by <input type="checkbox"/> F <input type="checkbox"/> O	Address number and street 64 ROBBINS STREET
	City or town WATERBURY, CT	State ZIP code 06708
Int.		Federal Employer ID Number (FEIN) 06-0665979

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 LAUNDRY**

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 2011 federal Form 990-T, Part II, Line 34	1 12,029 00
2. Federal net operating loss deduction from 2011 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 12,029 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 12,029 00

Computation of Tax	
1. Unrelated business taxable income from Line 6 above. If 100% Connecticut, enter also on Line 3	1 12,029 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 12,029 00
4. Operating loss carryover from Schedule B, Line 12 on page 2	4 00
5. Income subject to tax: Subtract Line 4 from Line 3	5 12,029 00
6. Tax: Multiply Line 5 by 7.5% (.075)	6 902 00

Computation of Amount Payable	
1. Tax: Include surtax if applicable. See instructions	1 902 00
2. Reserved for future use	2
3. Total Tax: Enter the amount from Line 1	3 902 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."	5 902 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 8,000 00
6c. Overpayment from prior year	6c 353 00
6. Tax Payments: Enter the total of Lines 6a, 6b, and 6c	6 8,353 00
7. Balance of tax due (overpaid): Subtract Line 6 from Line 5	7 -7,451 00
8. Add Penalty (8a) Interest (8b) CT-1120 Interest (8c)	8 00
9. Amount to be credited to 2012 estimated tax (9a) 7,451. Refunded (9b)	9 7,451 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 10 0 00

Visit the DRS website at www.ct.gov/DRS Mail 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 Keep a copy of this return for your records.	Signature of officer or fiduciary	Date	May DRS contact the preparer shown below about this return? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Title	Telephone number (203) 573-6000	
	Paid preparer's signature	Date 8/13/13	Preparer's SSN or PTIN P00370668
	Firm's name and address MARCUM LLP HARTFORD, CT 06103	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	
	1. Total	00	00	
Receipts	2. (a) Sales of tangibles	00	00	
	(b) Services	00	00	
	(c) Rentals	00	00	
	(d) Other	00	00	
	2. Total	00	00	
Wages, salaries, and other compensation	3. Total	00	00	
4. Total: Add Lines 1, 2, and 3 in Column C.				
5. Apportionment fraction: Divide Line 4 by number of factors used. Enter here; on <i>Schedule C, Line 4; and also on front page, Computation of Tax, Line 2.</i>				

Schedule B - Connecticut Apportioned Operating Loss Carryover

1. 2000 Connecticut net operating loss available for use in 2011	1.	00
2. 2001 Connecticut net operating loss available for use in 2011	2.	00
3. 2002 Connecticut net operating loss available for use in 2011	3.	00
4. 2003 Connecticut net operating loss available for use in 2011	4.	00
5. 2004 Connecticut net operating loss available for use in 2011	5.	00
6. 2005 Connecticut net operating loss available for use in 2011	6.	00
7. 2006 Connecticut net operating loss available for use in 2011	7.	00
8. 2007 Connecticut net operating loss available for use in 2011	8.	00
9. 2008 Connecticut net operating loss available for use in 2011	9.	00
10. 2009 Connecticut net operating loss available for use in 2011	10.	00
11. 2010 Connecticut net operating loss available for use in 2011	11.	00
12. Total: Add Lines 1 through 11. Enter here and on <i>Computation of Tax, Line 4.</i>	12.	00

Schedule C - Computation of Net Operating Loss Carryforward

1. Enter amount from <i>Computation of Income, Line 6</i> , if less than zero	1.	00
2. Add back specific deduction from 2011 federal Form 990-T, Part II, Line 33	2.	00
3. Subtotal: Add Line 1 and Line 2	3.	00
4. Apportionment fraction from <i>Schedule A, Line 5</i>	4.	
5. 2011 Connecticut net operating loss available for carryforward: Multiply Line 3 by Line 4	5.	00

Department of Revenue Services
 State of Connecticut
 PO Box 5014
 Hartford CT 06102-5014
 (Rev. 12/11)

Form CT-990T EXT
Application for Extension of Time to File
Unrelated Business Income Tax Return

2011

See instructions.

Enter Income Year Beginning **OCT 1**, 2011, and Ending **SEP 30**, 2012

Taxpayer (Please type or print)	Organization name THE WATERBURY HOSPITAL	CT Tax Registration Number
	Address number and street PO Box 64 ROBBINS STREET	DRS use only - - 20
	City or town State ZIP code WATERBURY, CT 06708	Federal Employer ID Number (FEIN) 06-0665979

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 2011, or until **08/15/13** for fiscal year ending **09/30/12**.

A federal extension will be requested on federal Form 8868, Application for Extension of Time to File an Exempt Organization Return, for calendar year 2011, or fiscal year beginning **OCTOBER 1**, 2011, and ending **SEPTEMBER 30, 2012**. Yes No

If No, the reason for the Connecticut extension is _____

Notification will be sent only if extension request is denied

Tentative Return

Computation	1. Tentative amount of tax due for this income year, including surtax if applicable (See instr) ...	1.	8,353	00
	2. Reserved for future use	2.		
	3. Total amount of tax due for this income year: Enter amount from Line 1	3.		00
	4a. Tax credits	4a.		00
	4b. Payments of estimated tax	4b.	8,000	00
	4c. Overpayment from prior year	4c.	353	00
	4. Total tax credit and payments: Add Lines 4a, 4b, and 4c	4.	8,353	00
	5. Balance due with this return: Subtract Line 4 from Line 3	5.	0	00

Make check payable to **Commissioner of Revenue Services**. Write the organization's Connecticut Tax Registration Number and "2011 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

www.ct.gov/DRS
 Visit the DRS
TSC
 Taxpayer Service Center (TSC) Taxpayer Service Center
 at 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 officer or fiduciary <i>[Signature]</i>	Title <i>[Title]</i>	Date 2/12/13	Telephone number (203) 573-6000
Paid preparer's signature <i>[Signature]</i>	CPA	Date 2/12/13	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

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011 or other tax year beginning **OCT 1, 2011**, and ending **SEP 30, 2012**

Open to Public Inspection for
501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed 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)	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) THE WATERBURY HOSPITAL Number, street, and room or suite no. If a P.O. box, see instructions. 64 ROBBINS STREET City or town, state, and ZIP code WATERBURY, CT 06708	D Employer identification number (Employees' trust, see instructions.) 06-0665979 E Unrelated business activity codes (See instructions.) 621500 812300
C Book value of all assets at end of year 175531371.	F Group exemption number (See instructions.) <input type="checkbox"/> G 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-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**

	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales 3,277,398.			
b Less returns and allowances 2,460,146. c Balance	817,252.		
2 Cost of goods sold (Schedule A, line 7)			
3 Gross profit. Subtract line 2 from line 1c	817,252.		817,252.
4 a Capital gain net income (attach Schedule D)			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c Capital loss deduction for trusts			
5 Income (loss) from partnerships and S corporations (attach statement)			
6 Rent income (Schedule C)			
7 Unrelated debt-financed income (Schedule E)			
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10 Exploited exempt activity income (Schedule I)			
11 Advertising income (Schedule J)			
12 Other income (See instructions; attach schedule.)			
13 Total. Combine lines 3 through 12	817,252.		817,252.

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.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	190,600.
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	
20 Charitable contributions (See instructions for limitation rules.)	20	
21 Depreciation (attach Form 4562)	21	4,608.
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	4,608.
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	62,733.
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule) SEE STATEMENT 2	28	546,282.
29 Total deductions. Add lines 14 through 28	29	804,223.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	13,029.
31 Net operating loss deduction (limited to the amount on line 30)	31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	13,029.
33 Specific deduction (Generally \$1,000, but see instructions for exceptions.)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	12,029.

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 1,804. 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 1,804.

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 1,804. 42 Other taxes. Check if from: [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach schedule) 42 43 Total tax. Add lines 41 and 42 43 1,804. 44a Payments: A 2010 overpayment credited to 2011 44a 253. 44b 2011 estimated tax payments 44b 23,000. 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 23,253. 46 Total payments. Add lines 44a through 44g 45 23,253. 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached [] 46 14. 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 21,435. 49 Enter the amount of line 48 you want: Credited to 2012 estimated tax 21,435. Refunded 49 0.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2011 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 [X] No 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. [] Yes [X] No 3 Enter the amount of tax-exempt interest received or accrued during the tax year [] \$ [] N/A

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 4a 4b Other costs (attach schedule) 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 self-employed PTIN DOUGLAS FARRINGTON [Signature] 8/15/13 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 schedule)	
(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.
(c) 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 schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	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.	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.	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 schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	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)						
Totals	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)						
Totals (carry to Part II, line (5))	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)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	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)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T

TAX COMPUTATION

STATEMENT 4

1.	TAXABLE INCOME	12,029
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT .	12,029
3.	LINE 1 LESS LINE 2	0
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT .	0
5.	LINE 3 LESS LINE 4	0
6.	INCOME SUBJECT TO 34% TAX RATE	0
7.	INCOME SUBJECT TO 35% TAX RATE	0
8.	15 PERCENT OF LINE 2	1,804
9.	25 PERCENT OF LINE 4	0
10.	34 PERCENT OF LINE 6	0
11.	35 PERCENT OF LINE 7	0
12.	ADDITIONAL 5% SURTAX.	0
13.	ADDITIONAL 3% SURTAX	0
14.	TOTAL OF LINES 8 THROUGH 13 TO FORM 990-T, PAGE 2, LINE 35C	<u>1,804</u>

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 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. THE WATERBURY HOSPITAL	Employer identification number (EIN) or <input checked="" type="checkbox"/> 06-0665979
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. 64 ROBBINS STREET	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WATERBURY, CT 06708	

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	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	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, 2013**, 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, 2011**, and ending **SEP 30, 2012**.

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	\$ 23,253.
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	\$ 23,253.
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. 1-2012)

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

FORM 990-T

2011

Name
THE WATERBURY HOSPITAL

Employer identification number
06-0665979

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)		1	1,804.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1			
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method			
2c	Credit for federal tax paid on fuels (see instructions)			
2d	Total. Add lines 2a through 2c			
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty		3	1,804.
4	Enter the tax shown on the corporation's 2010 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5		4	22,532.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	1,804.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	01/15/12	03/15/12	06/15/12	09/15/12
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	451.	451.	451.	451.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	253.			23,000.
Complete lines 12 through 18 of one column before going to the next column.				
12 Enter amount, if any, from line 18 of the preceding column				
13 Add lines 11 and 12				23,000.
14 Add amounts on lines 16 and 17 of the preceding column		198.	649.	1,100.
15 Subtract line 14 from line 13. If zero or less, enter -0-	253.	0.	0.	21,900.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-		198.	649.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	198.	451.	451.	
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)				
20 Number of days from due date of installment on line 9 to the date shown on line 19				
21 Number of days on line 20 after 4/15/2011 and before 7/1/2011				
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 4\%}{365}$	\$	\$	\$	\$
23 Number of days on line 20 after 06/30/2011 and before 10/1/2011				
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 4\%}{365}$	\$	\$	\$	\$
25 Number of days on line 20 after 9/30/2011 and before 1/1/2012				
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 3\%}{365}$	\$	\$	\$	\$
27 Number of days on line 20 after 12/31/2011 and before 4/1/2012	SEE ATTACHED WORKSHEET			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 3\%}{366}$	\$	\$	\$	\$
29 Number of days on line 20 after 3/31/2012 and before 7/1/2012				
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{366}$	\$	\$	\$	\$
31 Number of days on line 20 after 6/30/2012 and before 10/01/2012				
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{366}$	\$	\$	\$	\$
33 Number of days on line 20 after 9/30/2012 and before 1/1/2013				
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{366}$	\$	\$	\$	\$
35 Number of days on line 20 after 12/31/2012 and before 2/16/2013				
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{365}$	\$	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	\$	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns				38 \$ 14.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

